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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), appear 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:

Date:

X  
Michael Winiarski, Deputy Director, Organizational Policy, Planning and Analysis Division, HROA

Signature of Senior Office or Designee:

Date:

X  
Lillian L. Deitzer, Departmental Reports Management Officer,  
Office of the Chief Information Officer



## Supporting Statement for Paperwork Reduction Act Submissions

### Mark-to-Market Program; Requirements for Community-Based Non-Profit Organizations and Public Agencies

#### A. Justification

1. This information collection is required in connection with HUD's implementation of the Mark to Market Extension Program Revisions (FR-4751-P-01), which continues HUD's mortgage restructuring program for FHA-insured projects with project-based Section 8 assistance. The program title "FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program" was originally authorized by Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1998 (P.L. No. 106-65, 111 Stat. 1384, October 27, 1997).

Title V provides that HUD may modify the terms of any second mortgage that is created as a result of a mortgage restructure under Title V, assign such second mortgage to an acquiring organization or agency, or modify or forgive all or part of the second mortgage if HUD holds the second mortgage and if the project is acquired by a tenant organization or tenant-endorsed community-based nonprofit or public agency, pursuant to guidelines established by HUD.

The Regulation provides procedures for a community based non-profit or public agency that is a purchaser of a restructured property to obtain tenant endorsement in order to qualify for debt assignment, modification, or forgiveness.

2. There are two groups of respondents. The first group consists of community-based non-profits or public agencies that purchase a restructured property and must obtain tenant endorsement in order to qualify for debt assignment, modification, or forgiveness. HUD has approximately 7 of these non-profits or agencies annually. The second group consists of the tenants of the subject housing projects. HUD has approximately 550 of these respondents per year. It is estimated that the number of future respondents will decrease as the program phases out.

HUD will use the information collected to determine that an entity or organization has met the requirements for obtaining assignment, modification or forgiveness of any HUD-held second mortgage that is created as a result of a mortgage restructure by obtaining a formal written endorsement of its proposed purchase of the project and of its request for debt relief from a majority of the heads of households of occupied units.

#### Requirements:

- a. The community-based non-profit organization or public agency must provide notice of and hold a first "Informational Meeting" with residents to disseminate information about the endorsement request and its plans for the property.
- b. The community-based non-profit organization or public agency must provide notice of and hold a second "Endorsement Vote" meeting to conduct the voting for the endorsement.
- c. Notices of the dates and times of both meetings must be sent to each head of household in the project and must contain a ballot that includes a proxy authorizing a designated person to vote on behalf of the household at the Endorsement Vote meeting.
- d. Tenant households cast their ballots at the Endorsement Vote meeting and proxies are gathered, following which it will be determined whether the total of votes cast in person or by proxy equals a quorum of at least 10% of the total number of tenant households in the project. If there is such a

quorum, the votes will be tallied and a majority of the votes will determine whether or not the purchaser has the endorsement of the tenants.

3. The collection of information will not involve the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Information will be distributed via printed materials. At the informational meeting, the non-profit or public agency provides information about the endorsement request and its plans for the property. Notices of the dates and times of both meetings must be sent to each head of household in the project and must contain a ballot that includes a proxy authorizing a designated person to vote on behalf of the household at the Endorsement Vote meeting. The votes and proxies will be collected at the Endorsement Vote meeting. Greater use of technology for collection would assume and require that all residents in all affected HUD-assisted properties have access to such technology, which we know to be untrue. Further, each endorsement requires original signature of agreement from the resident head of household.
4. There will be no duplication of information. There is no similar information already available that could be used or modified for use for the purpose described in item 1 above.
5. This collection is not a burden to small businesses.
6. The information cannot be collected less frequently, because the program is apart of the closing process. Tenants would not be aware of the debt restructuring and most importantly HUD would not be able to attain the tenant responses or input on the needed changes or scheduled changes being made to the project.
7. There are no special circumstances that require the collection to be conducted in a manner which is inconsistent with the guidelines in 5 CFR 1320.8(d).
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on March 27, 2009 (Volume 74, Number 58, pages 13446). No comments were received.
9. There has been no decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees, and the payment of claims to mortgagees on behalf of the mortgagor as required by the statute.
10. No assurance of confidentiality is provided.
11. No such sensitive questions are asked.
12. Estimated hour burden to the respondents:  
The non-profit or public agency must conduct a meeting with tenants, provide notice of the meetings, distribute printed materials, provide ballots/proxy statements, and count the ballots/proxy statements. It is estimated that 2 staff persons will work on these requirements for 5 hours per person (10 hours) at a rate of \$25/hour per person. The number of burden hours has decreased due to the elimination of the second meeting.

|                               | Number of Respondents | Frequency of Response | Total Annual Responses | Hours Per Response | Total Burden Hours | Cost per Hour | Total Annual Cost |
|-------------------------------|-----------------------|-----------------------|------------------------|--------------------|--------------------|---------------|-------------------|
| Non-Profits / Public Agencies | 7                     | 1                     | 7                      | 10                 | 70                 | \$50          | \$3,500           |
| Tenants / Heads of Households | 550                   | 1                     | 550                    |                    |                    |               |                   |
| <b>Totals</b>                 | <b>557</b>            |                       | <b>557</b>             |                    | <b>70</b>          |               | <b>\$3,500</b>    |

13. There are no additional costs to respondents.
14. Estimate of total cost to the Federal government is estimated to be \$2,900 computed at \$29 per hour (GS12) for approximately 10 hours of review and processing. The meeting is attended by the Participating Administrative Entity (PAE), who also reviews the count of the ballots and proxies.
15. This is an extension of an existing collection, as required by FR-4751-P-01, Implementation of Mark to Market Program Revisions. The burden hours have been adjusted because it is estimated that 2 staff persons will work on the requirements for 5 hours per person for a total of ten hours per response.
16. The collection of this information is not intended to be published for statistical use.
17. We are not seeking approval not to display the expiration date for OMB approval of the information collection.
18. There are no exceptions to the certification statement of OMB form 83-1.