

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 Single Family Program Development		2. OMB Control Number: a. 2502-0496 b. None	
3. Type of information collection: (check one) a. <input type="checkbox"/> New Collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input checked="" type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change , of previously approved collection for which approval has expired f. <input type="checkbox"/> 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. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by c. <input type="checkbox"/> Delegated 5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other (specify)	
7. Title: Builder's Certification of Plans, Specifications, and Site			
8. Agency form number(s): (if applicable) HUD-92541			
9. Keywords: Housing, Mortgage, Builder, Certification, Newly Constructed Property, Site Analysis			
10. Abstract: HUD requires the builder to provide information that notes an adverse site/location factor(s) on the property, including floodplains. Lenders review the form and send it to HUD. This is done so that HUD does not insure a mortgage on property that poses a risk to health or safety of the occupant.			
11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households e. Farms b. P Business or other for-profit f. Federal Government c. Not-for-profit institutions 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 10,614 b. Total annual responses 65,600 Percentage of these responses collected electronically 95% c. Total annual hours requested 9,848 d. Current OMB inventory 15,744 e. Difference (+,-) -5896 f. Explanation of difference: 1. Program change: 2. Adjustment: -5896		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. P Application for benefits e. Program planning or management b. 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. <input type="checkbox"/> Recordkeeping b. <input type="checkbox"/> Third party disclosure c. <input checked="" type="checkbox"/> Reporting: 1. <input checked="" type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe)	
17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Kenneth Walker Phone: 202-402- 2073	

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, Deputy 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

Builder's Certification Of Plans, Specifications, & Site OMB Control Number 2502-0496 (Form HUD-92541)

PART A. Justification

1. Executive Order 11988 (Flood Plain Management) and HUD environmental regulations at 24 CFR 51, 24 CFR 51, and 24 CFR 55 require builders of newly constructed properties to assure that the property is not affected by: (1) flood hazards; (2) noise; (3) runway clear zones; (4) explosive/flammable materials storage hazards; (5) toxic waste hazards; and (6) other foreseeable hazards that may affect the site (i.e., ground water level, surface drainage, sinkholes, excessive slopes, expansive/collapsible/erosional soils and inadequate fill materials).
2. The builder or the builder's agent completes the site analysis and submits it to the lender. The information must be collected on each case submitted for mortgage insurance that involves new construction so HUD is assured that no site/location factors will adversely affect the dwelling or homeowner. HUD may review the information on the builder certification on a sampling of cases to assure that the lender has properly considered the siting/location factors during the underwriting of the loan. Borrower and their attorneys who have complaints against builders for not properly mitigating the problems of a site can also use the form.
3. The collection of the requested information is 95% automated. The electronic form is given to an appraiser for an onsite review and back to the lender for the builder's signature to be submitted as part of the case binder for HUD's review.

Builders submit the electronic form to the lenders. Under FHA-Single Family's current insurance endorsement policy, a Direct Endorsement (DE) lender may apply for FHA insurance based upon its internal underwriting of the loan. During the closing process, most lenders log on to a Web-based application, FHA Connection (FHAC), to establish and update a case, log the appraisal, and complete the Insurance Application. The data entered are subsequently transferred to the Computerized Homes Underwriting Management System (CHUMS), the system of record for the endorsement process.

Direct Endorsement Mortgage Lenders who elect to participate in Business-to-Government (B2G) electronically submit the data to HUD using the Electronic Case Binder. Large lenders with Loan Origination Systems (LOS) transmit data from their LOS or use third party software to send data to CHUMS via a telecommunications method known as B2G (Business to Government). CHUMS is subsequently updated with the same data elements that other lenders enter into FHAC.

There is a decrease in the number of burden hours due to the ability of most lenders to submit the case file electronically. After the builders and lenders review the collected information it is electronically sent to HUD.

4. There is no duplication of information. The information is not collected elsewhere by HUD for the specific property involved.
5. The information does not impact small businesses or other small entities. The certification is required of all builders seeking FHA mortgage insurance for newly constructed homes. The burden hours are not being reduce at this time because of the methods used to provide HUD with the required information.

6. If this form was not used and the collection of the information was not conducted it could pose a health and/or safety risk to borrowers and increase the risk of borrower's default, adversely impacting the insurance fund.
7. The builder provides the information to the lender. The lender places the information in the insured loan case file. The lender must maintain the case file for the duration of the insured mortgage loan, which could be in excess of 30 years.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on February 17, 2009 (Vol. 74, No. 30, pages 7465-7466). No comments were received.

HUD consulted with three HUD staff from the HUD's Homeownership Centers on the Builder's Certification availability of data and frequency of collection.

- a. Willard Cowan HUD staff of the Atlanta, GA Homeownership Center (404) 331-5001, ext. 2723;
- b. Darlene Shannon Branch Chief of the Philadelphia, PA Homeownership Center (215) 861-7522; and
- c. Bill Schuler Branch Chief of the Santa Ana, CA Homeownership Center (714) 796-1200 ext 3449

All HUD staff concurred that the Builder's Certification forms are reviewed on post technical reviews in endorsed case binders for new properties.

9. There have not been any decisions to provide any payment or gifts to respondents.
10. The information is part of the underwriting package and is not confidential.
11. There are no questions of a sensitive nature involved in this collection.
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-92541							
Builder's submission	5,307	12.36 avg.	65,600	.10	6,560	\$33.43	\$219,000
Lender's review	5,307	12.36 avg.	65,600	.05	3,280	\$23.05	\$75,604
Totals	10,614		65,600		9,848		\$294,904

The hourly rate is based on estimates of the average annual salaries of builder and lender staff.

13. There are no other costs to the builder and lender than stated in #12 above.
14. The costs to the Federal government are negligible because the lender is responsible for reviewing the information. HUD only reviews a sampling of cases.
15. This is an extension of a currently approved collection. There are approximately 5,307 builders and 5,307 lenders involved in this information collection. The builder will take about 10 minutes to complete the Builder's Certification (form HUD-92541) based on information and data the builder gets from its engineers prior to the property being developed.

The lender should be able to review the builder's entries in about 5 minutes. Accordingly, HUD estimates that the entire information collection burden will be 15 minutes per case. Based upon an average of approximately 65,600 new construction cases per year, the total burden hours will be 9,848. While the information collected regarding floodplains may (at the option of the builder) be different, there are no

expected changes in the burden hours. The decrease in the number burden hours results from lenders who now submit the case files electronically.

Although most lenders now submit the case file electronically after the builders and lenders reviews the collected information to HUD, when requested, other lenders are on test case bases and mail case file to the Homeownership Centers, the burden hours for the lenders remains the same.

16. The results from this collection will not be published.
17. HUD does not request approval not to display the expiration date.
18. There are no exceptions to the certification statement in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.