
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
Kevin B. Perkins, Director, Organizational Policy, Planning and Analysis Division, HROA

Signature of Senior Officer or Designee:

Date:

X
Wayne Eddins, Departmental Reports Management Officer,
Office of the Chief Information Officer

Supporting Statement for Paperwork Reduction Act Submissions

A. Justification

1. HUD's regulations in 24 CFR 206 Subpart E of the National Housing Act (12 U.S.C. 1708) permits HUD to establish testing standards to qualify individuals as HECM counselors eligible to provide HECM counseling to prospective HECM borrowers. The rule establishes a roster of eligible HECM counselors and provides for their removal for cause.

The examination and application will be used to assist HUD in evaluating the knowledge and capacity of individuals interested in providing HECM counseling to potential HECM borrowers thereby reducing the risk to the insurance fund. The collection of information assists HUD in providing a current roster of HUD-approved HECM counselors to the general public and interested customers.

2. To be eligible to be placed on the HECM counselor roster, an individual must provide HUD with proof that he/she: 1) successfully passed the standardized HECM test; 2) is employed by a HUD-approved housing counseling agency or affiliate of a HUD-approved intermediary or state housing finance agency; 3) is receiving continuing education and providing evidence thereof if requested by HUD, and 4) has access to and is supported by, appropriate technology enabling HUD to track the results of the counseling offered to each loan applicant in accordance with the regulations. HUD staff uses the information collected to assess the eligibility of the individual to provide HECM counseling to potential HECM borrowers. The information also assists HUD staff to detect any conflicts of interest that may not be permissible.

A HECM counselor may submit a written request to HUD to remove the HECM counselor from the roster.

3. The standardized HECM test is administered by HUD or a party selected by HUD. The test is automated. The information for placement on the roster will be submitted electronically through the FHA Connection. The information collected through FHA Connection will be the same as that on the new form HUD 92904 which can be printed out from FHA Connection once all data is input. HUD made the decision to electronically accept HECM roster applications so that the data can be automatically transferred to the Housing Counseling website upon approval of the application
4. This information is not collected elsewhere. HUD makes every effort to assure no duplication of information is required.
5. This information does not impact small businesses or other small entities.
6. Establishing testing standards and a roster of eligible HECM counselors is necessary to comply with the requirements of 24 CFR 206 Subpart E. HECM counseling is required by statute in Section 255(f) of the National Housing Act. Because of the complicated requirements set forth in the statute, HUD must be assured that individuals have the knowledge and capacity to provide this statutorily required HECM counseling to prospective HECM borrowers. These standards and the associated information collection contribute to improving the quality of HECM counseling. HUD also bears the responsibility of assuring the risk is minimized to the FHA insurance fund. Standards for providing adequate HECM counseling helps to insure that elderly homeowners make more informed decisions when considering whether to pursue a HECM loan. This collection provides the means to meet HUD's obligation.
7. There are no special circumstances involved in this collection.
8. A notice of the final rule FR-4751-P-01 will be published in the *Federal Register*.
9. There are no payments or gifts to respondents with respect to this collection.

10. Since social security numbers are required, HUD has provided the required privacy act statement on form HUD-92904.
11. No information of this nature is required as part of this collection.
12. Estimated public burden:

Information Collection	Number of respondents	Frequency of response	Total Annual Responses	Hours per Response	Total Hours	Hourly Cost	Total Annual Cost
Standardized Test	200	1	200	2.00	400	\$20	\$8,000
Application		1	200	0.25	50	\$20	1,000
Continuing education and recordkeeping		1	200	2.00	400	\$20	8,000
Request to be removed from roster	5	1	5	0.25	1	\$20	20
Totals	205		605		851		\$17,020

The hourly cost is based on an estimate of the average annual salary of \$40,000 for HECM counselors.

The continuing education burden is based on the completion of a 4-hour training course once every two years.

HUD anticipates high volume the first year which will diminish the following years. All applicants must successfully pass the standardized HECM test. The application requirement for individuals to become approved HECM counselors is minimal. The criteria is clearly defined. This collection requirement does not necessitate the acquisition of specific software.

13. There is no additional cost to respondents.
14. Estimated annualized costs to the Federal government include 1,000 hours of staff time needed to coordinate the review and approval of applications, and to monitor HECM continuing education of participating individual HECM counselors. With an estimated cost of \$27.00 per hour for staff at the GS-11 level, the total annualized cost to the Federal government is estimated to be \$27,000.
15. This is a new collection submitted for initial approval. Section 255(e)(1) of the National Housing Act provides that mortgagees provide HECM applicants a written list of the names and addresses of HECM counselors. HUD wishes to establish training and testing standards to qualify individuals as HECM counselors and to establish a roster of approved HECM counselors.
- 16 HUD will publish a roster of approved HECM counselors.
17. HUD is not requesting approval to avoid displaying the expiration date.
18. There are not exceptions to the certification statement identified in item 19 of the OMB 83-i.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.