

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. Collection of this information is required by the HUD Appropriations Act for FY 1992, P.L. 102.139, 105 Stat. 736 (approved October 28, 1991). The Act provided that public housing agencies (PHAs) could purchase insurance coverage without regard to competitive selection procedures, if the insurance was purchased from a nonprofit insurance entity owned and controlled by PHAs approved by HUD, in accordance with standards established by regulation. The current regulatory reference for this collection is 24 CFR 965.205 Subpart B.

A PHA-owned insurance entity selected by a PHA to provide coverage must submit a certification to HUD, stating that the entity management and underwriting staff have certain levels of experience. For initial approvals, the entity must also submit proper organizational documentation. The nonprofit entity must submit copies of audits every year, actuarial reviews every year, and management reviews every three years.

2. HUD needs this information to assure that the PHA-owned entity is equivalent to a financially sound responsible insurance company. The information will be used to approve or disapprove the PHAs insuring with these pools rather than a licensed insurance company.

3. Improved information technology would not reduce the burden to PHAs in developing the information required by regulation. The information collected (annual financial audits, actuarial reviews, and management reviews) does not lend itself to automated or electronic submissions. The small number of respondents involved would not support the costs to automate the collection.

4. All existing information was examined and no duplication was found. There is no similar information already available which could be used or modified for the use or purposes described in Item 2 above.

5. The information being collected has no impact on small businesses or other small entities.

6. The Federal statutory mandate would not be met if the collection is not conducted, or is conducted less frequently.

7. There are no special circumstances that would cause the information collection to be conducted inappropriately.

8. The information collection was announced in the *Federal Register*, Volume 75, Page 44003, on July 27, 2010. The public comment ends September 27, 2010. No public comments were received in response to this information collection proposal.

9. No payment or gift is provided to PHAs.

10. Assurance of confidentiality is neither provided nor needed.

11. No sensitive questions are being asked.

Signature of Senior Officer or Designee:

Date:

X  
Lillian Deitzer, Departmental Reports Management Officer,  
Office of the Chief Information Officer

12. There are 22 audit respondents annually at eight hours per response. There are approximately 22 insurance claims responses over a three-year period, for an average of seven responses per year at two hours per response. We estimate the information collection requirements will have the following reporting burden:

Number of Respondents	Number of Responses	Total Annual Responses	Hours Per Response	Total Hours
22 (audit)	1	1	8	176
7 (average per year; total of 22 claims every 3 yrs.)	1	1	2	14
				<b>190</b>

13. There will be no additional costs to the PHAs.

14. There will be no additional cost to the Federal Government.

15. This is an extension of a previously approved collection. There are no changes or adjustments.

16. The information will not be published.

17. HUD is not seeking approval to not display the expiration date of the OMB approval.

18. There are no exceptions to the certification statement in Item 19, "Certification for Paperwork Reduction Act Submissions."

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

N/A