

**Supporting Statement for Paperwork Reduction Act Submissions**  
**Mortgagee's Application for Insurance Benefits (Multifamily Mortgage)**  
2502-0419  
Form HUD – 2747

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A. Justification

1. A lender with an insured multifamily mortgage pays an annual insurance premium to the Department. When and if the mortgage goes into default, the lender may elect to file a claim for insurance benefits with the Department. A requirement of the claims process is the submission of an application for insurance benefits, via the form HUD-2747. Regulation 12 USC 1713 (g) and Title II, Section 207(g) of the National Housing Act provides that, “Notwithstanding any other provision of this chapter, upon receipt, after September 2, 1964, of an application for insurance benefits of a mortgage insured under this chapter, the Secretary may terminate the lender’s obligation to pay premium charges on the mortgage.” This provision is further spelled out under 24 CFR Part 207 – Subpart B – Contract Rights and Obligations at 207.252(d) and 207.258(c)(6). Form HUD 2747, Mortgagee’s Application for Insurance Benefits (Multifamily Mortgage), satisfies this requirement.
2. In addition to satisfying the law, this information is used by HUD to establish the date for cancellation of the insurance contract, which ends the lender’s obligation to pay mortgage insurance premiums (MIP’s). The lender is responsible for the MIP’s up to the date the application is received by the Department (Commissioner). Delinquent premiums prior to the Commissioner’s receipt date can be deducted from insurance benefits payable to the lender.
3. The form requires a very limited amount of information and the number of respondents is small. The form is posted on [www.hud.gov](http://www.hud.gov) in electronic format and can be downloaded easily by the mortgagee. The form HUD-2747 only requires seven data fields which are readily available to the lender. There are no plans to further automate the submission of this particular form. The minimal amount of data required would not be decreased by further automation and the burden on the lender would not be reduced. The cost to enable electronic submission of the form would far outweigh any benefits to the lender.
4. Duplication is identified and prevented by the uniqueness of the project number and name. No similar information is being collected.
5. Multifamily lenders are not small business or small entities.
6. If the information were not provided, the Commissioner and the lender would incur unnecessary expenses. HUD and the lender would spend countless hours determining and agreeing on the actual date the mortgage insurance contract was terminated. This could delay the payment of insurance benefits. Consequently, there would be an increase in the number of accrued interest days added to the claim settlement.
7. The lender is required to prepare a written response to the collection information requirement within 30 days after receiving an application from the Commissioner. Regulation 24 CFR part 207.258(b) states, “If the mortgagee elects to assign the mortgage to the Commissioner, it shall at any time within 30 days after the date of the notice of election, file its application for insurance benefits.” The application is mailed to the lender after the Commissioner has approved the lender’s election to assign the mortgage.
8. The agency notice soliciting comments on the information collection for OMB #2502-0419 was published in the *Federal Register* on 4/22/2010, 2010, Vol. 75, No.77, page 21020. No comments were received.

Comments were solicited from three mortgagees that regularly submit claims for Multifamily insurance benefits related to HUD insured multifamily mortgages. Their comments are summarized below.

- A= Lia Scammon, Emmet Marvin & Martin (on behalf of Wells Fargo Multifamily Capital)
- B= Justin Betterton, Midland Loan Servicing, Inc.
- C= Teresa Juliani, Berkadia Commercial Mortgage, LLC

Availability of Data:

- A. "Data is readily available."
- B. "Very simple, very available."
- C. "I do not find it difficult to obtain the data needed to complete the form."

Frequency of Collection:

- A. "Reasonable."
- B. "Once for each claim - not unreasonable."
- C. "Reasonable, as it notifies HUD of the action taken with respect to a specific project loan."

Clarity of Instructions:

- A. "Instructions are clear. Information required is straight forward."
- B. "Fairly clear."
- C. "I feel the instructions are clear and easy to understand."

Format for Record Keeping:

- A. "Prefer the (current) electronic version, but also like the option of manual completion."
- B. "Simple and fine for its purpose."
- C. "I prefer the electronic version (current version) of the form, rather than typing on the manual forms. I used both version and feel the current version is more efficient."

Data Elements:

- A. "Elements are basic information readily available."
- B. "Simple."
- C. "The requirements for the data elements are understandable, since they identify the project and the existing mortgagee and servicer of the loan if different then the mortgagee."

9. There is no decision to provide any payment or gifts to the lender except the payment of insurance benefits. This payment is the Department's contractual obligation.

10. HUD's policy for providing confidentiality is to ensure that any information released to the public does not contain identifying information such as social security numbers or Employer Identification Numbers in the case of a lender. Such identification is deleted from the requested information prior to being released.

11. The information gathered using the subject form is not of a sensitive nature, such as sexual behavior and attitude, religious beliefs, and other matters considered private.

12. It is estimated that 110 respondents (lenders) will annually submit one application for insurance benefits.

Forms	Number of Respondents	Frequency of Responses	Total Annual Responses	Hrs Per Response	Total Annual Hrs	Hourly Cost	Total Annual Cost
HUD-2747	110	1	110	0.08	9	\$18.27	\$164.43

The hourly rate is based on an estimated average annual salary of \$38,000 for lender clerical personnel.

13. There are no additional costs associated with this information collection.

14. The following expenses are incurred by HUD to obtain and to process the requested information:

Copying forms:	\$ 64.00
Processing submissions:	
(GS-12/5 @ \$40.80/hr) 110 x 1 ¼ hrs x \$40.80	5,610.00
Overhead (\$5,610.00 x 10%)	<u>561.00</u>
Total	\$6,235.00

15. This is a request for extension of a currently approved collection. There is no change in the number of burden hours (9 hours) from the previously approved OMB information collection. Currently, there is no change in the number of estimated defaulted loans and automatic assignments and consequently no change in the number of applications for insurance benefits.

16. The information collected will not be published.

17. No approval is being sought to avoid displaying the expiration date on the OMB approval of the Application for Insurance Benefits Form.

18. Not applicable. We certify that our submission complies with the Paperwork Reduction Act.

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

This information collection does not employ statistical methods.