

Paperwork Reduction Act Submission (DRAFT)

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.

<p>1. Agency/Subagency Originating Request: U.S. Department of Housing and Urban Development Office of Multifamily Housing/Office of Asset Management</p>		<p>2. OMB Control Number: a. 2502-0324 b. None</p>																																			
<p>3. Type of information collection: (check one)</p> <p>a. <input type="checkbox"/> New Collection</p> <p>b. <input type="checkbox"/> Revision of a currently approved collection</p> <p>c. <input checked="" type="checkbox"/> Extension of a currently approved collection</p> <p>d. <input type="checkbox"/> Reinstatement, without change, of previously approved collection for which approval has expired</p> <p>e. <input type="checkbox"/> Reinstatement, with change, of previously approved collection for which approval has expired</p> <p>f. <input type="checkbox"/> Existing collection in use without an OMB control number</p> <p>For b-f, note item A2 of Supporting Statement instructions.</p>		<p>4. Type of review requested: (check one)</p> <p>a. <input checked="" type="checkbox"/> Regular</p> <p>b. <input type="checkbox"/> Emergency - Approval requested by</p> <p>c. <input type="checkbox"/> Delegated</p> <p>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</p> <p>6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other (specify)</p>																																			
<p>7. Title: Budget-Based Rent Increase</p>																																					
<p>8. Agency form number(s): (if applicable) HUD-92547-A</p>																																					
<p>9. Keywords: Multifamily housing, Multifamily mortgage, Rent increases, budget-based</p>																																					
<p>10. Abstract: Owners of certain cooperative and subsidized rental projects are required to submit a Budget Worksheet when requesting rent increases. HUD Field Office's review and evaluate the amount and reasonableness of the requested increase.</p>																																					
<p>11. Affected public: (mark primary with "P" and all others that apply with "X")</p> <p>a. Individuals or households</p> <p>b. P Business or other for-profit</p> <p>c. P Not-for-profit institutions</p>		<p>12. Obligation to respond: (mark primary with "P" and all others that apply with "X")</p> <p>a. Voluntary</p> <p>b. X Required to obtain or retain benefits</p> <p>c. X Mandatory</p>																																			
<p>13. Annual reporting and recordkeeping hour burden:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">a. Number of respondents</td> <td style="text-align: right;">12,218</td> </tr> <tr> <td>b. Total annual responses</td> <td style="text-align: right;">12,218</td> </tr> <tr> <td> Percentage of these responses collected electronically</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>c. Total annual hours requested</td> <td style="text-align: right;">61,090</td> </tr> <tr> <td>d. Current OMB inventory</td> <td style="text-align: right;">72,466</td> </tr> <tr> <td>e. Difference (+,-)</td> <td style="text-align: right;">-11,376</td> </tr> <tr> <td>f. Explanation of difference:</td> <td></td> </tr> <tr> <td> 1. Program change:</td> <td></td> </tr> <tr> <td> 2. Adjustment:</td> <td style="text-align: right;">-11,376</td> </tr> </table>		a. Number of respondents	12,218	b. Total annual responses	12,218	Percentage of these responses collected electronically	0%	c. Total annual hours requested	61,090	d. Current OMB inventory	72,466	e. Difference (+,-)	-11,376	f. Explanation of difference:		1. Program change:		2. Adjustment:	-11,376	<p>14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) Do not include costs based on the hours in item 13.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">a. Total annualized capital/startup costs</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>b. Total annual costs (O&M)</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>c. Total annualized cost requested</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>d. Total annual cost requested</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>e. Current OMB inventory</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>f. Explanation of difference:</td> <td></td> </tr> <tr> <td> 1. Program change:</td> <td></td> </tr> <tr> <td> 2. Adjustment:</td> <td style="text-align: right;">\$0.00</td> </tr> </table>		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:	\$0.00
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<p>15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")</p> <p>a. X Application for benefits</p> <p>b. Program evaluation</p> <p>c. General purpose statistics</p> <p>d. Audit</p>		<p>16. Frequency of recordkeeping or reporting: (check all that apply)</p> <p>a. <input checked="" type="checkbox"/> Recordkeeping b. <input type="checkbox"/> Third party disclosure</p> <p>c. <input checked="" type="checkbox"/> Reporting:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1. <input checked="" type="checkbox"/> On occasion</td> <td style="width: 33%;">2. <input type="checkbox"/> Weekly</td> <td style="width: 33%;">3. <input type="checkbox"/> Monthly</td> </tr> <tr> <td>4. <input type="checkbox"/> Quarterly</td> <td>5. <input type="checkbox"/> Semi-annually</td> <td>6. <input type="checkbox"/> Annually</td> </tr> <tr> <td>7. <input type="checkbox"/> Biennially</td> <td colspan="2">8. <input type="checkbox"/> Other (describe)</td> </tr> </table>		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)																										
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<p>17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		<p>18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Audrey Hinton Phone: 202-402-2691</p>																																			

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
Mike 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

Budget-Based Rent Increase OMB Control Number 2502-0324 (HUD-92547-A)

A. Justification

1. Title II of the National Housing Act requires that HUD regulate rents for certain cooperative and subsidized rental projects. Section 207(b)(2) of Title II states that "...The Secretary may, in the Secretary's discretion, require any such mortgagor to be regulated or restricted as to rents or sales ..." Further, this section states "insurance for mortgagees under this section is intended to facilitate particularly the production of rental accommodations, **at reasonable rents**, of design and size suitable for family living..." In addition, Section 236(e) of the National Housing Act states, "As a condition for receiving the benefits of interest reduction payments, the project owner shall operate the project in accordance with such requirements with respect to tenant eligibility and rents as the Secretary may prescribe..." Under Section 236(f) "For each dwelling unit there shall be established with the approval of the Secretary (A) a basic rental charge determined on the basis of operating the project with payment of principal and interest due under a mortgage bearing interest at the rate of 1 per centum per annum; and (B) a fair market rental charge determined on the basis of operating the project with payment of principal, interest, and mortgage insurance premium which the mortgagor is obligated to pay under the mortgage covering the project. The rental for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the fair market rental charge, as represents 30 per centum of the tenant's adjusted income. With respect to those projects which the Secretary determines have separate utility metering for some or all dwelling units, the Secretary is authorized (i) to permit the basic rental charge and the fair market rental charge to be determined on the basis of operating the project without the payment of the cost of utility services used by such dwelling units; and (ii) to permit the charging of a rental for such dwelling units at such an amount less than 30 per centum of a tenant's adjusted income as the Secretary determines represents a proportionate decrease for the utility charges to be paid by such tenant, but in no case shall rental be lower than 25 per centum of a tenant's adjusted income..." Also, Section 221(d) (3) requires that projects be "regulated or supervised ... by the Secretary under a Regulatory Agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such a manner as in the opinion of the Secretary will effectuate the purposes of this section..."

In developing regulations for the exercise of this HUD authority, the Department formulated the processes by which owners could request increases. The requirement for tenant participation in the rent increase process, which is included in Section 202(b) of the Housing and Community Development Amendments of 1978, necessitated that the Department design procedures to give consideration to tenant comments. The resultant rule for Tenant Participation in Multifamily Housing Projects, 24 CFR 245, specifies the information to be collected for a rent increase request. Specifically, 24 CFR 245.310 requires notice to tenants at least 30 days before submitting a request to HUD for approval of an increase in maximum permissible rents. In addition, 24 CFR 245.320 requires copies of documentation to accompany the rent increase request including copies of all written comments submitted by the tenants to the mortgagor.

2. Owners are required to submit the following documents to HUD for review and approval:

- Cover letter summarizing the reasons a rent increase is needed;
- Copy of notice to tenants;
- A rent increase worksheet (form HUD-92547-A) providing an income and expense budget for the 12 months following the anticipated effective date of the proposed rent increase;
- A brief statement explaining the basis for the expense lines on the rent increase worksheet;
- If tenants receive utility allowances, the mortgagor's recommended utility allowance for each unit type and brief statement explaining the basis for the recommended increase, and;
- A status report on the project's implementation of its current Energy Conservation Plan.

Upon expiration of the tenant comment period, the owner must submit the following documents in addition to the documents listed above:

- Copies of all written comments submitted by the tenants to the owner;
- The owner's evaluation of the tenants' comments with respect to the request;
- A certification by the owner that:
 - It has complied with all of the requirements of 24 CFR 245, Subpart D;
 - The copies of the materials submitted in support of the proposed increase were located in a place reasonably convenient to tenants in the project during normal business hours and that requests by tenants to inspect the materials, as provided for in the notice, were honored;
 - All comments received from tenants were considered by the owner in making its evaluation; and
 - Under penalties and provisions of Title 18 U.S.C. Section 1001, the statements contained in this request and its attachments have been examined by me and, to the best of my knowledge and belief, are true, correct, and complete.

Form HUD-92547-A, Budget Worksheet will be used by HUD Field staff, along with other information submitted by owners, as a tool for determining the reasonableness of rent increases. The purposes of the worksheet and the collection of budgetary information are to allow owners to plan for expected increases in expenditures.

3. This process is not automated because it involves providing copies of supporting documentation. The budget-based rent increase worksheet is requested by the owner and submitted to the local HUD field office for review and approval. Additionally, this information collection requires certification documents with original signatures for HUD approval. The HUD-92547-A is available on HUD Clips and can be completed using a personal computer. Computer-generated representations of the information included in the 92547-A will also be accepted in place of the worksheet. Analyses were conducted to determine the cost effectiveness and feasibility of automating this collection. At this time, however, there are no available resources that can be used for electronic submission.
4. The uniqueness of project expenses precludes the possibility of duplication among projects.
5. There is no impact on small businesses or small entities.
6. If the information were collected less frequently, HUD would be unable to monitor rent increases for the projects subject to this requirement.
7. No special circumstances apply to this collection.

8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on May 4, 2009 (Volume 74, Number 84, Page 20492-20493). No comments were received.
9. No payments or gifts of any kind are provided to respondents.
10. The Department does not assure confidentiality to respondents.
11. There are no questions of a sensitive nature.
12. Annual Burden Estimate:

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	Hourly Cost	Total Annual Cost
Rent Increase Worksheet							
HUD-92547-A	12,218	1	12,218	1.5	18,327	\$29	\$531,483
Subtotal	12,218	1	12,218	1.5	18,327	\$29	\$531,483
All Written Requests							
Cover Letter	12,218	1	12,218	.25	3,054	\$29	88,581
Copy of Notice to Tenants	12,218	1	12,218	.25	3,054	\$29	88,581
Copies of all written tenants' comments	12,218	1	12,218	.50	6,109	\$29	177,161
Owner's Evaluation of Tenants' comments	12,218	1	12,218	1	1,2218	\$29	354,322
Statement Explaining basis for expense lines on rent increase worksheet	12,218	1	12,218	.50	6,109	\$29	177,161
Utility allowance explanation	12,218	1	12,218	.25	3,054	\$29	88,581
Owner's certification that all requirements have been completed	12,218	1	12,218	.25	3,054	\$29	88,581
Status report on implementation of Energy Conservation Plan	12,218	1	12,218	.50	6109	\$29	177,161
Subtotal	12,218	1	12,218	3.5	42,763	\$29	1,240,127

Estimated burden hours and hourly costs for respondent's staff to review and provide the requested information

13. There are no additional costs to respondents.

14. Annual Cost to the Federal Government:

Information Collection	Number of Responses	Hours per Response	Total Annual Hours	Hourly Cost	Total Annual Cost
HUD-92547-A	12,218	1	12,218	\$30	\$366,540
Review of all written requests	12,218	1	12,218	\$30	\$366,540
Totals	12,218	1	24,436	\$30	\$733,080

Estimated annual cost to the Federal Government assuming that a GS-12 Project Manager will review and process the information.

15. This is an extension of a currently approved collection. There are no program changes since the last request for approval of this information collection. The number of burden hours decreased because the number of projects subject to this requirement decreased through mortgage prepayments, mortgage foreclosures, and mortgage maturities.

16. The results of this collection will not be published.
17. HUD is not requesting approval to avoid displaying the expiration date on the HUD Form-92547-A.
18. There are no exceptions to the certification statement identified in Item #19 on form OMB 83-I, "Certification for Paperwork Reduction Act Submissions."

B. Collections of Information Employing Statistical Methods

There are no plans to use statistical methods for collection of this information.