
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, Deputy 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

Mortgagee's Certificate OMB Control Number 2502-0468 (Form HUD-2434)

A. Justification

1. Section 207(b)(2)1 of the National Housing Act, 12 U.S.C. 1701 et seq.), applicable portions of which are attached for references, gives the Secretary the discretion to restrict charges to the mortgagor. Regulations published in 24 CFR 200.41 through 24 CFR 200.63 details the maximum fees and charges that may be collected by the mortgagee. The regulation states that, (a) mortgagee fees and charges included in the mortgage must be for actual required services provided to the mortgagor by the mortgagee, and shall not exceed common market rates for such services as determined by the Commissioner; and (b) mortgagee charges for prepayment of the mortgage and late mortgage payments shall not exceed that determined appropriate by the Commissioner.
2. The information collected on form HUD-2434, Mortgagee's Certificate, is required for all mortgages in cases involving insurance of advances to satisfy legislative requirements. Mortgagees must identify finance fees being collected and escrow requirements. The mortgagee certifies to the Commissioner that it will conform with terms and conditions established by the Commissioner for the mortgagee's control of project funds, and other incidental requirements established by the Commissioner. The information is also used in processing applications, project inspections, cash requirements, etc. HUD, in reviewing this form, determines the reasonableness of the fees and ensures that the required escrows are being established. The information is provided by sponsors and general contractors and submitted by HUD-approved mortgagees.

Form HUD-3259, Surety Bond Against Defects, is required on all newly constructed projects. It insures the mortgagor that the real property was constructed in accordance with the plans and specifications.

The documents, HUD-2432 and HUD-3259 are typically signed and handed to the HUD attorney at loan closing.

3. The information is not generally collected electronically. The Mortgagee can acquire the form via www.hudclips.org as a portable document format (pdf) file or as a Microsoft Word file and can complete it electronically. HUD offices do accept the form electronically after it has been scanned and sent as an email attachment, but this is infrequent. The Department uses the mode of hard document because depositories generally require an original HUD signature. HUD does not have the capability to accept the required information directly into a computerized system or to authenticate original signatures electronically. The information provided on Form HUD-2434 is not tracked in the Multifamily Housing Development Automated Processing (DAP) system. DAP is currently under review for a major upgrade. That upgrade is not anticipated before the three-year approval requested in this submission.
4. A review of multifamily housing processes confirms that no other collection provides this particular information. No similar information that is available could be used or modified to satisfy this requirement.
5. The collection of this information will not have a significant impact on small business or other small entities. By requiring the submission of this form only once, the Department minimizes the burden on small mortgagees.
6. The collection of the information occurs once for each multifamily project. The Department would not meet the intent of the law and Federal regulations if collection were eliminated.

7. There are no special circumstances involved in the collection of this information.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on March 11, 2009 (Volume 74, Number 46, Page 10605). ...comments were received.
9. The collection of this information does not provide any payments or gifts to respondents.
10. No information about individuals is obtained from the use of this form
11. This form does not request information that could be considered of a sensitive nature.
12. Estimated burden and cost involved in completing and reviewing form HUD-2434. This form is to be submitted prior to initial closing for all cases involving insurance of advances.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hr Per Response	Annual Burden Hours	Hrly Cost Per Response	Annual Cost
HUD-2434	1000*	1	1,000	0.75	750	\$28.00	\$21,000
HUD-3259	1,000	1	1,000	0.30	300	\$28.00	\$8,400
Totals	1,000	1	2,000		1,050		\$29,400

* This information is based upon data requested on insured projects from MAP/TAP and inter-office discussions with Field Office staff. The Field Office staff also determined the estimated review time involved for the form HUD-2434.

13. There are no additional costs to the respondents.
14. Estimated Federal government burden and cost:

Information Collection	Number of Reviews	Frequency of Response	Responses Per Annum	Hrs Per Response	Annual Burden Hours	Hrly Cost Per Response	Annual Cost
HUD-2434	1,000*	1	1,000	.75	750	\$39.83	\$29,872
HUD-3259	1,000	1	1,000	.30	300	\$39.83	\$11,949
Totals							\$41,821

The hourly rate is based on the salary of a GS-12 step 5 for field staff review of documents.

*HUD Field Office staffs have responsibility for reviewing forms.

15. This is an extension of a currently approved collection. These numbers reflect an average of initial endorsements for the past three fiscal years. We anticipate an increase annually in applications.
16. The results of this information collection will not be published.
17. HUD is not seeking approval to avoid displaying the OMB 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 information collection does not employ statistical methods.