

SUPPORTING STATEMENT

DRAFT (0704-TBD)

“Application for Homeowners Assistance”

A. Justification

1. Need for Information Collection

In accordance with section 3374 of title 42, United States Code, DoD Directive 4165.50E, “Homeowners Assistance Program (HAP)” and the American Recovery and Reinvestment Act of 2009 (ARRA), the Department of Defense will provide funds to help military families and DoD civilians who recently sold their homes at a loss. The program will assist families forced to relocate due to base closures or normal assignment rotations. Priority access to the funds will go to survivors of those killed during deployment, and those who were wounded, ill or injured during deployment.

The Secretary of Defense is authorized to provide financial help to eligible homeowners serving or employed at or near military installations which were ordered closed or partially closed, realigned or were ordered to reduce the scope of operations. The Department of the Army acts as executive agent for DoD in administering the program for all military departments.

2. Use of the Information

Eligible homeowners use the DD Form 1607, “Application for Homeowners Assistance,” to apply for the Basic and Expanded HAP programs. The application is reviewed by a department personnel office, military or civilian, for verification of service or employment and mailed to the appropriate office of the U.S. Army Corps of Engineers which administers the program. The U.S. Army Corps of Engineers will notify the applicant.

Payments for Basic or Expanded HAP may not duplicate any payment received under any other law. Benefits under either program are not available to temporary employees or contractor personnel. Applicants cannot receive benefits and continue to own their home.

There are several circumstances which may qualify a homeowner to benefit from the Basic and Expanded Homeowners Assistance Program. Before benefits can be paid, however, certain conditions must be met.

a. Economic Impact. The law permits benefits if an applicant’s primary residence has decreased in value so that it cannot be sold under “reasonable terms.” Local market conditions and any causal relationships between a base closure or reduction action and reduced home market values will be determined by the Government. For Expanded HAP Base Realignment and Closure (BRAC) and Permanent Change of Station applicants, there must be a 10 percent personal home value loss from the prior fair market value of the primary residence.

The Wounded, Injured, or Ill and surviving spouses do not need to show either type of economic impact.

b. Homeowner. As a service member, federal DoD employee, member of the Coast Guard, or employee of a DoD nonappropriated fund instrumentality, an applicant may qualify if their service assignment or job ends as a result of a BRAC action. The American Recovery and Reinvestment Act of 2009 (ARRA) temporarily expands the existing HAP to cover certain persons affected by BRAC 2005, certain persons on permanent change of station (PCS) orders, and certain wounded persons and surviving spouses.

c. Service Requirements. At the time of the BRAC announcement (May 13, 2005), transfer or job termination, an individual must have been the owner-occupant of the dwelling (or have left it after being ordered into on-post housing during the six months before the announcement).

d. Primary Residence. The one- or two-family dwelling from which employees or members regularly commute (or commuted) to their primary place of duty. Property, for which compensation might be offered, must have been the primary residence of the qualifying member or civilian employee. Additionally, to qualify for Expanded HAP benefits, an applicant must relocate beyond a normal commuting distance (50 miles) from the dwelling for which assistance is sought.

e. Assistance. There are three ways a homeowner can be assisted:

(1) The homeowner can choose to take a cash payment to cover part of the losses resulting from a private sale of the dwelling; or

(2) The homeowner can choose to sell the dwelling to the Government; or

(3) The homeowner can choose to be paid losses incurred as a result of the foreclosure of a mortgage on the dwelling under certain conditions.

3. Information Technology: The DD Form 1607 is provided in a fillable pdf format on the DoD Forms web site.

4. Efforts to Identify Duplication: There is no duplication of data collection. This data is collected to determine eligibility and process an applicant's request for Homeowners Assistance Program benefits.

5. Methods to Minimize Burden on Small Entities: The information collection will not impact a substantial number of small entities.

6. Consequences of Not Collecting the Data: If this data is not collected, the Department's ability to provide assistance to homeowners will be severely limited.

7. Special Circumstances: There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5 (d)(2).

8. Agency 60-Day Federal Register Notice and Consultations Outside the Agency: Public comments were solicited in the Federal Register as required by 5 CFR 1320.8(d). The notice published on June 19, 2009 (74 FR 29191). The preamble of the Final Rule addresses any comments received on the information collection.

9. Payments to Respondents: No payment or gift will be provided to respondents for providing data.

10. Assurance of Confidentiality: The information collected is sometimes personal or sensitive. The information is protected to the extent permitted by law under the requirements of the Privacy Act of 1974. The HAP Privacy Act Systems of Records Notice was published on April 28, 1993 (58 CFR 25818).

11. Sensitive Questions: Questions of a sensitive nature such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private are not asked in this collection.

12. Estimates of Response Burden and Annual Cost per Respondent

(a) Estimated Average Annual Respondent Burden:

(1) Responses per Respondent: 1

(2) Number of Expected Respondents: 17,000

(3) Hours per Response: 1 hour

(4) Total Annual Burden Hours: 17,000 hours

(b) Respondent Cost:

(1) Total Annual Costs per Respondent: \$306,000 (17,000 hrs x \$18)

(2) Cost per Individual Respondent: \$18

The cost to respondent is based on the approximate salary of \$36.00 (rate per hour)/60 (minutes) = \$.6 per minute.

13. Estimates of Cost Burden for Collection of Information: There is no capital/startup or operations and maintenance costs to respondents.

14. Annual Cost to Government: The cost to the Government for printing, mailing, distributing and reviewing \$306,000.

15. Changes in Burden: This is an extension of a previously approved information collection.

16. Plan for Tabulation or Publication: The information collected will not be tabulated or published.

17. Approval to Avoid Display of the Expiration Date of OMB Approval: Approval is not sought for avoiding display of the expiration date for OMB approval of the information collection.

18. Exception to Certification Statement: There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. Collection of Information Employing Statistical Methods: Statistical methods will not be employed.