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## 19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

**Note:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3) appears at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

Signature of Program Official:  X Mike Winiarski, Director, Organizational Policy, Planning and Analysis Division, HROA	Date:
Signature of Senior Officer or Designee:  X Lillian Deitzer, Departmental Reports Management Officer	Date:

# Supporting Statement for Paperwork Reduction Act Submissions

## Local Appeals to Single-Family Mortgage Limits OMB Control Number 2502-0302

### A. JUSTIFICATION

1. The Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, H.R. 3221) permits HUD to raise the maximum mortgage amount from 95 percent to 115 percent of area median home price up to 150 percent of the GSE conforming loan limit of \$417,000, or \$625,500, effective January 1, 2009 in areas with high prevailing housing sales prices to reflect regional differences in the cost of housing. An interim increase in maximum mortgage amounts is currently in effect until December 31, 2008 which sets the mortgage limits for any given area at 125 percent of the median house price in that area, except that the FHA mortgage limit in any given area cannot exceed 175 percent of the 2008 conforming loan limit of \$417,000. For purposes of mortgage limits, "area" means a county, or a metropolitan statistical area (MSA) as established by the Office of Management and Budget, whichever results in the higher dollar amount.
2. Any interested party may submit a request for the mortgage limits to be increased in a particular area if they believe that the present limit does not accurately reflect the higher sales prices in that area. Any request for an increase must be accompanied by sufficient housing sales price data to justify higher limits. Typically, this data includes housing sales data extracted from multiple listing services (MLS) that includes all or nearly all one-family and condominium sales in the area for a specified period of time, deleting all non-arms length sales and sales involving two or more family units.

This data should be categorized as shown in the table below in a listing of all, or nearly all, of the one-family properties sold in the area for a period of time, depending on the volume of sales. HUD uses the information collected to determine whether an increase is warranted.

Sales Volume	Revised Data Period
500 or more per month	1 month
250 to 499 per month	2 months
250 or less per month	3 months

These requests are usually submitted by housing industry groups, such as homebuilders, realtors, and mortgage lenders. On few occasions individuals have been able to provide supporting documentation and received a limit increase. Most often, the housing sales price data is necessary to support a request for a higher mortgage limit that may be obtained from existing local industry sources, such as the real estate multiple listing services. The request for an increase to the mortgage limit is required to obtain benefits.

3. These requests are sent to HUD field offices for review. Email submission is acceptable and generally preferred. A field office may request hard copies occasionally for verification purposes. It is estimated that 75 percent of the requests are now sent as email attachments.
4. No similar information is available.
5. This information collection will have no significant impact on small businesses or other small entities. Generally, the requests come to HUD from housing industry groups, such as homebuilders, realtors, and mortgage lenders, and not from small entities.
6. If the collection were not conducted, areas would be limited to relying on housing sales price data acquired by HUD, which is primarily categorized by metropolitan statistical areas (MSAs). Individual non-metropolitan counties would not receive adequate increase to housing prices as warranted.

7. There are no special circumstances applicable in this information collection.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on October 23, 2008 (Vol. 73, No. 206, page 63188). No comments were received.

In April 2008, the Economic Stimulus Act was passed, which increased the limits in some areas. Under the previous Paperwork Reduction Act Submission, HUD consulted with the Mortgage Bankers Association and the National Association of Realtors; both organizations agree that the information is easily obtainable from multiple listing services and that the time burden hours are estimated correctly. Several discussions were held with the four HUD Homeownership Centers (HOC) staff that routinely process mortgage limit requests for increases to ascertain their views on matters related to mortgage limits. There are no changes to this statement.

9. There are no payments or gifts to respondents.
10. No assurances of confidentiality are provided to respondents.
11. No questions of a sensitive nature are asked of respondents.
12. Estimate of the respondent burden and cost of the collection of information:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hours Per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
Local Appeals to Mortgage Limits	4500	1	4500	7	31,000	\$30.00	\$930,000

The hourly cost is based on an estimate of the average salary of homebuilders, realtors, and mortgage lenders, of approximately \$60,000.

13. There are no additional costs to respondents or record keepers resulting from this information collection.
14. Federal government burden and cost:

Information Collection	Responses Per Annum	Burden Hour Per Response	Annual Hours	Hourly Cost	Total Annual Cost
Local Appeals to Mortgage Limits	4500	2	9000	\$30.00	\$270,000

The hourly rate is based on the annual salary of a GS-12/1, of \$69,764.

15. This is an extension of a currently approved collection. The number of respondents is based on actual responses received by HUD. In April 2008 a change request was submitted to increase the number of respondents and burden hours.
16. The results of this information collection will not be published.
17. HUD is not seeking approval to avoid displaying the expiration date.
18. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

**B. Collections of Information Employing Statistical Methods.**

This collection of information does not employ statistical methods.

