-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.

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| --- | --- | --- | --- |
| 1. Agency/Sub agency Originating Request:  **U.S. Department of Housing and Urban Development**  Office of Multifamily Development | | 2. OMB Control Number:  a. **2502-0029** | b. None |
| 3. Type of information collection: (check one)   1. New Collection  1. Revision of a currently approved collection   Extension of a currently approved collection   1. Reinstatement, **without change**, of previously approved   collection for which approval has expired   1. Reinstatement, **with change**, of previously approved collection   for which approval has expired   1. 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)   1. Regular 2. Emergency - Approval requested by 3. 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:

**Multifamily Project Applications and Construction Prior to Initial Endorsement.**

8. Agency form number(s): (if applicable)

HUD-92013, HUD-92013-SUPP, HUD-92013-E, HUD-92264, HUD-92264-A, HUD-92264-T, HUD‑92273, HUD-92274, HUD-92326, HUD-92329, HUD-92331, HUD-92415, HUD-92447, HUD-92452, HUD-92485, HUD-91708, HUD-92010, FM-1006, HUD 2880,92466 (Rider Forms – 92466-R1, 92466-R2, 92466-R3, 92466-R4)

9. Keywords:

Housing, Multifamily, Mortgage Insurance

10. Abstract

Information provided is the application for HUD/FHA multifamily mortgage insurance. The information is submitted from sponsors, general contractors, and by HUD-approved mortgagees. The information is needed to determine project feasibility, mortgagor/contractor acceptability, and construction cost. Project owners/sponsors may apply for permission to commence construction prior to initial endorsement.

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| --- | --- | --- |
| 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. **X** 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 3,185  b. Total annual responses 29,410  Percentage of these responses collected electronically 0  c. Total annual hours requested 352,082  d. Current OMB inventory 438,941  e. Difference (+,-) -86,859  f. Explanation of difference:  1. Program change: -86,859  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  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. XApplication for benefits e. P Program planning or management  b. Program evaluation f. Research  c. General purpose statistics g. XRegulatory or compliance  d. Audit | | 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) Required with each project application. |
| 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 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:

1. It is necessary for the proper performance of agency functions;
2. It avoids unnecessary duplication;
3. It reduces burden on small entities;
4. It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
5. Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
6. It indicates the retention periods for recordkeeping requirements;
7. It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
8. Why the information is being collected;
9. Use of the information;
10. Burden estimate;
11. Nature of response (voluntary, required for a benefit, or mandatory);
12. Nature and extent of confidentiality; and
13. Need to display currently valid OMB control number;
14. 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);
15. It uses effective and efficient statistical survey methodology; and
16. 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

Multifamily Project Applications and Construction Prior to Initial Endorsement

**OMB Control Number 2502-0029**

Forms HUD-92013, 92013-Supp, 92013-E, 92264, 92264-A, 92264-T, 92273, 92274, 92326, 92331, 92485, HUD-91708, 92010, 92452, 92415, 92447, FM-1006, HUD 2880, 92466 and (Rider Agreements 92466-R1, 92466-R2, 92466-R3, 92466-R4)

# Justification

* 1. Under Sections 207, 221, 223, 231, and 241 of the National Housing Act (Public Law 479, 48 Stat. 1246, 12 U.S.C. 1701 et seq.) the applicable portion of which are attached for reference, the Secretary of the Department of Housing and Urban Development (HUD) is authorized to implement a system for insuring mortgages. Although the Secretary of HUD will delegate processing to select approved lenders, the Secretary will retain the authority to approve rents, expenses, property appraisals, and mortgage amounts, and to execute a firm commitment.
  2. The information collected is utilized during the processing of an application for FHA mortgage insurance. The respondents are owners/sponsors, general contractors, lenders, and others involved in multifamily housing projects/rehabs. One of the options used in processing an application for FHA mortgage insurance is Multifamily Application Processing (MAP). Third party contractors for mortgage insurance perform MAP. Mortgagors submit Form HUD-92013, Application for Multifamily Projects, to an approved lender for a project to be insured by HUD. The lender’s underwriters will complete the HUD-92013 and all other processing forms and submit them to HUD. The contractors involved are architects, cost analysts, appraisers, and mortgage credit analysts. An environmental review is also conducted, as well as a market analysis. Below is a brief description of the forms submitted in support of this request:

This information is provided by sponsors and general contractors of proposed multifamily projects and submitted by a HUD-approved mortgagee for application of FHA mortgage insurance. The information is used to determine project feasibility, principal’s acceptability, and credit worthiness.

* + 1. **Form HUD-92013, Application for Multifamily Housing Project**. HUD-92013 and its supporting exhibits comprise the basic application package for HUD/FHA multifamily mortgage insurance programs established under the jurisdiction of the Department of HUD. HUD/FHA multifamily processing consists of a series of complex financial, legal, and technical stages that require a close working relationship with the developer, sponsor, and mortgagor, mortgagee, and HUD staff. Form HUD-92013 identifies data that must be examined to meet program requirements and provides a vehicle for staff to analyze project data and to determine if the project is eligible for FHA mortgage insurance. Form HUD-92013 lists required exhibits, several of which are other HUD forms. The burden associated with each of those forms is separately approved and is not included in the burden hours calculated for form HUD-92013.
    2. **Form HUD-92013-Supp, Supplement to Application for a Multifamily Project.** Mortgagors are required to have an acceptable credit standing satisfactory to HUD as set forth in 24 CFR 207. Circular A-129 requires Federal agencies to obtain credit reports under programs authorizing guaranteed and insured loans. Each sponsor and the general contractor must submit this form.
    3. **Form HUD-92013-E, Supplemental Application and Processing Form Housing for the Elderly/Disabled**.HUD-92013-E is submitted with each application involving the non-assisted elderly/disabled. Housing projects exclusively for the elderly/disabled may include non-sheltered services and amenities associated with projects at a charge to the residents. All non-sheltered services must be detailed on the Form HUD-92013-E. This form must be submitted at all processing stages for non-assisted elderly/disabled projects.
    4. **Form HUD-92264, Multifamily Summary Appraisal Report**, is used by the architect and appraiser to develop and record rents, expenses, occupancy, and capitalization value, total estimated replacement cost, comparison approach to value, final opinion of fair market value, and the construction cost of a multifamily housing project. These estimates, among others, are necessary in making determination as to the economic soundness or acceptable risk of a project.
    5. **Form HUD-92264-A, Supplement to Project Analysis,** is used by appraisers to establish the maximum insurable mortgage, total requirement for settlement, sources of funds to meet cash requirements, and mortgage credit recommendations and requirements.
    6. **Form HUD-92264-T, Rent Estimates for Low/Moderate Income Limits,** is used by appraisers to

establish income for non section 8 projects involving tax exempt financing or low income housing tax credits.

g**. Form HUD-92273, Estimates of Market Rents by Comparison,** provides the multifamily appraiser with a convenient and systematic means of analyzing comparable units, measuring and differences, and arriving at estimates of market rents by comparison for the subject unit. This form will be used by the appraiser to develop a Market Rent by Comparison. One form is prepared for each type and size (if significantly different) of rental units for each processed project. The rents derived from the utilization of these forms are used to support the rental housing project income analysis and appraisal on Form HUD-92264.

h. **Form HUD-92274, Operating Expense Analysis Worksheet**, is used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment.

i. **Form HUD-92326, Project Cost Estimate**, is used as a project data development form and for entering

firm costs in the data bank. The lender’s cost analyst prepares this form. The Project Cost estimate represents the Commissioner’s final estimate of construction costs and will be used in establishing one of the upper regulatory limits for project mortgage insurance.

j. **Form HUD-92329, Property Insurance Schedule**, is a guide for the mortgagee to determine the

minimum property insurance for each building and the entire project. The Department collects this information to assure adequate insurance coverage. This form also informs the owner that he/she must maintain insurance on the property for the life of the mortgage.

k. **Form HUD-92331, Summary of Cost Certification Review**, is a record prepared by the cost analyst of the cost certification review and a report containing any recommended disallowed amounts.

l. **Form HUD-92485, Permission to Occupy – Project Mortgages**, is used to allow the mortgagor to initiate occupancy of the project. It represents certifications from the general contractor, mortgagor’s architect, mortgagor, and mortgagee that all requirements under the construction contract and the building loan agreement have been satisfied, and the project is ready for occupancy. An occupancy permit from the municipality (code department) has to be obtained before this form can be certified.

m. **Form HUD-92415; Request for Permission to Commence Construction Prior to Initial Endorsement for Mortgage Insurance –** This information is required whenever the mortgagor needs to commence construction prior to initial endorsement. The mortgagor has to do the following before receiving approval:

* Provide a release of liens by the contractor and each prime sub-contractor who will be performing any work or services to the project;
* Provide a conformed copy of the executed construction contract (approved under OMB 2502-0011);
* Provide evidence that permanent financing has been arranged;
* Have a firm commitment in hand and contract documents on file in a HUD office; and
* Provide good reason to the field office that initial endorsement is imminent.

n. **Form HUD-92447, Property Insurance Requirements**, advises mortgagees of the types of property insurance required to be maintained upon the subject property and of the estimate of the Commissioner of the total 100% insurable value of the property.

o. **Form HUD-92452, Performance Bond** – Double Obligee. This form ensures HUD and the mortgagor that in the event of a project default; the surety company will complete the construction of the project and satisfy all construction project liens.

p. **Form HUD-92010, Equal Employment Opportunity Certification**, is the contractor’s certification that when it comes to employment, he/she will seek applications from all qualified applicants, regardless of race, color, or creed. Additionally, the contractor further states that he/she will comply with all provisions of Executive Order 11246.

q. **HUD-91708, Agreement for Payment of Real Property Taxes by Sponsor**. The mortgagee is willing to lend the mortgagor a sum of money to pay real estate taxes on said project, secured by the mortgage. This agreement assures the payment of taxes in the event the Project does not obtain or loses its abatement or exemption from real estate taxes in the future. The mortgagee and the mortgagor are unwilling to insure said project unless both parties sign this document.

r. **Form FM-1006, Verification of Deposit.** The information on the form is used in determining whether or not the prospective mortgagor may qualify under the Multifamily Housing Program. The contents will not be discussed outside of HUD except as required and permitted by law. Verification of deposit is a standard business practice and no burden is ascribed thereto.

s. **Form HUD 2880, Application/Recipient Disclosure/Update Report.** The information is used in evaluating individual assistance applications and in performing internal administrative analyses to assist in the management of specific HUD programs. The information is also used in making the determination under Section 102(d) whether HUD assistance for a specific housing project is more than is necessary to make the project feasible after taking account of other government assistance.

t. **Form HUD-92466, Regulatory Agreement for Multifamily Housing Projects.** The Department will use this information to determine if the project meets statutory requirements with respect to the development and operation of the project. This instrument shall bind, and the benefits shall inure to, the respective Owners, their heirs, legal representatives, executors, administrators, and successors in office or interest, and assigns, and to the Secretary and his successors so long as the contract of mortgage insurance continues in effect.

u. **HUD-92466, R1, R2, R3, R4 Rider Agreements.** The Master Lease Structure is a tiered ownership structure with a Master Tenant leasing the entire project from the Mortgagor/Lessor, and then entering into sub-leases, which are sometimes master sub-leases, with commercial and/or residential tenants. The Master Lease structure differs from the more traditional ownership structure in that project assets and revenues under a Master Lease structure pass through a number of tiers and, in doing so, come under the control of entities other than the Mortgagor. The Master Tenant and Master Sub-lessees will execute the standard HUD regulatory agreement with a special rider attached to address the various ownership and operational responsibilities with respect to the mortgaged property.

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.

1. This information is not collected elsewhere. A review of Multifamily Housing information collections confirms that no other information collection provides this particular information.
2. This collection of information will not have a significant impact on small business or other small entities. Multifamily housing project owners/sponsors are rarely small businesses.
3. If the information were not collected, the HUD would have no record of completion to provide to the satisfaction of all parties of the contract and responsible local government officials.
4. HUD requires two originals of the form HUD-92485. One copy is submitted with the docket file, and one goes to the local HUD office that has jurisdiction over the loan. Because of the amount of money involved, other parties also require originals, including the mortgagee, the owner/borrower, the contractor, and the architect.
5. In accordance with 5 CFR 1320.8(d), the agency’s notice soliciting public comments was announced in the Federal Register on April 6, 2009 (Vol. 74, No. 64, pages 15514-15515.

**15514 Federal Register** / Vol. 74, No. 64 / Monday, April 6, 2009 / Notices. No comments were received.

1. No payments or gifts of any kind are provided to respondents.
2. Mortgage insurance files and financial documentation generally fall under the confidentiality provisions of the Privacy Act and Freedom of Information Act. The Housing and Community Development Act of 1987, 42 U.S.C. 3543, requires persons applying for a federally insured or guaranteed loan to furnish his/her Social Security Number (SSN) or Employer Identification Number (EIN). The inclusion of SSN/EIN is considered a confidential matter. A Privacy Act Statement is printed on the appropriate forms. HUD assures confidentiality to respondents on other information collected if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department’s mission to provide housing units under the various Sections of the Housing Legislation.
3. The forms do not include questions of a sensitive nature.
4. Estimated burden hours and costs to the respondents:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Information Collection | Number of Respondents | Frequency of Response | Responses Per Annum | Burden Hours Per Response | Annual Burden Hours | Hourly Cost | Total Annual Cost |
| HUD-92013 | 1,045 | 1.00 | 1,045 | 2.00 | 2,090 | $40 | $ 83,600 |
| HUD-92013-Supp | 3,135 | 1.00 | 3,135 | 2.00 | 6,270 | $30 | 188,100 |
| HUD-92013-E | 50 | 1.00 | 50 | 8.00 | 400 | $30 | 12,000 |
| HUD-92264 | 1,045 | 2.00 | 2,090 | 114.00 | 238,260 | $35 | 8,339,100 |
| HUD-92264-A | 1,045 | 3.00 | 3,135 | 8.00 | 25,080 | $40 | 1,003,200 |
| HUD-92264-T | 1,045 | 1.00 | 1,045 | 1.00 | 1,045 | $42 | $43,890 |
| HUD-92273\* | 1,045 | 1.00 | 1,045 | 18.00 | 18,810 | $40 | 752,400 |
| HUD-92274 | 1,045 | 1.00 | 1,045 | 18.00 | 18,810 | $40 | 752,400 |
| HUD-92326 | 1,045 | 1.00 | 1,045 | 20.00 | 20,900 | $30 | 627,000 |
| HUD-92329 | 1,045 | 3.00 | 3,135 | 0.08 | 250 | $40 | 10,032 |
| HUD-92331 | 1,045 | 2.00 | 2,090 | 5.00 | 10,450 | $40 | 418,000 |
| HUD-92485 | 1,045 | 1.00 | 1,045 | 4.00 | 4,180 | $30 | 125,400 |
| HUD-92415 | 50 | 1.00 | 50 | 1.00 | 50 | $30 | 1,500 |
| HUD-92447 | 1,045 | 3.00 | 3,135 | 0.08 | 250 | $50 | 12,500 |
| HUD-92452 | 1,045 | 1.00 | 1,045 | 2.00 | 2,090 | $30 | 62,700 |
| HUD-92010 | 1,045 | 2.00 | 2,090 | 1.00 | 2,090 | $30 | 62,700 |
| HUD-91708 | 1,045 | 1.00 | 1,045 | 1.00 | 1,045 | $30 | 31,350 |
| HUD-92466-R1, R2, R3, R4 | 25 | 1.00 | 25 | 0.50 | 12 | $30 | 360 |
| HUD-92466 | 25 | 1.00 | 25 |  |  |  |  |
| FM-1006 | 1,045 | 1.00 | 1,045 |  |  |  |  |
| HUD-2880 | 1045 | 1.00 | 1,045 |  |  |  |  |
| Totals | **3185** |  | **29,410** |  | **352,082** |  | **$10,575,000** |

The hourly rate is an estimate based on an average annual salary of $62,000 for developers and mortgagees.

\*HUD-92273, Estimates of Market Rent by Comparison, supports the appraiser’s market rent estimates on formsHUD-92264. One form is to be prepared for each type and size (if significantly different) of rental units for each processed project. The rents derived from the utilization of these forms are used to support the rental housing project income analysis and appraisal on Form HUD-92264.

1. There are no additional costs to respondents.
2. Annualized burden and cost to the Federal government:

Our third party partners processed 1,045 firm applications in Fiscal year 2008.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Information Collection | Total Annual Forms | Average Hours Per Response | Total  Hours | Hourly Rate | Estimated Annual Cost | |
| HUD-92013 | 1,045 | 10.00 | 10,450 | $40 | $ 418,000 |
| HUD-92013-Supp | 3135 | 10.00 | 31,350 | $40 | 1,254,000 |
| HUD-92013-E | 50 | 10.00 | 500 | $40 | 20,000 |
| HUD-92264 | 1,045 | 44.00 | 45,980 | $40 | 1,839,200 |
| HUD-92264-A | 1,045 | 44.00 | 45,980 | $40 | 1,839,200 |
| HUD-92264-T | 1,045 | 44.00 | 45,980 | $40 | 1,839,200 |
| HUD-92273 | 1,045 | 15.00 | 15,675 | $40 | 627,000 |
| HUD-92274 | 1,045 | 15.00 | 15,675 | $40 | 627,000 |
| HUD-92326 | 1,045 | 15.00 | 15,675 | $40 | 627,000 |
| HUD-92329 | 1,045 | 15.00 | 15,675 | $40 | 627,000 |
| HUD-92331 | 1,045 | 10.00 | 10,450 | $40 | 418,000 |
| HUD-92485 | 1,045 | 10.00 | 10,450 | $40 | 418,000 |
| HUD-92415 | 50 | 0.08 | 4 | $40 | 160 |
| HUD-92447 | 1,045 | 0.08 | 83 | $40 | 3,320 |
| HUD-92452 | 1,045 | 0.08 | 83 | $40 | 3,320 |
| HUD-92010 | 1,045 | 1.00 | 1,045 | $40 | 41,800 |
| HUD-91708 | 1,045 | 0.08 | 83 | $40 | 3,320 |
| FM-1006 | 1,045 | 0.08 | 83 | $40 | 3,320 |
| HUD-2880 | 1,045 | 0.08 | 83 | $40 | 3,320 |
| HUD-92466 | 25 | 1.00 | 25 | $40 | 1,000 |
| HUD-92466-R1, R2, R3, R4 | 25 | 0.08 | 2 | $40 | 80 |
| Totals | **20,005** |  | **265, 331** |  | **$10,613,240** |

Hourly cost is based on a GS – 12/5 Federal salary.

* 1. This is an extension of a currently approved collection. The Commissioner has directed that the control, management operations, and oversight of the Section 232 Program be transferred from the Office of Multifamily Housing Programs to the Office of Insured Health Care Facilities. Therefore, all forms related to that program have been eliminated from this submission and will become the responsibility of the Office of Health Care Facilities.
  2. Collection of this information will not be published. Each form will be maintained with the HUD Program Office in individual case files.
  3. HUD is not seeking approval to avoid displaying the OMB expiration date.
  4. There are no exceptions to the Certification Statement identified in item 19 of Form OMB 83-I.

# B. Collections of Information Employing Statistical Methods

This collection does not involve statistical methods.