

DRAFT

Department of the Treasury, Departmental Offices
Supporting Statement and Request for Clearance
Troubled Asset Relief Program – Making Home Affordable Participants

1. Circumstances necessitating the collection of information

Authorized under the Emergency Economic Stabilization Act (EESA) of 2008 (Public Law 110-343), the Department of the Treasury has implemented several aspects of the Troubled Asset Relief Program. Among these components is a voluntary foreclosure prevention program – Making Home Affordable (MHA) program, under which the Department will use TARP capital to lower the mortgage payments of qualifying borrowers. The Treasury will do this through agreements with mortgage servicers to modify loans on their systems. All servicers are eligible to participate in the program

2. Use of the data

The information will be used to set the servicers up on the data system, ensure that the servicers can be paid for the loan modifications that they undertake, check for compliance, and report out on the effectiveness of the program.

3. Use of information technology

Data will be collected in a number of formats. Most data will come into Fannie Mae (The Treasury Department's agent) in the form of a business-to-business data feed. Some supplemental data will be provided on an excel spreadsheet and will be transmitted through email or a web interface. In addition there may be a web-based user application for submitting data.

4. Efforts to identify duplication

The information that will be collected has some overlap with similar data collected for other purposes (e.g. OCC and OTC collect monthly data to produce the Mortgage Metrics Report). Where possible this effort will use the same definitions and fields.

5. Impact on small entities

As this is a voluntary program servicers will take the data collection burden into account when deciding to participate or not. In addition there will be multiple delivery methods for smaller institutions that may lack the overall systems to send through an automated data feed. Small institutions may in fact find the data submission easier as they have fewer legacy systems.

6. Consequences of less frequent collection and obstacles to burden reduction

If the information is not collected on a monthly basis, Treasury will not be able to pay the servicers for the modifications that they are undertaking.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

Treasury officials have consulted with the federal banking agencies, Freddie Mac, Fannie Mae, FHFA, HUD, and numerous servicers of all sizes to get feedback on data items for the collection. In addition Treasury has gotten feedback from consumer advocacy groups concerning potential data fields they would like to see.

9. Provision of payments to recordkeepers

Fannie Mae is acting as the agent of Treasury for the collection of the data. They are performing other functions as well and will receive payment for the totality of their work on behalf of the Treasury Department.

10. Assurance of confidentiality

The information collected will contain personal identification information, and as such will be treated as confidential. As part of the data collection effort Treasury will complete a Privacy Impact Assessment (PIA) and ensure that the data bases and transmission systems have privacy protection features that comply with all Federal privacy and consumer protection laws.

11. Justification of sensitive questions

Not applicable.

12. Estimated burden of information collection

A sample of larger servicers has indicated that they will hire between 4 to 8 people to handle the data reporting. The smaller servicers may need one person to produce this information. This number may decrease after the system has been in place and operation for a year or two. The estimated annual burden is

220 days x 8 hr/day x 10 servicers x 6 ftes = 105,600, plus

220 days x 8 hr/day x 50 servicers x 1 ftes = 88,000 plus

220 days x 8 hrs/day x 300 servicers x 0.1 fte = 5,280
Total annual burden equals 198,880 hours

In addition, Treasury will send a letter to a small group of program participants with suggested steps that their organization should take in order to ensure effective implementation and compliance, and ask that they respond to the suggestions. Similarly, Treasury will invite the participants to provide suggestions on ways that we can improve program design. This will be a one-time collection from 25 participants, at an estimated 5 hours per response, for a total of 125 hours.

13. Estimated total annual cost burden to respondents

Most servicers will need to modify their current loan reporting systems to participate in the program. This could be a long and involved process. However as this is a voluntary program, and servicers are being paid for each loan modification that they undertake, the return to servicers should be positive. See number 12 for annual staffing needs.

14. Estimated cost to the federal government.

There will be no annualized capital/start-up costs for the government to receive this information. However there will be some cost to the Treasury Department to set up the system and capability to conduct analysis on these data. The cost is estimated at \$250,000 per year for 1 to 2 years. This is an incremental cost to a current system under development that will be used for multiple purposes.

15. Reasons for change in burden

Treasury has added a letter requesting suggestions from a group of 25 participants, for an additional 125 burden hours.

16. Plans for tabulation, statistical analysis and publication

The Treasury Department will conduct numerous types of analysis on these data. These analyses will include assessments of the effectiveness of the program (e.g. reach, cost savings, re-default rate) as well as compliance checks. It is possible that some publication may come from these analyses. In addition it is possible that this database will be made available to the public for further analysis.

17. Reasons why displaying the OMB expiration date is inappropriate

Display of the OMB expiration date will create confusion because, under EESA, this program has a limited duration.

18. Exceptions to certification requirement of OMB Form 83-I

Regarding this request for OMB approval, there are no exceptions to the certification statement in item 19 of Form 83-I.