

**SUPPORTING STATEMENT FOR  
FINAL ENDORSEMENT OF CREDIT INSTRUMENT  
FORM HUD-92023**

**Justification**

1. Section 207 of the National Housing Act (Public Law 479; 48 Stat. 1426; 12 U.S.C. 1701 et. seq.), authorizes the Secretary of the Department of Housing and Urban Development to insure mortgages on multifamily housing. The term “first mortgage” means such classes of first liens as are commonly given to secure advances (including but not being limited to advances during construction) on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located, together with the credit instrument or instruments, if any. The credit instrument is secured by, and may be in the form of trust mortgages or mortgage indentures or deeds of trust securing notes, bonds, or other instruments.

Copies of outstanding regulations are attached for 24 CFR 200.100. The credit instrument shall be initially and finally endorsed simultaneously for insurance pursuant to a firm commitment to insure upon completion. Where the advances of construction funds are to be insured pursuant to a firm commitment of insured advances, initial endorsement of the credit instrument shall occur before disbursement of any mortgage proceeds. After all advances of mortgage proceed, terms, and conditions of the commitment are met to the satisfaction of the Department, HUD will again endorse the credit instrument. Further, the mortgagor must certify at final endorsement for mortgage insurance that the property covered by the mortgage is free and clear of all liens other than such mortgage, and that there will be no other outstanding unpaid obligations contracted in connection with the mortgage transaction, the purchase of the mortgaged property, or the construction of the project, except such obligations as may be approved by the Commissioner as to term, form, and amount.

2. HUD uses Form HUD-92023 to request final endorsement of the credit instrument. The mortgagee completes HUD-92023 to indicate the schedule of advances made on the project and the final advance to be disbursed immediately upon final endorsement. The reverse side of the form provides for certifications by the mortgagor and the general contractor that there will not be any outstanding unpaid obligations following receipt of the final advance of mortgage proceeds, except such obligations as may be approved by the Commissioner as to term, form, and amount. For any such obligations, the mortgagor will agree to establish a cash escrow for these “to be paid in cash” items.
3. The collection of this information does not involve the use of automation. HUD and the Office of Housing are undergoing a transformation of the Information of Technology (IT) infrastructure which will dictate the type of automated systems that will be developed. It is imperative that the automatic system developed adequately address concerns 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 and sustainable electronic intake process.
4. There is no duplication of this form.
5. The collection of information does not involve small businesses or other small entities.
6. If the collection of information were not conducted HUD would be unable to assure that approved funds were disbursed as authorized.
7. This collection of information is unique and assures at final endorsement that the property will be free and clear for the purpose of mortgage insurance.

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 Wednesday, February 10, 2010, Vol 75, No. 27 pages **6682-6683**. No comments were received.
9. There will be no payments or gifts given to respondents.
10. No assurance of confidentiality is 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	Total Annual Cost
HUD-92023	100	1	100	1	100	\$20.00	\$2,000
<b>Totals</b>	<b>100</b>		<b>100</b>		<b>100</b>		<b>\$2,000</b>

13. There are no additional costs to respondents.

14. Annual Cost to the Federal Government:

Information Collection	Number of Respondents	Hours per Response	Total Annual Hours	Hourly Cost	Annual Cost
HUD-92023	100	1	100	\$39.82	\$3,982
<b>Totals</b>	<b>100</b>		<b>100</b>		<b>\$3,982</b>

Estimated hourly cost is based on the annual salary of a GS13, step 1 for reviewing the information.

15. The number of respondents was decreased based on the Department's endorsement data for a two-year period which is based on the downside of the economy.
16. The collection of information is not scheduled for publication.
17. The OMB expiration data will be displayed on the appropriate forms.
18. There are no exceptions to the "Certification Statement".

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

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