

# Supporting Statement for Paperwork Reduction Act Submissions

## Performing FHA-Insured Mortgage Loan Servicing

### A. Justification

1. The National Housing Act (12 U.S.C. 1703) authorizes the Secretary of Housing and Urban Development to insure financial institutions against losses as a result of mortgagor defaults on single-family mortgages.
2. This information request for OMB review seeks to combine the requirements of several existing OMB collections under this comprehensive collection for mortgagees that service FHA-insured mortgage loans and the mortgagors who are involved with the following activities. The OMB collections affected are; 2502-0036 “Request for Credit Approval of Substitute Mortgagor”, 2502-0094 “Assistance Payment Contract – Notice of Termination, Suspension, or Reinstatement.” The following activities and requirements for this PRA are set forth in Title 24 of the Code of Federal Regulations (CFR) in numerous locations of the CFR, specifically 24 § 203.3, § 203.9, § 203.22, § 203.258, § 203.259, § 203.283, § 203.295, § 203.315, § 203.316, § 203.317, § 203.318, § 203.319, § 203.423, § 203.431, § 203.502, § 203.508, § 203.512, § 203.552, § 203.558

### FHA Loan Payments, Prepayments, Terminations, Fees Assumptions and Transfers

#### Loan Payment and Late Charge

- The mortgagor’s **monthly mortgage loan payment** must be applied by the mortgagee as principal, interest, taxes, homeowners’ insurance, and MIP. The monthly mortgage payment is due on the first of every month with late charges assessed on the 17<sup>th</sup> day of the month after payment is due. The mortgagee may collect late charges after the 17<sup>th</sup> of the month.
- In general, (CFR § 203.552) defines acceptable fees and charges after endorsement allowed by mortgage instrument(s), state law, or the U. S. Department of Housing and Urban Development. HUD Headquarters, the National Servicing Center (NSC), or the jurisdictional Homeownership Center may be asked to rule on any fee, charge, or unusual service not specifically mentioned in this handbook. Determination will be based on what is considered *reasonable and customary* for the area. Fees and charges must be based on the actual cost or work performed (including actual out-of-pocket expenses) and is not based upon a percentage of the face amount or the unpaid principal balance of the mortgage. Acceptable fees or charges will be updated periodically by publication of Mortgagee Letters.
  - **Late fees** are intended to reimburse the mortgagee for the added expense of collection activities and motivate the mortgagor to make payments on time. HUD does not require that a mortgagee enforce the late fee provision of the security instrument. If the mortgagee chooses to assess a late fee on a delinquent payment, HUD expects the mortgagee to prudently exercise this option. The fee assessed must be appropriate. A late charge may be assessed if the mortgagee receives payment more than 15 days after it is due.

Late Charge Assessment	
Payment Schedule	Date
Installment Due Date	March 1
Mortgage is Delinquent	March 2
15 <sup>th</sup> Day After Installment Due Date	March 16
<b>Earliest Date Late Charge May Be Assessed</b>	<b>March 17*</b>

\*In this example, a late fee may not be assessed against a payment until the 17<sup>th</sup> of the month, which is the 16<sup>th</sup> day after the installment due date. If the 16<sup>th</sup> day after the

installment is a weekend or holiday, the late charge may not be assessed until the next working day.

HUD regulations (24 CFR § 203.22(b)) provides for the **prepayment** of HUD-insured mortgages either in part or in full without penalty. HUD regulations (24 CFR § 203.558(a)) permit mortgagee to accept prepayment in any amount at any time, so long as interest is calculated on the actual unpaid principal balance of the debt. A written disclosure statement, of the amount outstanding on the loan and requirements that the mortgagor must fulfill upon prepayment, must be provided to the mortgagor at closing as well as annually (24 CFR § 203.9 and § 203.558(f)).

The mortgagor may pay partial **prepayments** applied in any of the following ways agreed upon by the mortgagee and the mortgagor. Additional principal only payments can be made by the mortgagor to reduce the amount of interest over the mortgage term. The application of partial prepayments will terminate the mortgage insurance.

- The mortgagor may make one or more full monthly payments before they come due. The advantage to the mortgagor applying a partial prepayment in this manner is that if he/she should encounter any financial difficulty, he/she could miss an equal number of installments without creating a mortgage default or incurring a late charge.
- By applying additional payments to reduce the unpaid principal balance, the new balance may be reamortized over the remaining term of the mortgage and the mortgagor's future payments will be reduced accordingly.
- Additional principal only payments can be made by the mortgagor to reduce the amount of interest over the mortgage term.
- Regardless of any partial prepayments, delinquent payments, agreements to postpone payments or agreements to recast the mortgage, the MIP collected must follow the original payment schedule of the mortgage established at the time it was insured.

Mortgage insurance may be voluntarily terminated at any time as long as both the mortgagor and the mortgagee agree to the termination (24 CFR § 203.295). However, mortgagors are to be made fully aware that by electing to terminate the mortgage insurance, they are also electing to forego all future HUD assistance and relief measures to which they were previously entitled.

### **Loan Prepayment in Full Administration**

- Section 329 of the Cranston-Gonzalez National Affordable Housing Act requires mortgagees to provide the mortgagor with a written **payoff/disclosure statement** of the outstanding loan balance at closing and annually thereafter. This statement must describe requirements the mortgagor must fulfill upon prepayment or payoff of the mortgage to prevent accrual of interest after the date of prepayment. (24 CFR § 203.9, CFR § 203.508(c) and § 203.558(f))

The annual statement provided must contain the amount outstanding under the mortgagee, including:

- Principle,
- Interest,
- Penalties,
- Late charges,
- Advances, and
- Other charges related to the loan, and foreclosure or bankruptcy expenses.

The prepayment or payoff disclosure must be supplemented by a statement indicating that the amount provided is subject to accounting adjustments because the amount could change after the date of the statement. Payments received or advances made to the account before the stated expiration date will change the amount provided as well. Although there is no set date when the statement must be furnished, the mortgagee may prefer to mail it with the Year End Statement. (24 CFR § 203.508(c))

The security instrument provides for mortgages insured prior to August 2, 1985, the mortgagor may **prepay the mortgage in full** on the first day of any month in the term of the mortgage without penalty provided the mortgagee perceives 30-day prior written notice of intent to prepay (24 CFR § 203.558).

If a prepayment in full is offered on a day after the installment due date, the mortgagee may:

- Refuse to accept the payment until the month following the 30-day notice, or require the payment of interest to that date.
- HUD regulations require that interest on the debt be calculated on the actual unpaid principal balance of the mortgage (24CFR § 203.558(a)).
- Any mortgagee that fails to meet the disclosure requirements must forfeit the interest collected for any period after the date the prepayment is received.

Mortgages insured on or after August 2, 1985, shall not require 30 days advance notice of prepayment even though the mortgage security instrument states otherwise (24 CFR § 203.558(c)). When the installment due date falls on a non-work day, the mortgagor's Notice of Intent to prepay and the receipt of the prepayment in full amount, without penalty, shall be considered timely if received on the next working day (24 CFR § 203.558(d)). The effective date of the "Notice of Intent" to prepay is considered to be the date the mortgagee's records indicate the "Notice" was received by the mortgage company. Once received, a mortgagor's Notice of Intent to prepay shall be considered as having met the mortgagee's 30-day advance notice requirement for a minimum of 90 calendar days after receipt.

When the prepayment in full is accepted the mortgage insurance is terminated because the mortgage is paid in full, the remaining escrow funds shall be released to the mortgagor no later than 30 calendar days after payoff.

- When the mortgage insurance is terminated without a claim for mortgage insurance benefits, the mortgagee must submit electronic data similar to Form HUD-27050-A, **Mortgage Insurance Termination** or its tape equivalent to report the termination (24 CFR 203.318). HUD accepts mortgage record changes, terminations, or assumptions through EDI or FHA Connection.
  - Compute the pro-rated MIP due if a "periodic" premium was paid (24 CFR § 203.319) and submit within 15 calendar days whenever:
    - 1 The mortgage is **paid-in-full**, either at or before maturity (24 CFR § 203.316),
    - 2 The mortgagee and mortgagor mutually agree to **voluntary termination** of the mortgage insurance (24 CFR § 203.317),
    - 3 The mortgagee has acquired title to the property but decides **not to convey** title to HUD and submit a claim (24 CFR 203.315).
    - 4 Any MIP due HUD may be paid either in cash or in debentures (24 CFR § 203.259).

HUD will refund any portion of the “Up-front” premium that it did not earn when the mortgage insurance is terminated without a claim for mortgage insurance benefits (24 CFR § 203.283). The FHA Commissioner reviews the annual audit of FHA’s Mutual Mortgage Insurance Fund (MMIF) and determines how much premium to charge for new loans and how much to refund when loans are terminated. The mortgagee must notify the mortgagor of the possibility of eligibility for a premium refund.

HUD may also pay **distributive shares** under certain conditions when mortgage insurance is terminated either at or before maturity on mortgages that are obligations of the MMIF (24 CFR § 203.423). Currently, distributive shares are not paid even though the following may apply:

- o When a mortgage is assumed, the insurance continues in force and no eligibility for distributive shares is determined. The owner of the property at the time the mortgage insurance is terminated is eligible for the distributive share.
- o HUD is not liable for unpaid distributive shares that remain unclaimed 6 years from the date notification were first sent to the last known address.

HUD may, from time to time, require mortgagees to provide archived information adequate to permit reconciliation of mortgagee records with HUD’s. This information may include identification of the mortgage, the amount of MIP due and paid to HUD for each mortgage for each time period, the date insurance was terminated or servicing transferred, and for mortgages acquired after September 1, 1982, the date servicing was acquired.

### **Loan Assumptions, Change of Mortgagors**

- In general, mortgagees must not impose, agree to or enforce legal restrictions on conveyances, or on assumptions, unless specifically permitted by (CFR § 203.512). Mortgages originated on or after December 15, 1989, require a review by the mortgagee to determine if a creditworthiness review of the assumptor is required. Some mortgages also contain restrictions on assumptions when the assumptor will not occupy the home as a principal residence. Mortgages originated before above date generally contain assumption restrictions that have expired. If approval is required by the mortgage, the mortgagee shall not approve the sale or other transfer of all or part of the mortgaged property, or the sale or transfer of a beneficial interest in a trust owning all or part of the property, whether or not any person acquires personal liability under the mortgage in connection with the sale or other transfer. A mortgagee can charge a fee for a facsimile payoff statement by fax upon request from the mortgagor(s).

Each mortgage must contain a due-on-sale clause permitting acceleration. If a sale or other transfer occurs without mortgagee approval and a prohibition in (CFR § 203.512 (b)(c)), the mortgagee must enforce this requirement by requesting approval from the local field office to accelerate the mortgage provided that acceleration is permitted by law.

- That being said, all FHA-insured mortgages are assumable. There are certain restrictions on the assumability of FHA-insured mortgages originated since 1986. Depending on the date of loan origination, a creditworthiness review of the assumptor may be required. Mortgages originated before December 1, 1986 generally contain no restrictions on assumability. To determine assumability restrictions, the mortgagee must review the loan’s legal documents. Some mortgages executed 1986-1989 contain language that is not enforced due to subsequent congressional action. Mortgages from that period are now freely assumable, despite any restrictions stated in the mortgage. The following are restrictions to the HUD Reform Act of 1989:

- o Mortgages closed on or after December 15, 1989, require credit qualification of mortgagors wishing to assume the mortgage. This policy applies to mortgagors who assume title to properties subject to the mortgage without assuming personal liability for debt. It also applies to mortgagors who assume and agree to pay the mortgage.
  - o The creditworthiness review requirement spans the life of the mortgage.
  - o Assumptions without credit approval are grounds for acceleration of the mortgage, if permitted by applicable state law and subject to HUD approval, unless the seller retains an ownership interest in the property or the transfer is by devise or descent.
  - o Private investors are prohibited from assuming insured mortgages that are subject to the restrictions of the 1989 Act. This restriction applies whether or not there is a release of liability by the mortgagee of the selling mortgagor.
- The mortgagee determines the **creditworthiness** of the assumptor in accordance with standard mortgage credit analysis requirements. The Direct Endorsement (DE) mortgagee may also use an approved authorized agent to process assumptions:
    - o Assumption creditworthiness review processing must be completed within 45 days from the date the mortgagee receives all necessary documents.
    - o Fees are allowed for assumption processing.

There are mortgagors that neither originate mortgages nor are approved under the DE program. In these situations, if the mortgagor is a supervised or non-supervised financial institution, it may contract with a DE-approved mortgagee to underwrite credit-qualifying assumptions. The DE underwriter must indicate the Computerized Homes Underwriting System (CHUMS) identification number on the mortgage credit analysis worksheet. Supervised mortgagees with a HUD-approved authorized agent relationship may have the agent underwrite its credit qualifying assumptions. The chart below provides an overview of creditworthiness review processing.

<b>Creditworthiness Review Processing</b>	
<b>Requirements</b>	<b>Description</b>
<b>Credit Review</b>	The mortgagee reviews the assumptor's credit if the mortgage being assumed is held or serviced by a DE-approved mortgagee.
<b>Documentation Requirements</b>	The mortgagee is to collect the required documentation which will support the mortgagee's decision to approve/disapprove the mortgage loan.
<b>Secondary Financing</b>	The assuming mortgagors may use secondary financing or other borrowed funds if repayment terms are clearly defined and included in the underwriting analysis.
<b>Seller Contributions</b>	The existing mortgage balance must be reduced by the amount of the contribution. The mortgagor should pay the assumptor's normal closing costs (processing fee and credit report) with no reduction to the mortgage. Cash contributions from the mortgagor to facilitate an assumption are not acceptable.
<b>Assumptions by Other Legal Entities</b>	An assumption solely in the name of a corporation, partnership, sole proprietorship, trust, etc., is unacceptable if a creditworthiness review is required.

<b>203K Assumptions</b>	Assumptions by owner-occupants under the Section 203(k) program may not occur until all work on the property is satisfactorily completed.
-----------------------------	-------------------------------------------------------------------------------------------------------------------------------------------

- Mortgages depending on origination may require **loan to value (LTV)** reduction to the outstanding principal balance when assumed by investors or as secondary residences.
  - o Investors must pay down the outstanding mortgage balance to a 75 percent LTV ratio when assuming mortgages not subject to the 1989 Act, originated by an owner-occupant pursuant to VA Certifications of Reasonable Value (CRV) issued, or for which a Direct Endorsement (DE) underwriter signed an appraisal report on or after February 5, 1988, if the owner-occupant requests a release of liability. The original or current appraised value of the property may be used to determine compliance with the 75 LTV limitation. This requirement spans throughout the life of the mortgage.

Only under the following conditions may private investors assume HUD-insured mortgages.

<b>Conditions for Investors to Assume HUD-Insured Mortgages</b>
<ul style="list-style-type: none"> <li>• Section 203(k) rehabilitation mortgages with an 85 percent maximum LTV ratio.</li> <li>• Loans to finance the purchase of HUD-owned properties where the maximum LTV ratio is 75 percent for a mortgage on a one-family dwelling and 85 percent for a two-four family dwelling.</li> <li>• Streamline refinancing by an investor without an appraisal.</li> <li>• A member of the armed forces who is unable to occupy the property due to a duty assignment is selling the property.</li> <li>• Loans made to a HUD certified Indian tribe or one of its members under Section 248 of the National Housing Act.</li> </ul>

- o When assuming a property as a secondary residence, for which a VA CRV was issued, or for which a DE underwriter signed an appraisal report on or after February 5, 1988 (but before January 27, 1991), owner-occupants must pay down the outstanding mortgage balance to an 85 percent LTV ratio before the assumption can be approved. Either the original appraised value or the current appraised value of the property may be used to determine compliance with the 85 percent LTV limitation.

Mortgages pursuant to a VA CRV, DE mortgagee appraisal report, or master appraisal report issued, or signed on or after January 27, 1991, may not be assumed as secondary residences, except under certain hardship provisions. This does not apply to mortgages exempt from the investor prohibitions.

- **Former mortgagors**, in the event of default by the assuming mortgagor, mortgagees may not report the former mortgagor to credit bureaus. This is true whether the former mortgagor remains legally liable for the mortgage debt or has been released from the liability.

If a former mortgagor remains liable for the mortgage debt, the mortgagee should notify of any subsequent default to provide the former mortgagor an opportunity to save the mortgage and possibly avoid foreclosure.

When a mortgagee receives an inquiry from the mortgagor/seller about HUD's assumption requirements or learns that an assumption has occurred, the mortgagee must:

- o Advise the seller of HUD's assumption requirements.

- o Attempt to obtain the forwarding address of the former mortgagor (seller).
- o Advise the former mortgagor (seller) to update the mailing address.
- o Attempt to obtain information about the buyer.
- The mortgagee must provide HUD with a **notification of changes** via EDI or the FHA Connection within 15 days of any change of mortgagor, mortgagee or transfer of servicing. The FHA Connection can be used to report Form HUD-92080, *Mortgage Record Change*, for all Title II, Single Family Mortgages except for co-insured mortgages identified as Section 244. Mortgagees must submit the Notification of Change regardless of the manner of Mortgage Insurance Payment.

Failure to notify HUD of the change may result in:

- o Delaying the processing of claims for mortgage insurance benefits,
- o Impeding HUD’s ability to pay claims, and/or
- o HUD taking administrative action against the mortgagee.

Incomplete or inaccurate submissions will result in an electronic error notification from the FHA Connection. Upon receipt of notification of an error, the mortgagee must correct the error and resubmit proper notification.

- The current mortgagor can be **released from liability** by the mortgagee completing Form HUD-92210, *Request for Credit Approval of Substitute Mortgagor*, or other similar forms used by the mortgagee. Execution of this form does not formally release the mortgagor from personal liability on the mortgage note. The execution of Form HUD-92210.1, *Approval of Purchaser and Release of Seller*, or other similar forms used by the mortgagee, constitutes a formal release of liability. Only the mortgagee can execute the release of liability. The mortgagee is required to release all parties from liability when the assuming mortgagor is found creditworthy as permitted by CFR § 203.258.

The chart below describes the requirements for release from liability.

Requirements for Release from Liability	
Type	Description
<b>Mortgages Requiring Credit Qualification</b>	<ul style="list-style-type: none"> <li>• Mortgages subject to the 1989 Act require that the mortgagee automatically prepare a release from liability. This releases the original owner when selling by assumption to a creditworthy assumptor who becomes the substitute mortgagor and executes an agreement to assume and pay the mortgage debt.</li> <li>• The due-on-sale clause begins when any owner is deleted from title, except when that party's interest is transferred by devise, descent, or other circumstances in which the transfer cannot legally exercise the due-on-sale clause, such as a divorce in which the party remaining on title retains occupancy.</li> <li>• The mortgagee must contact the HUD National Servicing Center for guidance with respect to acceleration of a mortgage if HUD assumption requirements are not met and the homeowner cannot or will not comply with</li> </ul>

	HUD's requirements at the time the assumption is discovered.
<b>Mortgages Not Subject to Credit Qualification</b>	<ul style="list-style-type: none"> <li>• Mortgages executed before December 15, 1989 require the mortgagee to honor a written request from a former owner to process a formal release from liability. Mortgagees must grant a release from liability if the assumptor is creditworthy and agrees to execute a statement to assume and pay the mortgage debt.</li> <li>• If the assumptor executes a statement to become the substitute mortgagor and pay the mortgage debt, but a release from liability is not obtained at assumption, both the seller and assumptor are jointly liable for five years. If after five years the mortgage is current, the seller is automatically released.</li> <li>• If the buyer takes title subject to the mortgage and will not agree to execute a statement to become the substitute mortgagor and pay the mortgage debt, both seller and buyer remain liable for the term of the mortgage.</li> <li>• Each seller's five-year liability runs individually from the date of each assumption. Liability does not terminate if the mortgage is not current at the end of the five-year period.</li> </ul>

### **Mortgage Loan Servicing Transfers**

- When only **servicing is transferred**, the selling mortgagee must notify HUD within 15 days of the transfer on a Form HUD-92080 (24 CFR § 203.431, § 203.502(b)). When the mortgagee pays MIP monthly, this notification assures the sending of future premium notices to the new servicer. When servicing is transferred, the transferring servicer must notify or arrange to notify the mortgagor of the transfer of servicing. The notice must reach the mortgagor at least 10 days prior to the due date of the first payment to the new servicer (24 CFR § 203.502(b)). The notice must include the name, address, and telephone number of the new servicer, including a toll-free number if the servicer has a number, and any special instructions for handling payments during the conversion period. In accordance with (24 CFR § 203.3) all mortgagees who wish to service FHA-insured mortgages must be approved by HUD. When a mortgagee sells a mortgage, the purchasing mortgagee succeeds to all right and becomes bound by all of the obligations of the seller under the contract for mortgage insurance, effective when Form HUD-92080, accurately completed, is received by HUD. HUD will hold purchasing mortgagees financially responsible for errors, omissions, and unresolved HUD review findings on the part of the selling mortgagee. The selling mortgagee must notify HUD of the sale within 15 days of its occurrence (24 CFR § 203.431), submit a separate form for each transferred mortgage, have the purchaser sign Form HUD-92080, and enter into item 12 the name of the entity that is the servicer after the transfer. If a mortgagee typically transfers 50 or more mortgages a month, HUD encourages submitting the data from Form HUD-92080 on magnetic tape. HUD sends to servicers a monthly information report of mortgages subject to periodic MIP. When a mortgagee transfers an entire portfolio of holdings or of servicing as a result of a merger, consolidation or acquisition by another approved mortgagee, DO NOT submit a Form HUD-92080 to HUD.



3. Mortgagees, consist of major industry mortgage loan lenders and servicers in addition to medium and smaller size mortgagees. However, the one thing they have in common is an automated mortgage loan servicing that has the capability of servicing various types of loans and investors. HUD information is routinely gathered and reported to HUD, generally on a monthly basis through HUD's electronic systems. HUD has not mandated any hardcopy or electronic format for collecting and maintaining the records. The information is to be kept with similar mortgagee documentation and submitted to HUD only if requested as a part of a review. Mortgagees have the option to maintain mortgage loan documents in electronic or imaged format as long as hard copies can be printed and provided to HUD within 24 hours of the request, depending upon the documentation requested.
4. There is no duplication of information. Mortgagors routinely document mortgage loan servicing efforts as a part of their own loan servicing and internal quality control procedures. HUD will accept the various formats already in use by mortgagees as long as the information is complete.
5. The collection of this information will not have a significant impact on a substantial number of small businesses.
6. This PRA does not add to mortgagee reporting or record keeping burdens, as this information is already routinely maintained for other purposes. The information is required to ascertain whether the mortgagee has performed adequate and prudent mortgage loan servicing.
7. The special circumstances requiring the mortgagee to perform a monthly evaluation and report to HUD, while the mortgage loans are in default is required so that appropriate servicing actions can be conducted in a timely manner.
8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on April 29, 2009 (Volume 74, Number 81, Page 19575). No comments were received.

The ability to provide the information required by this process, and the use of the information, is discussed with the mortgage loan industry on a continuing basis at yearly functions, meetings and personal contact by various HUD staff and managers.

9. The collection of this information does not provide for payments or gifts to respondents (mortgagees).
10. The Privacy Act of 1974 protects respondents who meet the information reporting requirements. There are not other pledges of confidentiality.
11. The information collection does not contain any questions of a sensitive nature.
12. Estimated Burden and Cost to Respondents:

#### **PAYMENTS, PREPAYMENTS, TERMINATIONS, FEES, ASSUMPTIONS AND TRANSFERS**

Information Collection	Number of Respondents	Response Frequency (average)	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost /Response	Annual Cost
Payment Requirements							
Mortgage Loan Collection	223	161,435	36,000,000	None, this is an industry standard			
Prepayments	223	21,525	4,800,000	None, this is an industry standard			
Paid in Full Statement	223	2,691	600,000	None, this is an industry standard			
Prepayments in Full	223	2,242	550,000	None, this is an industry standard			

MI Termination Form HUD 27050							
Paid in Full	223	2,466	550,000	1.00	550,000	\$15.00	\$8,250,000
Voluntary Termination	223	179	40,000	1.00	40,000	\$15.00	\$600,000
Non-conveyance	223	22	5,000	1.00	5,000	\$15.00	\$75,000
Records Archival	223	2,668	595,000	None, this is an industry standard			
Assumptions							
Assumption with Mortgagee Approval	223	49	11,000	2.00	22,000	\$15.00	\$330,000
Assumption with Mortgagee Approval and Release of Liability	223	49	11,000	3.00	33,000	\$15.00	\$495,000
Assumption Mortgage Record Change, FHA Connection/HUD-92080	223	49	11,000	.25	2,750	\$15.00	\$41,250
Request for Credit Approval of Substitute Mortgagor HUD-92210.1	223	49	11,000	.25	2,750	\$15.00	\$41,250
Approval of Purchaser and Release of Seller HUD-92210.1	223	49	11,000	.25	2,750	\$15.00	\$41,250
Loan Servicing Transfer							
Loan Servicing Transfers, FHA Connection/HUD-92080	223	3,139	700,000	.25	175,000	\$15.00	\$2,625,000
Totals			43,844,000		833,250		\$12,498,750

The hourly cost is based on estimated mortgagee staff salary of \$31,200 annually.

13. There are no additional costs to the respondents.

14. Estimated Burden and Annual Cost to the Federal Government:

Information Collection	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
MI Termination Form HUD 27050					
Paid in Full	550,000	.25	137,500	\$25.00	\$3,137,500
Voluntary Termination	40,000	.25	10,000	\$25.00	\$250,000
Non-conveyance	5,000	.25	1,250	\$25.00	\$31,250
Assumptions					
Assumption Mortgage Record Change, FHA Connection/HUD-92080	10,000	.25	2,500	\$25.00	\$62,500
Approval of Purchaser and Release of Seller HUD-92210.1	10,000	.25	2,500	\$25.00	\$62,500
Loan Servicing Transfer					
Loan Servicing Transfers, FHA Connection/HUD-92080	700,000	.25	175,000	\$25.00	\$4,375,000
Total	1,315,000		328,750		\$8,218,750

The hourly cost per response reflect the the average hourly wage paid for a federal employee who is typically a GS12.

15. This new information is based on the activity involving mortgage loan servicing of delinquent, defaulted, and foreclosed mortgage loans. Due to conditions in the banking industry, particularly acquisitions and mergers, the number of respondents servicing these mortgages has significantly decreased. As properties are sold or refinanced, and the mortgages retired, the number of mortgages on which the respondents report has also decreased.

16. There are no plans to publish this information collection for statistical use.

17. HUD is not seeking approval to avoid displaying the expiration date.

18. There are no exceptions to the certification statement identified in Item 19 of the OMB 83-I.

---

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

This collection of information does not employ statistical methods.