



## "AFFORDABLE HOUSING PROGRAM (AHP)"

OMB NUMBER 2590-0007

SUPPORTING STATEMENT

### A. Justification

1. Section 10(j) of the Federal Home Loan Bank Act (Bank Act) (12 U.S.C. 1430(j)) requires the Federal Housing Finance Agency (FHFA) to promulgate regulations under which each of the 12 Federal Home Loan Banks (Banks) must establish an Affordable Housing Program (AHP) to make subsidized advances to members engaged in lending for long term, low- and moderate-income, owner-occupied and affordable rental housing at subsidized interest rates. Section 10(j) also establishes the standards and requirements for making subsidized AHP advances to Bank members. Part 1291 of the FHFA regulations (12 CFR part 1291) implements the statutory requirements and authorizes the Banks to make AHP funding decisions. The AHP data requirements are found in the Data Reporting Instructions. *See* Resolution Number 2006-13 (available electronically in the FOIA Reading Room: <http://www.fhfa.gov/Default.aspx?Page=256&ListYear=2006&ListCategory=9#9|2006.>)

2. The Banks use the AHP data collection contained in the Data Reporting Instructions to determine whether an AHP applicant satisfies the statutory and regulatory requirements to receive subsidized advances or direct subsidies under the AHP. FHFA uses the information to ensure that Bank funding decisions, and the use of the funds awarded, are consistent with statutory and regulatory requirements.

3. The information collection uses a low level of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Data submission from the Banks to FHFA is through formatted files a Bank can create in a manner it considers most efficient or convenient. The use of improved information technology would have no effect on the burden imposed on Banks and members because the required information is the same regardless of the method of collection.

4. The information collection avoids duplication by requiring the submission of information that already may be available to, or compiled by, AHP applicants for other purposes. For instance, because an AHP applicant is likely to be applying for funding from multiple sources, the applicant may be able to use directly or modify information compiled for use in other funding applications when applying for AHP funds.

5. The information collection does not have a significant economic impact on a substantial number of small entities. The rule implements statutory requirements applicable to all AHP applicants regardless of their size. FHFA does not have the authority to make adjustments to the statutory requirements to accommodate small entities.
6. If the information were not collected at the times specified in the part 1291 and the Data Reporting Instructions, the Banks would be unable to determine whether an AHP applicant satisfies the statutory and regulatory eligibility criteria to receive AHP funding, and FHFA would be unable to determine whether Bank funding decisions, and the use of funds awarded, are consistent with statutory and regulatory requirements.
7. There are no special circumstances that require FHFA to conduct the information collection in a manner inconsistent with the guidelines provided in Item 7.
8. In accordance with the requirements of 5 CFR 1320.8(d), FHFA published a request for public comments regarding this information collection in the *Federal Register* on September 30, 2009. *See* 74 FR 50208 (September 30, 2009). The 60-day comment period closed on November 30, 2009. FHFA received no public comments, which supported establishment of consistent data reporting requirements for the AHP.
9. No payments or gifts are provided to any respondent.
10. The Banks and FHFA maintain the confidentiality of information as required by applicable statute, regulation, or agency policy.
11. There are no questions of a sensitive nature in the information collection.
12. FHFA has analyzed the cost and hour burden for the seven facets of the information collection – AHP applications, AHP modification requests, AHP monitoring agreements, AHP recapture agreements, homeownership set-aside program applications, verification of statutory and regulatory compliance submissions, and Bank Advisory Council reports and recommendations on AHP Implementation Plans. The aggregate total annual cost and hour burden for the information collection is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$31,948	\$1,369,271	\$2,941,022	\$4,342,241
Hours:	652	34,249	76,008	110,909

The method FHFA used to determine the annual cost and hour burden is explained in detail below.

#### I. AHP Application Process

FHFA based the calculations upon an annual average of 2,050 AHP applications. The aggregate total annual cost and hour burden is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$0	\$280,850	\$1,826,550	\$2,107,400
Hours:	0	6,150	49,200	55,350

#### A. FHFA's Annualized Burden – AHP Application Process

FHFA incurs no costs because applicants and members prepare and the Banks review and decide upon each AHP application.

#### B. Banks' Annualized Burden – AHP Application Process

The estimated annualized cost to the Banks is \$280,850. The estimated annualized hour burden is 6,150 hours. These estimates are based on the following calculations:

Bank analyst reviews and scores each AHP application.

- Review/processing time: 2 hours
- Total applications: 2,050
- Total hours: 4,100
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$159,900

Bank management reviews staff recommendations and the board of directors acts on AHP applications.

- Review/processing time: 1 hour
- Total applications: 2,050
- Total hours: 2,050
- Hourly rate: \$59 (includes salary, benefits, and overhead)
- Total cost: \$120,950

C. Members/Applicants' Annualized Burden – AHP Application Process

The estimated annualized cost to members and applicants is \$1,826,550. The estimated annualized hour burden is 49,200 hours. The estimates are based on the following calculations:

Project sponsor/owner and member prepare AHP application.

- Processing time: 24 hours
- Total applications: 2,050
- Total hours: 49,200
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Processing cost: \$1,672,800
- Miscellaneous expenses: \$75 per application
- Miscellaneous costs: \$153,750 (\$75 x 2050 applications)
- Total cost: \$1,826,550

II. AHP Modification Requests

FHFA based the calculations upon an annual average of 150 AHP modification requests. The aggregate total annual cost and hour burden is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$0	\$26,400	\$15,750	\$42,150
Hours:	0	600	375	975

A. FHFA's Annualized Burden – AHP Modification Requests

FHFA incurs no costs because applicants and members prepare and the Banks review and decide upon each AHP modification request.

B. Banks' Annualized Burden – AHP Modification Requests

The estimated annualized cost to the Banks is \$26,400. The estimated annualized hour burden is 600 hours. These estimates are based on the following calculations:

Bank Analyst reviews and analyzes each AHP modification request.

- Review/processing time: 3 hours
- Total requests: 150
- Total hours: 450
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$17,550

Bank management reviews staff recommendations and board of directors acts on each AHP modification request.

- Review/processing time: 1 hour
- Total requests: 150
- Total hours: 150
- Hourly rate: \$59 (includes salary, benefits, and overhead)
- Total cost: \$8,850

C. Members/Applicants' Annualized Burden – AHP Modification Requests

The estimated annualized cost to members and applicants is \$15,750. The estimated annualized hour burden is 375 hours. These estimates are based on the following calculations:

Project sponsor/owner and member prepare AHP modification request.

- Processing time: 2.5 hours
- Total requests: 150
- Total hours: 375
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Processing cost: \$12,750
- Miscellaneous expenses: \$20 per request
- Miscellaneous costs: \$3,000 (\$20 x 150 requests)
- Total cost: \$15,750

III. AHP Monitoring Agreements

FHFA based the calculations upon an annual average of 825 AHP monitoring agreements. The aggregate total annual cost and hour burden is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$0	\$96,525	\$126,242	\$222,767
Hours:	0	2,475	3,713	6,188

A. FHFA's Annualized Burden – AHP Monitoring Agreements

FHFA incurs no costs because the applicants, members, and Banks prepare and enforce each AHP monitoring agreement.

## B. Banks' Annualized Burden – AHP Monitoring Agreements

The estimated annualized cost to the Banks is \$96,525. The estimated annualized hour burden is 2,475 hours. These estimates are based on the following calculations:

Bank staff prepares and implements an AHP monitoring agreement with a member.

- Processing time: 1 hour
- Total agreements: 825
- Total hours: 825
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$32,175

Bank staff reviews documentation from project sponsors/owners and members regarding AHP monitoring agreements.

- Review time: 2 hours
- Total submissions: 825
- Total hours: 1,650
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$64,350

## C. Members/Applicants' Annualized Burden – AHP Monitoring Agreements

The estimated annualized cost to members and applicants is \$126,242. The estimated annualized hour burden is 3,713 hours. These estimates are based on the following calculations:

Member prepares and implements AHP monitoring agreement with the project sponsor/owner.

- Processing time: 1 hour
- Total agreements: 825
- Total hours: 825
- Hourly rate: \$34 (includes salary, benefit, and overhead)
- Total cost: \$28,050

Project sponsor/owner prepares reports and certifications required by the AHP monitoring agreement.

- Processing time: 1.75 hours
- Total submissions: 825
- Total hours: 1,444
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Total cost: \$49,096

Member reviews documentation from project sponsors/owners regarding AHP monitoring agreements.

- Processing time: 1 hour
- Total agreements: 825
- Total hours: 825
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Total cost: \$28,050

Member prepares reports and certifications required by the AHP monitoring agreement.

- Processing time: .75 hour
- Total reports: 825
- Total hours: 619
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Total cost: \$21,046

#### IV. AHP Recapture Agreements

FHFA based the calculations upon an annual average of 360 AHP recapture agreements. The aggregate total annual cost and hour burden is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$0	\$14,040	\$24,480	\$38,520
Hours:	0	360	720	1,080

##### A. FHFA's Annualized Burden – AHP Recapture Agreements

FHFA incurs no costs because the Banks prepare and enforce each AHP recapture agreement.

##### B. Banks' Annualized Burden – AHP Recapture Agreements

The estimated annualized cost to the Banks is \$14,040. The estimated annualized hour burden is 360 hours. These estimates are based on the following calculations:

Bank staff prepares and implements an AHP recapture agreement with a member.

- Processing time: 1 hour
- Total agreements: 360
- Total hours: 360
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$14,040

C. Members/Applicants' Annualized Burden – AHP Recapture Agreements

The estimated annualized cost to members and applicants is \$24,480. The estimated annualized hour burden is 720 hours. These estimates are based on the following calculations:

Member prepares and implements AHP recapture agreement with the project sponsor/owner.

- Processing time: 2 hours
- Total agreements: 360
- Total hours: 720
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Total cost: \$24,480

V. Homeownership Set-aside Program Applications

FHFA based the calculations upon an annual average of 10,000 homeownership set-aside program applications. The estimated annualized hour burden is 20,000 hours. The aggregate total annual cost and hour burden is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$0	\$780,000	\$880,000	\$1,660,000
Hours:	0	20,000	20,000	40,000

A. FHFA Annualized Burden – Homeownership Set-aside Program Applications

FHFA incurs no costs because applicants and members prepare and the Banks review and decide upon each homeownership set-aside program application.

B. Banks' Annualized Burden – Homeownership Set-aside Program Applications

The estimated annualized cost to the Banks is \$780,000. The estimated annualized hour burden is 20,000 hours. These estimates are based on the following calculations:

Bank staff processes applications and certifications for homeownership set-aside program funds.

- Processing time: 2 hours
- Total submissions: 10,000
- Total hours: 20,000
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$780,000



C. Members/Applicants Annualized Burden – Homeownership Set-aside Program Applications

The estimated annualized cost to members and applicants is \$880,000. The estimated annualized hour burden is 20,000 hours. These estimates are based on the following calculations:

Member prepares homeownership set-aside program application and certifies compliance upon disbursement of funds.

- Processing time: 2 hours
- Total submissions: 10,000
- Total hours: 20,000
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Processing cost: \$680,000
- Miscellaneous expenses: \$20 per application
- Miscellaneous costs: \$200,000 (\$20 x 10,000 applications)
- Total cost: \$880,000

VI. Verification of Statutory and Regulatory Compliance Submissions

FHFA based the calculations upon an annual average of 2,000 submissions to verify compliance with statutory and regulatory requirements at the time of subsidy disbursement. The aggregate total annual cost and hour burden is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$31,360	\$82,680	\$68,000	\$182,040
Hours:	640	2,120	2,000	4,760

A. FHFA’s Annualized Burden – Verification Submissions

The estimated annualized cost to FHFA is \$31,360. The estimated annualized hour burden is 640 hours. These estimates are based on the following calculations:

FHFA staff reviews Banks’ AHP data submissions for completeness and validation.

- Review time: 80 hours
- Total data reporting submissions: 2
- Total hours: 160
- Hourly rate: \$49 (includes salary, benefits, and overhead)
- Total cost: \$7,840

AHP Examiners and Housing Mission and Goals Staff review Banks' AHP data reporting records for completeness and accuracy.

- Total hours: 40
- Submission validations: 12 Banks
- Total hours: 480
- Hourly rate: \$49 (includes salary, benefits, and overhead)
- Total cost: \$23,520

**B. Banks' Annualized Burden – Verification Submissions**

The estimated annualized cost to the Banks is \$82,680. The estimated annualized hour burden is 2,120 hours. These estimates are based on the following calculations:

Bank staff reviews documents verifying statutory and regulatory compliance at the time of subsidy disbursement.

- Processing time: 1 hour
- Total submissions: 2,000
- Total hours: 2,000
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$78,000

Bank staff reviews data reporting records prior to submission to FHFA for accuracy, completeness, and validation.

- Review time: 5 hours
- Total submissions: 24 (2 submissions per year x 12 Banks)
- Total hours: 120
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Total cost: \$4,680

**C. Members/Applicants' Annualized Burden – Verification Submissions**

The estimated annualized cost to members and applicants is \$68,000. The estimated annualized hour burden is 2,000 hours. These estimates are based on the following calculations:

Member prepares and submits to the Bank documents verifying statutory and regulatory compliance at the time of the subsidy disbursement.

- Processing time: 1 hour
- Total submissions: 2,000
- Total hours: 2,000
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Total cost: \$68,000

## VII. Bank Advisory Council Reports and Recommendations on AHP Implementation Plans

FHFA based the calculations upon an annual average of 12 Bank Advisory Council Reports. The aggregate total annual cost and hour burden is as follows:

	<u>FHFA</u>	<u>Banks</u>	<u>Members/Applicants</u>	<u>TOTAL</u>
Cost:	\$588	\$88,776	\$0	\$89,364
Hours:	12	2,544	0	2,556

### A. FHFA's Annualized Burden – Bank Advisory Council Submissions

The estimated annualized cost to FHFA is \$588. The estimated annualized hour burden is 12 hours. These estimates are based on the following calculations:

FHFA program analyst reviews Bank Advisory Council Reports.

- Review time: 1 hour
- Total reports: 12 (1 report x 12 Bank Advisory Councils)
- Total hours: 12
- Hourly rate: \$49 (includes salary, benefits, and overhead)
- Total cost: \$588

### B. Bank's Annualized Burden – Bank Advisory Council Submissions

The estimated annualized cost to the Banks is \$88,776. The estimated annualized hour burden is 2,544 hours. These estimates are based on the following calculations:

Bank staff and board of directors review Advisory Council recommendations on AHP Implementation Plan.

- Review/processing time: 10 hours
- Total plans: 12 (1 plan x 12 Bank Advisory Councils)
- Total hours: 120
- Hourly rate: \$39 (includes salary, benefits, and overhead)
- Review/processing cost: \$4,680
- Miscellaneous expenses: \$40 per plan
- Miscellaneous costs: \$480 (\$40 x 12 plans)
- Total cost: \$5,160

Bank Advisory Council prepares and submits to FHFA a report on the Bank's affordable housing and community development activities.

- Processing time: 200 hours
- Total reports: 12 (1 report x 12 Bank Advisory Councils)
- Total hours: 2,400
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Processing cost: \$81,600
- Miscellaneous expenses: \$60 per report
- Miscellaneous costs: \$720 (\$60 x 12 reports)
- Total cost: \$82,320

Bank Advisory Council prepares and submits to the Bank its recommendations on the AHP Implementation Plan.

- Processing time: 2 hours
- Total plans: 12 (1 plan x 12 Bank Advisory Councils)
- Total hours: 24
- Hourly rate: \$34 (includes salary, benefits, and overhead)
- Processing cost: \$816
- Miscellaneous expenses: \$40 per plan
- Miscellaneous costs: \$480 (\$40 x 12 plans)
- Total cost: \$1,296

#### C. Members/Applicants' Annualized Burden – Bank Advisory Council Submissions

Members and applicants incur no costs because the Banks' Advisory Councils prepare and the Banks and FHFA review Advisory Council Reports and recommendations.

13. FHFA has not identified any costs to respondents other than the costs discussed in detail under Item 12.

14. The estimated annual cost burden to the federal government is \$31,948 and 652 hours. The method used to determine these costs is discussed in detail under Item 12.

15. Program changes or adjustments reported on the burden worksheet are explained below:

- IV. AHP Recapture Agreements. The estimated annual number of total AHP Recapture Agreements requiring completion and implementation by the Bank members and project sponsors has changed from 825 to 360 due to fewer competitive projects requiring recapture of award subsidy.

V. Homeownership Set-aside Applications. The estimated annual number of respondents and the annual reporting and recordkeeping hour burden have changed because demand for down payment/closing cost assistance by households residing in the United States has resulted in an increase in the number of homeownership set-aside applications from 8,000 to 10,000.

16. FHFA will not publish the results of this information collection.

17. FHFA plans to display the expiration date of OMB approval.

18. There are no exceptions to the topics of the certification statement identified in the “Certification for Paperwork Reduction Act Submissions”.

18. There are no exceptions to the topics of the certification statement identified in the “Certification for Paperwork Reduction Act Submissions”.

**B. Collection of Information Employing Statistical Methods**

The information collection does not employ statistical methods.