

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 Multifamily Development

2. OMB Control Number:
a. **2502-0001** 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:
Personal Financial and Credit Statement

8. Agency form number(s): (if applicable)
HUD-92417

9. Keywords:
Housing, Mortgage, Financial, Credit

10. Abstract:
This information collection is used to conduct a credit investigation of the sponsor, mortgagor, and general contractor to evaluate the character, capital, and ability to develop, build, complete, and maintain a multifamily project.

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

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

13. Annual reporting and recordkeeping hour burden:

- a. Number of respondents: **2,000**
- b. Total annual responses: **2,000**
Percentage of these responses collected electronically: **0%**
- c. Total annual hours requested
- d. Current OMB inventory
- e. Difference (+,-)
- f. Explanation of difference:
 - 1. Program change:
 - 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: **\$0.00**
- b. Total annual costs (O&M): **\$0.00**
- c. Total annualized cost requested: **\$0.00**
- d. Total annual cost requested: **\$0.00**
- e. Current OMB inventory: **\$0.00**
- 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. **P** Application for benefits
- b. Program evaluation
- c. General purpose statistics
- d. Audit
- e. Program planning or management
- f. Research
- g. **X** Regulatory or compliance

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

- a. Recordkeeping 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: **Sylvia S. Chatman**
Phone: **202 402-2994**

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:

Date:

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

Signature of Senior Officer or Designee:

Date:

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

Supporting Statement for Paperwork Reduction Act Submissions

Personal Financial and Credit Statement OMB Control Number 2502-0001 (HUD-92417)

A. Justification

1. Under Section 207 (b)(1) and (2) of the National Housing Act (Public Law 479, 48 Stat. 1246, 12 U.S.C. 1713 et seq.) the applicable portion of which are attached for references, the Secretary is authorized to insure mortgages on property held by (1) Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or limited dividend or redevelopment or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operations; or (2) any mortgagor approved by the Secretary. The Secretary may at his discretion, require any such mortgagor to be regulated or restricted as to rents, sales, charges, capital structure, rate of return, and methods of operation so as to provide reasonable rentals to tenants and a reasonable return on investment.

The Department, in accordance with regulations cited in 24 CFR 207.1(b) (2), is legally required to collect information to evaluate the character, ability, and capital of the sponsor, mortgagor, and general contractor for mortgage insurance. The financial analysis of the project's principal participants is an integral part of the underwriting process. The development of a multifamily rental property is subject to certain inherent risks that the Department must assess. A project may be subject to costly construction delays, incompetent management, and a probability that income will not cover project expenditures if a comprehensive credit analysis is not conducted. Therefore, the Department is legally obligated to review the mortgagor's financial capacity in order to minimize the risk to the insurance fund.

2. Form HUD-92417, Personal and Financial Credit Statement, is a part of the credit investigation during the Site Appraisal and Market Analysis (SAMA)-Feasibility stage for non-profit sponsors/mortgagors and housing consultants and during the commitment stage in for all other sponsors/mortgagors, principals of the mortgagor entity, and general contractors. FHA-approved lenders and HUD personnel use the information to analyze the financial capacity, reputation, experience, and the ability of the project sponsor to develop a successful project, and to determine if the sponsor has sufficient financial resources to complete and maintain the property.

Form HUD-92417 is used only for individuals, and is completed in conjunction with the basic application form, HUD-92013 (OMB Control Number 2502-0029) as a required exhibit. The information obtained is the minimum required to make a determination of the financial and credit status of the respondent. The respondents are individuals of business entities, non-profit entities, corporations, and general contractors. The Privacy Act Notice Statement, therefore, is applicable.

Corporate or partnership mortgagors do not use the form and are not a part of this information collection. Corporate or partnership mortgagors submit balance sheets, income and expense statements, and other financial reports to demonstrate credit worthiness (OMB control number 2502-0029).

3. The collection of information does not involve the use of automation. HUD and the Office of Housing are undergoing a transformation of the IT infrastructure which will dictate the type of automated systems that will be developed. It is imperative that the automatic system developed adequately address concerns for confidentiality (due to the nature of data reported) and the need and ability to capture E-signatures. Until the IT transformation has materialized, it is difficult to establish a viable electronic intake process that will be sustained.

4. A review of multifamily housing forms confirms that no other form provides this particular information. Mortgagor/sponsors are required to submit information regarding their financial capacity and credit worthiness during the initial application stage. There are no known methods to reduce the collection burden; this form is only submitted once unless there is a change in the mortgagor's financial status.
5. By requiring the submission of this form only once, during the application phases, unless there are changes in the financial status, the Department minimizes the burden on small businesses or other small entities.
6. This information is only submitted once when an application for mortgage insurance is made. The consequence of less frequent collection would inhibit the Department from making sound conclusions and the ability to obtain adequate information regarding the character, ability, and capital of the sponsor, mortgagor, and the general contractor. As a result, if the collections were conducted less frequently the Department would be exposed to increased risk in fraud, waste, and mismanagement.
7. There are no special circumstances involved in this collection.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on January 31, 2006 (Vol. 71, No. 20, pages 5065-5066). No comments were received. Consultation was provided by mortgage credit staff in local Multifamily Hubs/Program Centers to assess if the proposed information collection is necessary, accuracy of the agency's estimation of public burden, improvements or enhancements to the current collection, and offer suggestions to minimize public burden, i.e., electronic submissions. The following HUD individuals were contacted:

Gary Golding, Project Manager
U.S. Department of HUD
Hartford Multifamily Program Center
One Corporate Center, 19th Floor
Hartford, CT 06103
(860) 240-4800 ext. 3033

Linda Preston, Loan Specialist
U.S. Department of HUD
Atlanta Multifamily Hub
Richard B. Russell Federal Building
75 Spring Street, SW., 12th Floor
Atlanta, GA 30303
(404) 331-5001 ext. 2355

Carrie L. Papa, Senior Vice President
AGM Financial Services, Inc.
2 North Charles Street, Suite 850
Baltimore, MD 21201
(410) 727-2111 ext. 107

9. There are no payments or gifts of any kind provided to respondents.
10. Each respondent who completes the form will read the Privacy Act Statement. The Department's policy requires the collection of information, and failure to do so will result in disapproval of participation in the HUD program and/or delayed action on the proposal.

We assure confidentiality to respondents in accordance with the Freedom of Information Act (FOIA). If this information collection was not collected, it could have an impact on the ability of the Department’s mission to provide safe and sanitary housing units.

11. This form does not request information that is considered sensitive in nature.

12. Estimates of public burden and costs to respondents:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
HUD-92417	2,000	1	2,000	8	16,000	\$25.00	\$400,000

The estimated median hourly rate for mortgage credit staff in the private sector is approximately \$25.00 per hour.

13. There are no additional costs to respondents.

14. Estimate annualized costs to the Federal government:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
HUD-92417	2,000	1	2,000	.2	4,000	\$39.83	\$159,320

The hourly rate is based on the average Federal salary of GS level 12, step 5 \$82,845 or \$39.83per hour.

15. This is an extension of a currently approved collection. The number of respondents has decreased from the previous information collection because HUD’s previous submission included corporations or partnerships in the number of respondents. Form HUD-92417 is only for individual mortgagors and principals. Corporate or partnership mortgagors do not use form HUD-92417; they are required to submit financial statements to demonstrate credit worthiness (OMB Control No. 2502-0029). Because of the decrease in the number of respondents, the total annual responses and the resulting burden hours have also decreased.

16. Collection of this information will not be published. Each form will be maintained with the HUD Program Office in individual case files.

17. HUD is not seeking approval to avoid displaying the OMB expiration date.

18. There are no exceptions to the “Certification for Paperwork Reduction Act Submission,” item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.