

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 Housing-FHA Commissioner, Office of Asset Management | 2. OMB Control Number: a. 2502-0275 b. <input type="checkbox"/> 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 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 type="checkbox"/> No 6. Requested expiration date: a. <input type="checkbox"/> Three years form approval date b. <input type="checkbox"/> Other (specify) |
|--|--|

7. Title:
Application for the Transfer of Physical Assets

8. Agency form number(s): (if applicable)
HUD-92266

9. Keywords:
Multifamily Housing Projects

10. Abstract:
The Application for the Transfer of Physical Assets is completed and submitted to HUD by prospective purchasers of properties with mortgages either HUD-insured or HUD-held prior to conveying the title. The form cites all the supportive documentation that must be submitted to HUD for approval.

| | |
|--|---|
| 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. X Required to obtain or retain benefits c. P Mandatory |
|--|---|

| | |
|---|--|
| 13. Annual reporting and recordkeeping hour burden: a. Number of respondents 14,758 b. Total annual responses 295 Percentage of these responses collected electronically 4% c. Total annual hours requested 26,061 d. Current OMB inventory 32,200 e. Difference (+,-) -6,139 f. Explanation of difference: 1. Program change: 2. Adjustment: Estimate recalculated based on current HUD data. | 14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) 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: Estimate recalculated based on current HUD data and salary data obtained from payscale.com. |
|---|--|

| | |
|---|---|
| 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 b. <input type="checkbox"/> Reporting: 1. <input 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"/> Biannually 8. <input type="checkbox"/> Other (describe) : The application for TPA is only submitted when a property experiences a change in ownership. Many projects only experience this change once during the life of its mortgage. Data collection is only as frequent as the ownership changes. |
|---|---|

| | |
|--|---|
| 17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input type="checkbox"/> No | 18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Kimberly R. Munson Phone: (202) 402- 5122 |
|--|---|

19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, 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). Appear 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 F. Hill, Deputy Assistant Secretary for Operations, HR

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

A. Justification

1. The Department of Housing and Urban Development (HUD) has both the authority and the duty to closely monitor the operation of the properties encumbered by mortgages insured or held by HUD. When the sale and conveyance by deed of title to an insured mortgage necessitates a substitution of mortgagors, HUD approval of the substitution is required. The duty to perform this function stems from HUD's responsibility to the taxpayers to guard the insurance fund, which includes anticipating and identify problems (e.g., physical, financial, managerial, legal) with a project prior to a potential delinquency and ultimately assignment of the mortgage.

The authority for this function can be found in Section 207 of the National Housing Act, HUD's regulations at 24 CFR Part 207, and in the Regulatory Agreements between the HUD and the mortgagor of the multifamily housing property.

2. A transfer of physical assets is a significant event in the life of a HUD multifamily project and of the mortgage encumbering the project. The transfer of physical assets application and supporting documentation provide the Department with a vehicle for reviewing all aspects of transfers of physical assets in an orderly efficient manner prior to the point at which they become effective. Therefore, HUD must be intricately involved at the time of the transfer to ensure that:

- the applicant purchaser is acceptable to own and operate a project encumbered by a HUD-insured or HUD-held mortgage;
- the project is not placed in physical, financial or managerial jeopardy by the transfer;
- the changes effected at the project as a result of the transfer are not contrary to the interest of HUD and the tenants;
- the legal and operational terms of the transfer are not in violation of the statutes, regulations, HUD policies and binding legal contracts applicable to the particular project;
- the project is the recipient of its fair share of the money changing hands in consideration of the transfer;
- the project and HUD are not exploited during the vulnerable period of transfer.
- The terms and conditions of the transaction are not in violation of applicable statutes, Federal Regulations, and published HUD policy; and,
- The physical and financial needs of the project are adequately addressed to minimize the risk of subsequent physical deterioration and financial damage at the project.

In order to ensure that HUD's interest is adequately protected, HUD staff must review and approve the new owners and management agents and must have an opportunity to review and approve the terms and conditions of proposed transfers prior to implementation. HUD reviews each transfer of physical assets proposal for legal and administrative sufficiency. Consequently, the documents and information required for submission are both a legal and administrative nature. The administrative information collection collected pursuant to the application provides HUD with an insight into the purchaser (e.g., Purchasers Resume) and his ability to own and operate the project (e.g., HUD-2530, (2502-0118) Personal Financial Statement). The purchaser's resume is particularly useful and provides HUD with information concerning the purchaser experience and effectiveness in other real estate ventures. For example, if the resume of a prospective purchaser of a troubled project indicates inexperience with troubled assets, the HUD TPA review may conclude that the potential purchaser should utilize a management agent with experienced working with troubled projects.

The administrative information required is also essential in describing to HUD the purchaser's plans for the project (e.g., purchaser's letter, pro forms balance sheet, MIO Plan, management agreement.) The administrative information is useful to HUD is assessing the acceptability of a transfer proposal, which provides HUD with the tool to assess whether or not a project will be exploited by the transfer (e.g., sources and application of funds, affidavit, interim financial statements.) Additionally, the TPA includes a comparison and analysis of the interim financial statement and a pro forms balance sheet, which can reveal unauthorized, illegal, or excessive drains on the project accounts.

3. This collection will not be automated due to the collection of documents necessary for this submission. The transfer of physical assets process requires submitting several documents to HUD in support of the transaction including, but not limited to, the purchaser's letter, purchaser's certificate of previous participation (HUD-2530), purchaser's resume, sources and uses of funds, executed but unrecorded sale contract, option contract or land contract, unaudited financial statement, title report, etc. In addition, HUD previously reported that 10% of this transaction was automated based on the HUD-2530 requirement, which was previously mandated as a 100% electronic submission process through the Active Partners Performance System (APPS). In July 2007, the requirement to submit HUD-2530s electronically was retracted and now allows HUD's industry partners to submit using APPS or manually using the HUD-2530 form. This change resulted from industry concerns that were elevated to Congress and as a result, HUD's 100% electronic submission requirement for HUD-2530s was overturned.
4. Currently, there are no similar collection efforts, therefore this collection does not duplicate other currently approved efforts.
5. The collection of this information does not impact small businesses or other small entities.
6. If this information were collected less frequently, HUD would fail to closely monitor the operation of its multifamily housing portfolio resulting in a significant risk to the FHA insurance fund.
7. There is no requirement for respondents to report the information more than quarterly.
There is no requirement for respondents to prepare a written response to a collection in fewer than 30 days.
There is no requirement requiring respondents to submit more than an original and two copies of any document.
There is no requirement for respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years.
This collection is not in connection with a statistical survey.
There is no use of a statistical data classification.
There is no pledge of confidentiality that is not supported by authority established in statute or regulation.
There is no requirement for respondents to submit proprietary trade secret or other confidential information.
8. Information collected is conducted in a manner consistent with the guidelines of 5 CFR 1320.6. The Notice announcing this collection of information appeared in the Federal Register July 7, 2009 (Vol 74, No. 128). The only comments received were based on outdated language (i.e., changes in HUD staff titles, etc.) and some suggested revisions in process that will require review by HUD's Office of General Counsel. HUD responded to the commenter that the OMB approval process will continue; however, the suggested changes are currently under review by HUD staff.
9. There will be no gifts or payments given to respondents.
10. The Department does not assure confidentiality to respondents. However, respondents are covered by the Privacy Act of 1974.
11. There are no sensitive questions involved in this collection.
12. Estimated Annual Cost to Respondents.

| Information Collection | Number of Respondents | Frequency of Response | Total Annual Responses | Burden Hours per Response | Total Annual Burden Hrs | Hourly Cost | Total Annual Cost |
|--|-----------------------|-----------------------|------------------------|---------------------------|-------------------------|-------------|-------------------|
| PRELIMINARY APPROVAL PROCESS | | | | | | | |
| 1) HUD-92266 | 14,758 | 1 | 295 | 1 | 148 | \$16 | \$2,368 |
| 2) Purchaser's Letter | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 3) Purchaser's Certification of Previous Participation (form HUD-2530) | 14,758 | 1 | 295 | 1 | 295 | \$16 | \$4,720 |
| 4) Purchaser's Resume(s) | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 5) Source and Uses of Funds | 14,758 | 1 | 295 | 5 | 1,475 | \$16 | \$23,600 |
| 6) Unrecorded Executed Sale Contract, Option Contract or Land Contract | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 7) Executed Seller/Purchaser Affidavit | 14,758 | 1 | 295 | .50 | 885 | \$16 | \$14,160 |
| 8) Unrecorded Executed Regulatory Agreement | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 9) Unrecorded Executed Modification Agreement | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 10) Unrecorded Executed Secondary Financing Documents | 14,758 | 1 | 295 | 10 | 2,950 | \$16 | \$47,200 |
| 11) Interim Financial Statement | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 12) Pro-forma Balance Sheet | 14,758 | 1 | 295 | 1 | 295 | \$16 | \$4,720 |
| 13) Mortgagee's Statement of Escrow and Reserve Account | 14,758 | 1 | 295 | 4 | 1328 | \$16 | \$21,248 |
| 14) MIO Plan | 14,758 | 1 | 295 | 6 | 1,770 | \$16 | \$28,320 |
| 15) Proposed/Unrecorded Deed | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 16) Proposed Bill of Sale and Assignment | 14,758 | 1 | 295 | .50 | 885 | \$16 | \$14,160 |
| 17) Proposed Management Certification, and Entity Profile, if applicable, and form HUD-2530 (2502-0118) for Management Agent | 14,758 | 1 | 295 | 3 | 885 | \$16 | \$14,160 |
| 18) Title Report | 14,758 | 1 | 295 | 10 | 2,950 | \$16 | \$47,200 |
| 19) Mortgagor's Oath | 14,758 | 1 | 295 | .50 | 148 | \$16 | \$2,368 |
| 20) Proposed Rental Schedule (form HUD-92458 (2502-0012)) | 14,758 | 1 | 295 | .33 | 97 | \$16 | \$1,552 |

(Estimated Cost to Respondents – continued)

| Information Collection | Number of Respondents | Frequency of Response | Total Annual Responses | Burden Hours per Response | Total Annual Burden Hrs | Hourly Cost | Total Annual Cost |
|--|-----------------------|-----------------------|------------------------|---------------------------|-------------------------|-------------|-------------------|
| 21) Executed Organizational Documents of Purchaser | 14,758 | 1 | 295 | 10 | 2,950 | \$16 | \$47,200 |
| 22) Attorney's Certification | 14,758 | 1 | 295 | 1 | 295 | \$16 | \$4,720 |
| 23) Byrd Amendment Certification | 14,758 | 1 | 295 | .50 | 885 | \$16 | \$14,160 |
| 24) Purchaser's Personal Financial and Credit Statement (HUD-92417(2502-0001)) | 14,758 | 1 | 295 | 8 | 2,360 | \$16 | \$37,760 |
| 25) HAP Assignment (if applicable) | 14,758 | 1 | 147.50 | .50 | 74 | \$16 | \$1,184 |
| FINAL APPROVAL PROCESS | | | | | | | |
| 26) All Executed Recorded Documents | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 27) All Unrecorded Executed Documents | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 28) Original Regulatory Agreement | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 29) Audited Interim Financial Statement | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 30) Purchaser's Balance Sheet-Actual Condition | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 31) Mortgagee's Statement | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 32) Title Policy | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 33) Attorney's Opinion | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| 34) Rental Schedule | 14,758 | 1 | 295 | .25 | 74 | \$16 | \$1,184 |
| Totals | 14,758 | 1 | 295 | 86 | 26,061 | \$16 | \$416,976 |

Items 1 through 24 - Number of respondents is based on the current inventory of projects that are HUD-insured and HUD-Held. The number of annual responses is based on an estimate of 2% of potential transfer of physical assets applications received on an annual basis.

Items 1 through 24 - Hourly cost is based on an estimate of the potential owner's staff to gather, complete, and submit the required documents to HUD for review and approval. Hourly estimated costs estimate obtained from payscale.com.

13. There are no additional capital or start-up costs.

14. Estimated Annual Cost to the Federal Government.

| Number of Respondents | Number of Responses | Staff Hours Per Response | Total Annual Burden Hours | *Cost Per Hour | Total Annual Cost |
|-----------------------|---------------------|--------------------------|---------------------------|----------------|-------------------|
| 14,758 | 295 | 60 | 17,700 | \$28.00 | \$495,600 |

*Estimated cost per hour for HUD staff (GS-12) to review and process the documents for this collection. Data was obtained from www.opm.gov for the 2009 general scale/hourly rates.

15. Adjustments were made from the last submission based on current data in HUD systems for HUD insured and HUD-held mortgages. Adjustments were also made to correct the burden hour estimate for submitting the Proposed Rental Schedule (form HUD-92458), resulting in a reduction in total burden hours from 92 to 90.33 for this collection. The previous estimate for the form HUD-92458 was 10 hours, which was an overestimate. In addition, data was obtained from payscale.com to include an average hourly rate for a Property Manager.

16. Collection of this information will be not published.

17. HUD is not seeking approval not to display the expiration date for OMB approval of the information collection.

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. There are no statistical methods used in this collection.