

# Supporting Statement for Paperwork Reduction Act Submissions

## Financial Statement of Corporate Application for Cooperative Housing Mortgage OMB Control Number 2502-0058 (Form HUD-93232-A)

### A. Justification

1. Sections 213 and 221(d)(3) of the National Housing Act, as amended authorizes the Secretary to insure mortgages covering property held by a non-profit cooperative ownership-housing corporation. Section 213 insures mortgage loans to facilitate the construction, substantial rehabilitation, and purchase of cooperative housing projects. Each member shares in the ownership of the whole project with the exclusive right to occupy a specific unit and to participate in project operations through the purchase of stock.

“Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed forty years from the beginning of amortization of the mortgage...”

The Department is required to determine the capacity of the borrower corporation and the individual members to meet the statutory requirements for repayment. The Department must review the applicant’s financial and credit history to determine whether there is a potential risk to the Insurance Fund.

2. The Department is required to conduct a credit investigation of all applicants applying for mortgage insurance. Credit reports on the individual members and their personal financial statements are submitted on HUD-93232-A in order to determine their credit standing, ability to pay, and stability of employment. An analysis of the financial capacity will assist the Department in accurately assessing the credit risk in regards to the loan amount and amortization period.
  3. The collection of information does not involve the use of automation. HUD and the Office of Housing are undergoing a transformation of the IT infrastructure which will dictate the type of automated systems that will be developed. It is imperative that the automatic system developed adequately address concern for confidentiality (due to the nature of data reported) and the need and ability to capture E-signatures. Until the IT transformation has materialized, it is difficult to establish a viable electronic intake process that will be sustained.
  4. This information is not collected elsewhere. A review of Multifamily Housing information collections confirms that no other information collection provides this particular information.
  5. There are no small businesses or other small entities involved in the collection of this information.
  6. The information is collected only once, with the mortgage insurance application and the form is required to receive benefits.
  7. The need for this type of information has not changed since the programs were enacted. Each borrower and cooperative corporation must be found to possess the capability and financial capacity to meet repayment terms of the insured mortgage. There have been no changes to the statutory requirements that these loans are viable and the form has proved adequate and satisfactory for carrying out that task.
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8. Information collected is conducted in a manner consistent with the guidelines of 5 CFR 1320.8(d). The Notice announcing this collection of information appeared in the *Federal Register* on 04/22/2010, Vol. 75 No. 77, page 21019. No comments received.
9. There will be no gifts or payments given to respondents.
10. There is no assurance of confidentiality provided.
11. There are no questions of a sensitive nature.

12. Annual Burden Estimate:

Information Collection	Number of Respondents	Frequency of Responses	Total Annual Responses	Burden Hour Per Response	Total Annual Burden Hours	Hourly Cost	Annual Cost
HUD-93232-A	27	1	27	1	27	\$20.00	\$540.00
<b>Totals</b>	<b>27</b>		<b>27</b>	<b>1</b>	<b>27</b>		<b>\$540.00</b>

\*\*Information collection includes HUD 93232-A, credit report, Request for Verification of Deposit and Request for Verification of Employment

13. There are no additional costs to the respondents.

14. Annual Cost to the Federal Government:

Information Collection	Number of Respondents	Hours per Response	Total Annual Hours	Hourly Cost	Annual Cost
HUD-93232-A	27	1	27	\$40.79	\$1,101.33
<b>Totals</b>	<b>27</b>		<b>27</b>		<b>\$1,101.33</b>

Estimated cost based on the annual salary of a GS12, step 5 of \$40.79 (Housing Project Manager reviewing the information).

15. This is a revision of a current approved collection. The decreases in the number of respondents reflect a decreased use of the program which is a direct reflection on the declining housing economy.
16. The collection of information is not scheduled for publication.
17. OMB expiration date will be displayed on the appropriate form.
18. There will be no exceptions to the "certification statement".

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

There will be no statistical methods used in this collection of information.