

# Supporting Statement for Paperwork Reduction Act Submissions

## Request for Occupied Conveyance OMB Control Number 2502-0268 (Form HUD-9539)

### A. Justification

1. Regulations at 24 CFR 203.670-681 outline the circumstances under which HUD will accept conveyance of title to property acquired by mortgagee/loan servicers. HUD will accept conveyance of occupied property if an individual residing in the property suffers from an illness or injury that would be aggravated by moving, if state or local law prohibits eviction, or if it is in the Secretary's best interest to accept the property, the property is habitable, and the occupants meet eligibility criteria. Collection of occupants' Social Security Numbers is authorized by 42 USC 3543.
2. At least 60 days but not more than 90 days before the date on which the mortgagee/loan servicer expects to acquire title to the property; the mortgagee/loan servicer shall notify the mortgagor and each head of household who is occupying a unit of its potential acquisition by HUD. A sample notification letter is attached. In its first notice to the occupant, the mortgagee/loan servicer informs the occupant of his/her rights and includes the conditions for continued occupancy; the Form HUD-9539, Request for Occupied Conveyance; a form to request verification of employment; and a statement outlining the nature of temporary occupancy.

If the occupant desires to remain in occupancy, the occupant must complete the subject form, HUD-9539 and submit it, along with a completed form to request verification of employment and any information relating to illness or injury, to the local HUD office within 20 days after the date of the mortgagee/loan servicer's notice. The information is necessary for HUD to determine if the occupant is financially able to pay the fair market rent; and/or whether a member of the immediate family residing in the residence suffers from a temporary, permanent, or long-term illness or injury which would be aggravated by the process of moving from the property. The Department uses the information in making its determination as to whether to approve or disapprove the occupant's request for occupied conveyance. An occupant who is accepted must execute a month-to-month lease and a copy of the lease is mailed along with the HUD-9539 form to HUD. HUD may provide pertinent information to a local real estate broker who manages the property. The information may also be used to collect past-due rents.

3. This information may be collected electronically or mailed. Mortgagee/loan servicers are required to provide a notice of acquisition to mortgagors and to any occupant of the property. Mortgagee/loan servicers must also provide any occupant a copy of the form HUD-9539 for possible submission to HUD to request occupied conveyance. HUD will accept this information electronically from individuals requesting occupied conveyance, through the appropriate email address located on the form.
4. The Single Family Property Disposition Sales Program/Real Estate Owned (REO) is the only program office at HUD that permits occupants to request continued occupancy of a single-family property (1 to 4 units) after HUD acquires title. Therefore, the information collection is unique to this program.
5. The information being collected does not involve small businesses or other small entities.
6. If the information were not collected, the Department would not be in a position to determine whether the occupant desires and deserves to remain living in the property when HUD becomes the owner.
7. At least 60 days but not more than 90 days before the date on which the mortgagee/loan servicer expects to acquire title to the property; the mortgagee/loan servicer shall notify the mortgagor and each head of household who is occupying a unit of its potential acquisition by HUD.

Respondents are required to complete and submit the HUD-9539 to the local HUD office within 20 days of the date of the mortgagee/loan servicer's notice to the occupant, so that HUD has adequate time to review the occupant's request and determine whether the conditions for continued occupancy have been met prior to the foreclosure. This requirement is outlined in the regulation, 24 CFR 203.674, Eligibility for continued occupancy.

8. The agency notice soliciting comments on the information collection for OMB #2502-0268 was published in the *Federal Register* on July 7, 2009 (Vol. 74 Number 128, pages 32178-32179). No comments were received.

9. There will be no payments or gifts given to respondents.
10. Form HUD-9539 comes under the Privacy Act of 1974 (P.L. 93-579). The information collection takes into consideration the need to assure data confidentiality and provides the Privacy Act Statement on the form.
11. There are no questions of a sensitive nature.
12. Estimates of Burden and Respondents Costs:

- Mortgage/loan servicer Burden: HUD anticipates acquiring approximately 16,000 foreclosed properties per year for the next three years. We estimate that 180 mortgage/loan servicers will send out notices to the mortgagors (and any tenants) of those 16,000 properties
- Occupant burden is also calculated from past experience/statistics. HUD estimates that 20% of the occupants of the 16,000 acquisition properties will submit a request for occupied conveyance to the local HUD offices. This represents 3,200 occupants.

	Number of Respondents	Frequency of Response (avg)	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
Notice of acquisition and HUD-9539	180	varies	16,000	.25	4,000	\$19.62	\$78,480
Letter to HUD and HUD-9539	3,200	1.0	3,200	.50	1,600	\$9.81	\$15,696
<b>Totals</b>	<b>3,380</b>		<b>19,200</b>		<b>5,600</b>		<b>\$94,176</b>

Hourly rate for mortgagee/servicer is based on an estimate of servicer personnel annual salary of \$40,949.  
 Hourly rate for occupants is based on minimum wage plus \$2.56 for mailing.

Names and addresses of Mortgage/Loan Servicers contacted:

Cynthia Maestas  
 9 Barnes Street  
 West Warwick, Rhode Island 02893

James Davis  
 5 Ironwood Way  
 Columbia, South Carolina 29209

LaTonya Howard  
 18915 Littlefield Street  
 Detroit, Michigan 48235

13. There are no additional costs to the respondents.
14. Estimated annualized cost to the Federal Government:

	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
Letter to HUD and HUD-9539	3380	.25	845	\$19.62	\$16,579

The hourly rate is based upon the annual salary of a Realty Specialty, GS-9, Step 1.

15. This is a **revision** of a currently approved collection. There has been a significant decrease in the number of respondents, as HUD's Management and Marketing (M&M) contractors, and the loan servicers have very clearly conveyed to mortgagors, the difficult and extensive financial criteria process necessary for approval of HUD 9539-Request for Occupied Conveyance. Consequently, an appreciable decrease in respondents has occurred.
16. This collection of information does not include results that will be published.
17. HUD is not seeking approval to avoid displaying the expiration date of the OMB approval.
18. There are no exceptions to the certification statement.

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

This collection of information does not employ statistical methods.