

Supporting Statement for Paperwork Reduction Act Submissions
Management Certifications and Management Entity Profile
HUD-9823; HUD-9839A; HUD-9839B; HUD-9839C

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Owners of insured and assisted multifamily housing projects are required by HUD regulations 24 CFR Part 200.105 and administrative guidelines in HUD Handbook 4381.5 REV-2, *The Management Agent Handbook*, to submit certain data for review by the local HUD office for approval of a new management agent. These requirements apply to insured multifamily projects, HUD-held mortgages, and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency. That information is contained on the HUD forms listed below and referred to collectively as “Management Documents”.

HUD-9832 – Management Entity Profile

HUD-9839A – Project Owner’s Certification for Owner-Managed Multifamily Housing Projects

HUD-9839B – Project Owner’s/Management Agent’s Certification for Projects for Identity-of-Interest or Independent Management Agents

HUD-9839C – Management Certification for Elderly Projects Managed by Project Administrators

Regulatory Authority: 24 CFR Part 200.105

The regulations at 24 CFR Part 200.105 “Mortgagor supervision” states “(a) As long as the Commissioner is the insurer or holder of the mortgage, the Commissioner shall regulate the mortgagor by means of a regulatory agreement providing terms, conditions and standards established by the Commissioner, or by such other means as the Commissioner may prescribe.” The management agent acts on behalf of the mortgagor, and therefore is bound by the same regulatory and administrative requirements.

The form HUD-9832 (Management Entity Profile) is submitted only when there is new management or a change in the management structure. The forms HUD-9839A, 9839B, and 9839C are submitted based on the type of management at the project. If the project is owner-managed, the form HUD-9839A is required. If the management shares an identity-of-interest relationship with the owner, or if the project owner uses an independent fee agent, the form HUD-9839B is required. Project Administrators of elderly housing would submit form HUD-9839C. No respondent is required to submit all three (9839A, 9839B, and 9839C) forms and they are only required when there is a change in management. It is possible that none of these forms would be required in any given year because there had been no change in the management agent.

Attached are excerpts from the applicable handbook reference, a copy of the HUD forms listed above, and the regulatory citation.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The Management Documents are utilized by the owner and the management entity. The Management Entity Profile provides information that assists the HUD program center in determining the acceptability of a proposed management agent. In signing the certification(s), the owner and the agent agree to 1) comply with HUD requirements, 2) give HUD and GAO authority to audit a project’s records, and 3) give HUD authority to cancel management contracts when project management proves to be unsatisfactory.

Without the information contained in the Management Documents, HUD's ability to screen out unacceptable management agents and to control fraud would be limited and the incidents of defaults and unauthorized use of subsidy funds would increase.

3. Describe whether, and to what extent the collections of information involves the use of automated, electronic, mechanical, or other the technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

The Department considered incorporating this information in the automated Previous Participation Certification process through the Active Partners Performance System (APPS). APPS is an electronic, web-based submission system accessed through secure systems. The Office of Housing continues to believe that this material fits well into an automated form in the APPS system. Notwithstanding that belief, working capital has not been and is not available to undertake this endeavor at this time. Funds have been directed to required enhancements to meet customer demands, corrections, and security upgrades. However, when working capital becomes available for systems development, HUD will reengineer and automate the process for which these forms are used. In the interim, these paper forms are required as part of multifamily housing program business processes and will continue to be available on HUDCLIPs in a fillable PDF format.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The information requested on these documents is not duplicated within the Department's records.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB form 83-I) describe any methods used to minimize burden.

This information collection does not involve small businesses.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Failure to collect this information would hinder the Department's ability to assess the acceptability of a proposed agent, negotiate project improvement programs, remove unsatisfactory management or recover improper expenditures of project funds.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more than quarterly;**

There is no requirement for respondents to report the information more than quarterly.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

There is no requirement for respondents to prepare a written response to a collection in fewer than 30 days.

- **requiring respondents to submit more than an original and two copies of any document;**

There is no requirement for respondents to submit more than an original and two copies of any document.

- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

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.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**

This collection is not in connection with a statistical survey.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

There is no use of a statistical data classification.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

There is no pledge of confidentiality that is not supported by authority established in statute or regulation.

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There is no requirement for respondents to submit proprietary trade secret, or other confidential information. Owners are required to submit Management Documents during the initial selection of the management agent, if the owner changes management agents, if the owner and management agent negotiate a new management fee and/or management agreement, or if the management agent makes major changes in its organizational structure.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

- **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.**
- **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years – even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.**

In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on 04/22/2010 (Volume 75, Number 77, Page 21016). No comments were received.

In addition, the Department contacted three property managers and field office personnel directly for input. One property manager, Randy Fleece of CMA Management, LLC suggested that the information collection on form HUD-9832 at line 8 could be clearer with modifications to the punctuation. At the Kansas City Hub, Peggy DeLeersnyder and members of her staff had several suggestions to improve the usefulness of the data collection:

Form HUD-9839-B "Project Owner's/Management Agent's Certification"

- Section 1b would be improved by having the management agreement term include "From" and "To" as well as a Yes/No box for "Self-Renewing" agreements.
- In Section 1b(2) they would like to see the detail of "miscellaneous income".
- Section 12 should also list identity-of-interest companies. Section 12b references the form HUD-9832 "Management Agent Profile" for the list. Staff would like the information repeated here.
- Section 14 identifies attachments, but it does not include all of the attachments required by HUD Handbook 4381.5 REV-2 *The Management Agent Handbook* at Section 2.9 "Owner/Management Entity Approval Submission Requirements".

- They would like to see Management Agent Contact information (address, phone number, and e-mail address) on the form. This information is used to update the management screen in iREMS.

On the “Management Entity Profile” form HUD-9832 in Section 2, they would like to see the addresses, phone numbers, and e-mail addresses of the principals.

In addition, several other persons who regularly use or review the forms were contacted to inquire if the forms were easily understood, and explicit in their requirements. Each of three management company contacts found the forms to be sufficiently clear to readily provide needed information to the Department. Other Program Center personnel who review the form found no issues that raise concerns.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There will be no gifts or payments given to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

Assurance of confidentiality is provided to respondents under the Privacy Act of 1974.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The Management Documents do not contain questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden hours, and explain the reasons for the variance. Generally estimates should not include burden hours for customary and usual business practices;
- if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of form OMB 83-I; and
- provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

Form	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
HUD-9832 - Management Entity Profile	31,567	1	1,578	2	3,157	\$24.00	\$ 75,768
HUD-9832A - Project Owner's	7,892	1	395	0.50	197	\$24.00	\$4,7258

Certification for Owner-Managed Multifamily Housing Projects							
HUD-9832B - Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents	20,518	1	1,026	0.50	513	\$24.00	\$12,312
HUD-9832C - Project Owner's/Borrower's Certification for Elderly Projects Managed by Administrators	3,157	1	158	0.24	39	\$24.00	\$936
TOTALS	31,567	1	3,157	1.24	3,906	\$24.00	\$93,744

The estimated total number of responses (combined for all forms) is 31,567.

Item 1 – Estimate number of respondents is based on the applicable projects that would be required to complete this form. All respondents would be required to provide a management entity profile, therefore 100% of those respondents would be required to complete the form HUD-9832 for HUD’s review and approval as a result of new management (initial) or a change in management.

Item 2 – Estimate number of respondents is based on the applicable projects that are owner managed, which is estimated to be about 25% (7,982) of the total (31,567). It is estimated that about 5% of the respondents would be required to complete the form HUD-9839A for HUD’s review and approval as a result of new management (initial) or a change in management.

Item 3 – Estimate number of respondents is based on the applicable projects that are identity-of-interest or have independent management agents, which is estimated to be about 65% (20,518) of the total (31,567). It is estimated that about 5% of the respondents would be required to complete the form HUD-9839B for HUD’s review and approval as a result of new management (initial) or a change in management.

Item 4 – Estimate number of respondents is based on the applicable projects that are managed by administrators, which is estimated to be about 10% (3,157) of the total (31,567). It is estimated that about 5% of the respondents would be required to complete the form HUD-9839C for HUD’s review and approval as a result of new management (initial) or a change in management.

Hourly costs for items 1 through 4 are based on an estimate of the owner or owner’s staff (Property Manager) to review the instructions and complete the form(s). The hourly cost has risen to \$24.00 per hour based on information gathered from payscale.com. Payscale.com is an online salary and benefit information resource which provides compensation data for various occupations. The hourly costs provide a good estimate for costs to the respondent as to this data, which was obtained in November 2009.

- NOTE: All respondents would be required to complete and submit a Management Entity Profile (form HUD-9832) and the applicable management certification. No respondent is required to submit all three forms (HUD-9839A, 9839B, and 9839C), and these forms are only required when there is a change in management. It is possible that none of these forms would be required in any given year because there had been no change in management; therefore the frequency could be zero.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional capital or start-up costs.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Total Annual Responses	Burden Hours Per Response	Total Annual Burden Hours	Hourly Cost	Total Annual Cost
3,157	.50	1,578	\$28.45	\$44,903

*Estimated cost per hour for HUD staff (GS-12) to review and process the documents for this collection

15. Explain the reasons of any program changes or adjustments reported in Items 13 and 14 of the OMB form 83-I.

This is a revision of a currently approved collection. There are no program changes; however, adjustments were made to include additional respondents and burden hours based on the project data currently in HUD systems.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of this collection will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

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

18. Explain each exception to the certification statement identified in item 19.

There are no exceptions to the Certification Statement identified in item 19. The certification provisions identified in items a. through j. have been satisfied within this supporting statement, therefore there are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

There are no statistical methods used in this collection.