

2009 - SUPPORTING STATEMENT

**7 CFR Part 1822-G, Rural Housing Site Loans Policies,
Procedures and Authorizations
OMB 0575-0071**

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Section 523 of the Housing Act of 1949 as amended (Public Law 90-448) authorizes the Secretary of Agriculture to establish the Self Help Land Development Fund to be used by the Secretary as a revolving fund for making loans on such terms and conditions and in such amounts as deemed necessary to public or private nonprofit organizations for the acquisition and development of the land as building sites to be subdivided and sold to families, nonprofit organizations and cooperatives eligible for assistance.

Section 524 authorizes the Secretary to make loans on such terms and conditions and in such amounts as deemed necessary to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, public agencies and cooperatives eligible for assistance under any section of the title, or under any other law which provides financial assistance for housing low and moderate income families.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

The respondents are nonprofit organizations, States, State Agencies, units of general local government and Indian Tribes. The information required for approval of rural housing site loans is used by Rural Housing Service (RHS) field personnel to verify program eligibility requirements. The information is collected at the RHS field office responsible for the processing of the loan application being submitted. The information is also used to insure that the program is administered in a manner consistent with legislative and administrative requirements.

The information required for approval of site loans is (a) overall housing need in an area; (b) demographic data to determine that housing is needed for persons of low and modest income; (c) eligibility of a public or private nonprofit group. This data is necessary to protect the public from projects being built in areas of low need by applicants that are unable to administer the program properly. All data is taken from a localized area with some coming from the census reports of city, county and Federal governments showing population by income, age, etc.

REPORTING REQUIREMENTS - NO FORMS

The application procedure provides all the information from the respondent to make feasibility and eligibility determination. Information on the respondent's eligibility is provided in the organizational papers. Sections 523 and 524 program eligibility criteria require the applicants to be nonprofit organizations authorized to provide housing cited on a nonprofit basis. A certified copy of By Laws and Articles of Incorporation are necessary to meet State and Federal legal requirements for a nonprofit organization. The respondent must also provide a financial statement showing assets and liabilities of the organizations, including a repayment schedule and status of each debt. The application letter provides the Agency with a general description of the project, cost of the project, any additional financial contribution to the project, description of essential services to the project, and any local zoning or other ordinance restrictions. The map and supporting information provides information on the specific location of the project with regards to other facilities in the community such as schools, shopping areas, churches, water and sanitation facilities, doctors, and hospitals. Evidence of need provides information from the respondent on the number of sites to be developed and the need and demand for the sites and housing within the community and local trade area. The land size and location of the project will be based on the need and demand for permanent residents of the community the project will serve. All of this information in the application process is used to determine the feasibility of the project.

RECORDKEEPING REQUIREMENTS

The respondent's Board of Directors or similar body, authorizing the respondent to apply for and incur a debt for site development, must adopt the loan resolution. The loan resolution includes the requirements the respondents must adhere to in order to receive funding. The provisions of the loan resolution are representations made by the respondents to induce the Agency to make the loan. The retention period is for the life of the loan, which is two years.

REPORTING REQUIREMENTS - FORMS APPROVED UNDER OTHER OMB NUMBERS

Form RD 400-4, "Assurance Agreement"

This form is used to confirm that applicants for loan and grant assistance have been reminded of their obligations to comply with all the provisions of the Civil Rights Act of 1964 and regulations of the Agency. The form is cleared under OMB No. 0575-0018. The number of respondents is estimated to be 4, at 0.25 for 1 man-hour, and total cost of \$31.40.

Form RD 400-1, "Equal Opportunity Agreement"

The grant recipient uses this form when construction work is conducted under the provisions of "RD Instruction 1901-E." The form is cleared under OMB No. 0575-0018. The number of respondents is estimated to be 4, at 0.167 for 0.67 man-hours, and total cost of \$27.95.

Form RD 400-6, "Compliance Statement"

This form is used to reveal whether the bidder or prospective Contractor is in default with respect to Compliance reports required under any previously covered contract or subject to the "Affirmative Action Program" and to provide for certification regarding the maintenance or use of non-segregated facilities. The form is cleared under OMB No. 0575-0018. The number of respondents is estimated to be 4, at 0.167 for 0.67 man-hours, and total cost of \$27.95.

Form RD 440-34, "Option to Purchase Real Property"

At the time of submitting an application for a site loan, the grantee will furnish an executed signed copy of a proposed option by a seller and buyer, which shows the legal description of the land, option price, purchase price and terms of the option. If more than one site is to be purchased, a schedule of the proposed options must be included. The form is cleared under OMB No. 0575-0189. The number of respondents is estimated to be 4, at 0.5 for 2 man-hours and total cost of \$62.80.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

In complying with the E-Government Act of 2002, these forms can be completed and submitted on line by accessing <http://www.sc.egov.usda.gov>, and other forms can be downloaded and completed by accessing <http://www.fedforms.gov>. Rural Development will also ensure Section 508 compliance of these online forms.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Efforts to identify duplication involve Agency consultation and contacts with other funding sources such as State and local governments. Information requested by other Federal agencies, local regulating bodies, and/or planning and zoning commissions, which is similar, or the same as required by RHS is acceptable.

The information is collected on a case-by-case basis. There is no similar information available to the Agency that could be used or modified for these purposes. However, sometimes there is similar information prepared by the applicant for submittal to other Federal agencies. In those cases RHS does accept and use that material applicable and will coordinate reviews with other agencies involved.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.

RHS has made every effort to minimize burden to small organizations including all of the items previously discussed in question 4 to effectively administer the Agency program.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The collection of material is only once for each loan approved. Without this one time collection of information, RHS would be unable to assure orderly development of rural area, insure adequate loan making security requirements and protect the Government and borrower's security interest.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

a. Requiring respondents to report information more than quarterly.
There are no information collection requirements that require specific reporting on more than a quarterly basis.

b. Requiring written responses in less than 30 days.
There are no information collection requirements that require specific requirements that require less than 30 days response.

c. Requiring more than an original and two copies.
There are no specific information collection requirements for more than original and two copies.

d. Requiring respondents to retain records for more than 3 years.
There are no such requirements.

e. Not utilizing statistical sampling.
There are no such requirements.

f. Requiring use of statistical sampling, which has not been reviewed and approved by OMB.
No such requirements exist.

g. Requiring a pledge of confidentiality.
There are no such requirements.

h. Requiring submission of proprietary trade secrets.
There are no such requirements.

8. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed or reported.

As required by the Paperwork Reduction Act of 1995, a Notice was published on March 12, 2009, (74 FR 10714]. No comments were received.

Consultations with nonprofit organizations were made to obtain their views on the frequency of data collection, the length of time required to complete the collection of data, the clarity of the instruction, and their opinion suggestions for Rural Housing site loan policy and procedures. The following nonprofit organizations were contacted:

Sherry Dezwarte
National Council on Agricultural Life and Labor Research Fund, Inc.
363 Saulsbury Road
Dover, Delaware 19904
(302) 678-9400

Selvin McGahee
Florida Non-Profit Housing, Inc
Post Office Box 1987
Sebring, FL 33871
(863) 385-2519

There were no adverse comments on major problems associated with these contacts.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

There are no payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.

There is no formal assurance of confidentiality provided to respondents; however, it is the Agency's policy to only release information with the respondents written permission.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

There is no information collection of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

Each organization surveyed was asked to estimate the amount of time required to complete reports, letters and other requirements

The number of respondents for burden determination was based on the following estimates. The number of total hours spent per applicant/grantee varies depending on the proposed project, the experience level of the organization and other factors.

It is estimated that 24 man-hours will be the total burden on the public. The average estimated cost per hour is \$24.00.

See the attached spreadsheet.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There are no capital/start up or ongoing operation and maintenance costs associated with this information collection.

14. Provide estimates of annualized cost to the Federal Government.

The estimated wage of a GS-9 employee reviewing and processing 4 requests is \$21.58 per hour. The total cost to the Federal government is \$6,012.00. The cost includes salaries, benefits, travel, communication, supplies, etc.

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.

The adjustments in the report are due to a decrease in program demand.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

There is no specific collection of information requirement in this final rule that will be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

There are no forms specifically approved under this regulation.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-I.

There are no exceptions requested.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop-shopping concept?

This information collection is unlikely to be related to the services that can potentially be provided by the one stop-shopping concept of the Service Center Initiative.