

# Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

1. Agency/Subagency Originating Request:

**U.S. Department of Housing and Urban Development**  
Office of Housing, Single Family Asset Management Division

2. OMB Control Number:

a. **2502-xxxx** b. **None**

3. Type of information collection: (check one)

- a.  New Collection  
b.  Revision of a currently approved collection  
c.  Extension of a currently approved collection  
d.  Reinstatement, **without change**, of previously approved collection for which approval has expired  
e.  Reinstatement, **with change**, of previously approved collection for which approval has expired  
f.  Existing collection in use without an OMB control number

For b-f, note item A2 of Supporting Statement instructions.

4. Type of review requested: (check one)

- a.  Regular  
b.  Emergency - Approval requested by  
c.  Delegated

5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?

Yes  No

6. Requested expiration date:

a.  Three years from approval date b.  **Other** (specify)

7. Title:

**Single Family Housing--Disposition of HUD-Owned Single Family Assets in Asset Control Areas**

8. Agency form number(s): (if applicable)

None

9. Keywords:

Housing, Single Family, Asset Control Areas, Revitalization Areas, Homeownership, Nonprofits, Units of Local Government, Law Enforcement Officers, Firefighters/Emergency Responders, Teachers

10. Abstract:

The information is being collected to ascertain compliance with regulatory and/or program requirements. (Acquisition price, rehabilitation cost, resale date, release of enforcement note, sale to eligible buyers, etc). The respondents are ACA participants. ACA participants are generally nonprofits and units of local governments.

11. Affected public: (mark primary with "P" and all others that apply with "X")

- a. Individuals or households e. Farms  
b. Business or other for-profit f. Federal Government  
c. **P** Not-for-profit institutions g. **X** State, Local or Tribal Government

12. Obligation to respond: (mark primary with "P" and all others that apply with "X")

- a. Voluntary  
b. **P** Required to obtain or retain benefits (P)  
c. Mandatory

13. Annual reporting and recordkeeping hour burden:

- a. Number of respondents 18  
b. Total annual responses 630  
Percentage of these responses collected electronically 75%  
c. Total annual hours requested 2,091  
d. Current OMB inventory 0  
e. Difference (+,-) +2,091  
f. Explanation of difference:  
1. Program change: 2,091  
2. Adjustment:

14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)

- Do not include costs based on the hours in item 13.  
a. Total annualized capital/startup costs 0  
b. Total annual costs (O&M) 0  
c. Total annualized cost requested 0  
d. Total annual cost requested 0  
e. Current OMB inventory 0  
f. Explanation of difference:  
1. Program change:  
2. Adjustment:

15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")

- a. **X** Application for benefits e. **P** Program planning or management  
b. **X** Program evaluation f. Research  
c. General purpose statistics g. **X** Regulatory or compliance  
d. Audit

16. Frequency of recordkeeping or reporting: (check all that apply)

- a.  Record keeping b.  Third party disclosure  
c.  Reporting:  
1.  On occasion 2.  Weekly 3.  Monthly  
4.  Quarterly 5.  Semi-annually 6.  Annually  
7.  Biennially 8.  Other (describe)

17. Statistical methods:

Does this information collection employ statistical methods?

Yes  No

18. Agency contact: (person who can best answer questions regarding the content of this submission)

Name: Sandy Krems  
Phone: (202) 402-2253

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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 to Paperwork Reduction Act Submission

### Single Family Housing

#### Disposition of HUD-Owned Single Family Assets in Asset Control Areas

OMB #2502-xxxx

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#### A. JUSTIFICATION

1. Section 602 of the Department of Veteran’s Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1999 (Pub.L. 105-276, approved October 21, 1998) amended Section 204 of the National Housing Act, 12 U.S.C. 1710 (NHA) to add a new program for disposition of HUD-owned single family assets in revitalization areas [see 12 U.S.C. 1710(h)].

In 2004, Section 204(h) of the NHA was further amended by the 2005 Consolidated Appropriations Act (Pub.L. 108-447, approved December 8, 2004) to add states and Indian tribes as preferred purchasers, provide for the sales of categories of eligible assets, give HUD discretion in structuring the discounts for preferred purchasers, and exempt certain mortgages from treatment as eligible assets.

2. There are no forms being submitted for monthly reporting. ACA participants submit monthly information through a HUD proprietary Web based database system (“ACA Database”).

The purpose of the program is to make HUD-owned single family homes and formerly insured mortgages on single family properties, referred to as “eligible assets,” available for sale in a manner that promotes the revitalization, through expanded homeownership opportunities, of revitalization areas. Under the statute, an eligible purchaser (nonprofit or unit of local government) makes a commitment to purchase categories of single family assets in a specific area, known as an asset control area (ACA) where there is need for increased homeownership opportunities. The information collections contained in this clearance request can be divided into two groups:

- Agreement Processes:
  - Initial Application: State, local governments and/or non-profits submit a request to become an ACA participant. At a minimum the request shall include a business plan, proposed ACA geographical area, staffing and organizational plan, etc. HUD reviews this information to determining a prospective applicant’s eligibility to become an ACA participant.
  - Modification of ACA Agreement: Due to market conditions, an ACA participant periodically request that the terms of its ACA Agreement be modified. Most modification requests pertain to suspending the flow of assets for the ACA geographic area or expanding the block groups for the applicant’s ACA area.
- Reporting:
  - Monthly Reporting: ACA participants input data into a HUD proprietary database on the status of ACA properties in its portfolio. Information includes date property was acquired, acquisition costs, repair costs, other developmental cost, resale price, date of resale, income of eligible buyer, etc
  - Repair Reports: ACA participants provide a report that details all rehabilitation to be performed on ACA properties. These reports provide collaborating evidence that an ACA participant is adhering to the repair conditions of its ACA Agreement.

- o **Financial Statements:** On annual basis, ACA participants are required to submit audited fiscal year financial statements. These financial statements are reviewed by HUD to assess an ACA participant's financial capacity and ability to absorb developmental costs and losses if any associated with ACA properties.
  - Performance Assessment:
    - o **AUP Compliance Review:** A risk based Agreed Upon Procedures compliance review is performed by an independent third party to assess an ACA participant's adherence to the terms of its ACA Agreement. The ACA participant's must gather data to support this review. This report is utilized by HUD as collaborating evidence for its monthly reviews and adverse actions, if any.
    - o **Maintenance Reports:** ACA participants are required to maintain required reports for three years after the end of the acquisition period for ACA properties.
3. Substantially all of the information can be collected, stored in, and retrieved from a dedicated electronic database. Only items requiring original signatures or documents will be manually collected. These are minimal.
  4. There is no duplication of information. The ACA program is the only HUD program that systematically disposes of HUD-owned properties in bulk in designated revitalization areas. Therefore the information collection activities are unique to this program. And the information collected is not duplicative of the information collected in any other program.
  5. The information collected does not have a significant economic impact on a substantial number of small businesses.
  6. Information collected is the minimum needed to acquire and dispose of single-family properties through the ACA program using appropriate management control tools to protect against fraud and abuse.
  7. The only regular program information collection activity with a greater frequency than quarterly is the monthly activity report which is submitted electronically. There are no special circumstances that apply to any of the other issues mentioned in this item.
  8. A Proposed Rule was published in the *Federal Register* on \_\_\_\_\_. The Preamble includes a request for public comment on Paperwork Reduction.
  - 9.
  10. Other than remuneration of contractors, no gift or other type of payments are made to the respondents.
  11. No assurance of confidentiality, statute, regulation, or agency policy is provided.
  12. The information collection does not contain any questions of a sensitive nature.
  12. The following are the estimates of the burden hours of the collection of information. Respondents are nonprofits (NP) and units of local government (ULG).

There are 15 ACA participants and HUD projects renewing 6 of the 15 agreements in FY 2008. In addition, HUD projects that it will approve 3 new ACA Applicants in FY 2008. Of the projected 18 Applicants in FY 2008, 3 will only be required to provide a maintenance report because they (i) have rehabilitated and sold all designated properties and (II) are not renewing their agreements.

Respondents for information Collection are as follows:

- Initial Application – Prospective nonprofits and units of local government requesting approval to participate in the ACA Program
- Modification of ACA Agreement – Approved ACA Participants that have Agreements that are about to expire but want to continue receiving ACA properties.
- Monthly Reports- Active ACA Participants.
- Financial Statements- Active ACA Participants
- Agreed Upon Procedures(AUP) Compliance Reviews - Active ACA Participants
- Maintenance Reports – Inactive ACA participants. (Participants that have rehabilitated and sold all designated properties and (ii) are not renewing their agreements, but must ascertain that eligible buyers were owner occupant for three years).

Information Collection	Number of Respondents	Response Frequency (average)	Total Annual Responses	Burden Hours Per Response	Total Annual Hours	Hourly Cost Per Response	Total Annual Cost
<b>Agreement Process:</b>							
Initial Application	3	1	3	80	240	\$36	\$8,640
Modification of ACA Agreement	6	1	6	10	60	\$36	\$2,160
<b>Reporting:</b>							
Monthly Report	15	12	180	3	540	\$36	\$19,440
Repair Report	15	25	375	3	1,125	\$36	\$40,500
Financial Statements	15	1	15	3	45	\$36	\$1,620
<b>Performance Assessment:</b>							
AUP Compliance Review	15	1	15	3	45	\$36	\$1,620
Maintenance Reports	3	12	36	1	36	\$36	\$1,296
<b>Total</b>	<b>18</b>				<b>2,091</b>	<b>\$36</b>	<b>\$75,276</b>

Assumptions:

Nonprofit or local government staff responding to this information collection is estimated to earn approximately \$75,000 annually, or \$36 per hour.

13. There are no additional costs to respondents.

14. Cost to the Federal Government:

Information Collection	Number of Respondents	Response Frequency (average)	Total Annual Responses	Burden Hours Per Response	Total Annual Hours	Hourly Cost Per Response	Total Annual Cost
<b>Review-Agreement Process:</b>							
Initial Application	3	1	3	320	960	\$43	\$41,280
Modification of ACA Agreement	6	1	6	40	240	\$43	\$10,320
<b>Review-Reporting:</b>							
Monthly Report	15	12	180	1	180	\$43	\$7,740
Repair Report	15	25	375	1	375	\$43	\$16,125
Financial Statements	15	1	15	1	15	\$43	\$645
<b>Review-Performance Assessment:</b>							
AUP Compliance Review	15	1	15	5	75	\$43	\$3,225
Maintenance Reports	3	12	36	1	36	\$43	\$1,548
<b>Total</b>	<b>18</b>			<b>630</b>	<b>1,881</b>	<b>\$43</b>	<b>\$80,883</b>

Assumption:

HUD staff reviewing and responding to this information collection is estimated to earn approximately \$88,028 annually (GS-13-5) or \$43 per hour (base plus locality adjustment).

15. This is a new collection of information.
16. This collection of information does not include results that will be published.
17. Standardized forms are not used in the ACA program. Therefore, displaying the OMB approval expiration date for this information collection will not be possible with respect to ad hoc forms generated by program partners.
18. There are no exceptions to the certification statement identified in Item 19.

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**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.**

This collection of information does not employ statistical methods.

