

Supporting Statement for Paperwork Reduction Act Submissions

Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures OMB Control Number 2502-0204

HUD-50059, HUD-50059-A HUD-9887/9887-A, HUD-27061-H, HUD-90100, HUD-90101, HUD-90102, HUD-90103, HUD-90104, HUD-90105-a, HUD-90105-b, HUD-90105-c, HUD-90105-d, HUD-90106, HUD-91066, HUD-91067, HUD-90011, HUD-90012

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a) (i) (iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked "Yes," Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

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.**

This request for OMB review seeks a revision of a currently approved information collection for 2502-0204.

Information collected on the HUD-50059 and HUD-50059-A is defined in the HUD Tenant Rental Assistance Certification System (TRACS) Monthly Activity Transmission (MAT) User's Guide. Before completing these forms, all entities must read and follow the instructions in the MAT User's Guide.

HUD's Office of Multifamily Housing Programs needs to collect this information in order to establish an applicant's eligibility for admittance to subsidized housing, specify which eligible applicants may be given priority over others, and prohibit racial discrimination in conjunction with selection of tenants and unit assignments. HUD must specify tenant eligibility requirements as well as how tenants' incomes, rents and assistance must be verified and computed so as to prevent HUD from making improper payments to owners on behalf of assisted tenants. HUD also must provide annual reports to Congress and the public on the race/ethnicity and gender composition of HUD program beneficiaries. This information is essential to maintain a standard of fair practices in assigning tenants to HUD Multifamily properties.

These collections are authorized by the following statutes:

- Section 8 (42 U.S.C. 1437 et seq.).
- Rent Supplement (12 U.S.C. 1701s).
- Rental Assistance Payments (12 U.S.C. 1715z-1).
- Section 236 (12 U.S.C. 1172z-1).
- Section 221(d) (3) Below Market Interest Rate (12 U.S.C. 1715l).
- Title VI of the Civil Rights Act of 1964.
- Title VIII of the Civil Rights Act of 1968, as amended (Section 808).
- Executive Order 11063, Equal Opportunity in Housing
- Social Security Numbers (42 U.S.C. 3543).
- Section 562 of the Housing and Community Development Act of 1987.
- Section 202 of the Housing Act of 1959, as amended.
- Section 811 of the National Affordable Housing Act of 1980.

- Computer Matching and Privacy Protection Act of 1988 (102 Statute 2507).
 - Privacy Act of 1974 (5 U.S.C. 552a), Records Maintained on Individuals
 - Quality Housing and Work Responsibility Act of 1998 (QHWRA)
 - Section 658 of Title VI of Subtitle D of the Housing and Community Development Act of 1992.
- a. These collections are covered by the following regulations:
- Section 8: 24 CFR Part 5, 24 CFR 880, 24 CFR 884, 24 CFR 886, 24 CFR 891 Subpart E.
 - Section 236 and Rental Assistance Payments: 24 CFR 236.
 - Section 221(d) (3): 24 CFR 221.
 - Racial, Sex, Ethnic Data: 24 CFR 121.
 - Nondiscrimination and Equal Opportunity in Housing: 24 CFR 107.
 - Nondiscrimination in Federal Programs: 24 CFR 1.
 - Social Security Numbers: 24 CFR Part 5.
 - Procedures for Obtaining Wage and Claim Information Agencies: 24 CFR Part 760.
 - Implementation of the Privacy Act of 1974: 24 CFR Part 16.
 - Mandated use of HUD's Enterprise Income Verification (EIV) System: 24 CFR 5.233

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.

Owners/management agents are required by regulation to (1) determine if applicant households are eligible for admission and assistance; (2) recertify the household's income and level of assistance at least annually to determine the continued eligibility of a household to receive assistance and to determine the amount of assistance HUD pays on behalf of the household, (3) compute the tenant rent and the amount of assistance that HUD can pay on behalf of the household; (4) support/justify any monthly subsidy billings the project submits to HUD and/or the Contract Administrators (CAs); (5) certify that the project has complied with all HUD requirements for verifying tenant's incomes and calculating HUD's assistance payments and the tenant rents; and, (6) submit the information to HUD either directly or through the contract administrator (CA).

Owners/management agents must determine an applicant's eligibility for admission based on the eligibility requirements for the HUD program under which the Multifamily project was developed and the program providing the rental assistance. The owner enters into a housing assistance payments contract with HUD or the CA that requires all units for which assistance is committed under the contract be made available to eligible families unless HUD authorizes a waiver of the regulations.

Recertification Notice

At the time of move-in and at each annual recertification the owner/management agent is required to provide notification to the tenant that his/her income and family composition will be reviewed and their rent and assistance levels will be re-determined. The Notice also provides a listing of information the tenant must make available for the recertification process. This information will vary depending on the type of household (elderly, disabled, family), the type of income the household has and the type of deductions applicable to the household and is minimal as owners are required to obtain third party verification either through upfront income verification (UIV) or directly from the third party source and not use documents provided directly from the tenant. The head of household signs the notification indicating they received it and the head of household's signature is witnessed by the owner/management agent. The owner/management agent retains the signed initial notification on file. By providing tenants notification in advance of the scheduled recertification meeting and the information they need to provide, the tenant is made aware of the documents they need to retain throughout the recertification period in order to reduce their burden at the time of recertification. This also reduces the time it takes to complete the recertification process and ensures that the processing is completed on time. Form HUD-90100, *Sample Annual Recertification Initial Notice*, is attached.

24 CFR 5.657, 880.603, 884.218, 886.324, 891.410, 891.610 and 891.750 require that the owner must reexamine the income and composition of all families at least annually.

Verification of Long-term Care Insurance Premiums

In order for long-term care insurance premiums to be included as a medical expense deduction used for income determination purposes, the tenant provides a certification to the owner/management agent that their long-term care insurance policy contains certain provisions. In order to provide the certification, the tenant must review the terms of their long-term care insurance policy for compliance

with the certification provisions. Upon completion of the certification, the insurance premiums are then included in the tenant's total medical expenses deduction which is electronically transmitted by the owner/management agent to HUD's Tenant Rental Assistance Certification System (TRACS). Form HUD-90101, *Sample Certification for Qualified Long-Term Care Insurance Expenses*, is attached. Upon receipt of OMB approval, a fillable pdf form will be posted for use by applicants/tenants (see Section 3 of this document).

24 CFR 5.611(a)(3)(i) allows for unreimbursed medical expenses in excess of three (3) percent of annual income be included as a mandatory deduction from annual income for any elderly family or disabled family in order to arrive at the adjusted income used for rent and subsidy determination.

Eligibility of College Students

Owners/managements agents must verify the eligibility to receive section 8 assistance of any individual who is enrolled as a student at an institution of higher education; is under the age of 24; is not a veteran of the United States military; is unmarried; does not have a dependent child; is not disabled and receiving section 8 assistance on November 30, 2005; and is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible for section 8 assistance. In addition to verifying the student's income, the owner/management agent must also verify the parent(s) income or, if applicable, verify the student's independence from parents. The owner/management agent electronically transmits the college student's income to TRACS. The income information collected from the college student's parents is a limited collection and will not affect a large number of individuals; therefore, it is not cost effective for HUD to automate the data collection. See the Federal Register dated April 10, 2006, pages 18146-18150, *Supplementary Guidance*, for information on verifying the student's income, parent(s) income and, when applicable, the student's independence from parents.

Section 327 of the FY 2006 Appropriations Act, enacted in Public Law 109-115 amended by Public Law 109-249, placing restrictions on a student's eligibility to receive section 8 assistance under the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The Final Rule implementing Public Law 109-115 and a Supplementary Guidance Notice were published in the Federal Register on December 30, 2005 and April 10, 2006, respectively.

Eligibility of Persons with Disabilities

Owners/management agents must obtain third party verification that a disabled individual meets the definition for persons with disabilities for the program governing the housing where the individual is applying to live. The owner/management agent will electronically transmit this information to TRACS using the Special Status Code "H" designating the individual qualifies as being disabled under program requirements. A copy of form HUD-90102, *Sample Verification of Disability When Eligibility for Admission or Qualification for Certain Income Deductions is based on Disability-Section 202/8, Section 202 PAC, Section 202 PRAC, Section 811 PRAC*, and HUD-90103, *Sample Verification of Disability When Eligibility for Admission or Qualification for Certain Income Deductions is based on Disability- All Other Programs*, are attached. A fillable pdf form will be posted for use by owners/management agents and persons providing the third party verification (see Section 3 of this document).

The definitions for persons with disabilities for programs covered under the United States Housing Act of 1937 are in 24 CFR 403 and for the Section 202 and Section 811 Supportive Housing for the Elderly and Persons with Disabilities in 24 CFR 891.305 and 891.505.

Eligibility Waivers

If the owner is temporarily unable to lease all units for which assistance is committed under the housing assistance payments contract to eligible families, they may request a waiver of the regulations for approval to admit ineligible tenants. The request and required supporting documentation are sent to HUD or the CA for approval. Upon approval of the waiver, the owner/management agent will designate the household's eligibility by electronically transmitting to TRACS one of the eligibility Exception Codes. Owners may use the attached form HUD-90104, *Sample Request for Exception to Limitations on Admission of Families with Incomes Above 50% of the Area Median Income*, when requesting an income waiver. A fillable pdf form will be posted for use by owners/management agents (see Section 3 of this document).

24 CFR 236.715, 880.504, 884.223, 886.129, 886.329, 891.575, 891.20 cover the requirements for requesting a waiver to admit ineligible persons for the Section 8, Section 202 and Section 811 programs. 24 CFR 5.661 covers the approval for a police officer or other security personnel to live in a

Section 8 project. Section 658 of Title VI of Subtitle D of the Housing and Community Development Act of 1992 covers the restriction of occupancy to elderly families.

Lease

The lease is a contract between the owner of the project and the tenant(s) that explains the terms for residing in the unit. Leases are a standard business practice in the housing rental industry. Owners are required to use the HUD model lease which includes terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the tenants. The HUD model leases are attached: HUD-90105-a, *Model Lease for Subsidized Programs*; HUD-90105-b, *Model Lease for Section 202/8 or Section 202 Project Assistance Contracts (PACs)*; HUD-90105-c, *Model Lease for Section 202 Project Rental Assistance Contracts (PRACs)*; and HUD-90105-d, *Model Lease for Section 811 PRACs*. A fillable pdf form will be posted for use by owners/management agents. HUD is not requesting approval of any burden hours for the model leases since use of leases are a standard business practice in the housing rental industry.

24 CFR 5.360, 236.750, 880.606, 883.701, 884.215, 886.127, 886.327, 891.425, 891.625 and 891.765 cover lease requirements and provisions.

Move-in/out Inspection Report

The owner/management agent and tenant together conduct a move-in/move-out inspection to document the condition of the unit at the time of move-in/move-out. Conducting move-in/move-out inspections are a standard business practice in the rental housing industry and are used for determining damages caused by the tenant during tenancy and allowable deductions from the tenant's security deposit held by the owner. A copy of form HUD-90106, *Sample Move-in/Move-out Inspection Format* is attached. A fillable pdf form will be posted for use by owners/management agents. HUD is not requesting approval of any burden hours for the move-in/move-out inspection report since use of move-in/move-out inspection reports are a standard business practice in the housing rental industry.

24 CFR 5.703 and 5.705, 886.123, 886.223 cover unit inspections.

HUD-50059, Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, HUD-50059-A, Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures - Partial Certification, HUD-9887/9887-A, Consent for the Release of Information, HUD-27061, Race and Ethnic Reporting Owners/management agents use the automated Monthly Activity Transmission (MAT) software to process certifications/re-certifications and to provide subsidy billings to HUD, which ensures accurate computations. MAT generates a complicated facsimile of the data contained on the HUD-50059, *Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures*, and HUD-50059-A, *Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures - Partial Certification* and closely replicates the data being submitted to HUD. As changes are required by legislation and regulation, MAT also changes. Software vendors concurrently update their software to replicate the capabilities of TRACS by using the MAT Guide changes. In this way, software changes are concurrent, and owners'/management agents' submissions to TRACS remain in synch with HUD's system. The regulation at 24 CFR 5.216 now requires that assistance applicants and tenants, excluding tenants age 62 and older as of January 31, 2010, whose initial determination of eligibility was begun prior to January 31, 2010, and those individuals who do not contend eligible immigration status, to disclose and provide verification of the complete and accurate SSN assigned to them.

24 CFR 5.233 mandates that owner/agents (O/As) use HUD's Enterprise Income Verification (EIV) System in its entirety as third party verification of tenant's employment and income information and to reduce administrative and subsidy errors.

The MAT Guide, as approved by HUD, is the only data format to be used for HUD's assisted housing; i.e., Section 8, PAC, PRAC, Rent Supplement, Rental Assistance Program, Section 236 and Section 221(d)(3) BMIR programs.

Data is electronically transmitted to the Department's TRACS, which revalidates the accuracy of the submitted data, sends discrepancy messages when errors are detected, and stores the data in its database.

Listed below is the URL for the page with information on the TRACS with the official document defining the TRACS/MAT data format used by industry partners to transmit certification and voucher data to TRACS.

<http://www.hud.gov/offices/hsg/mfh/trx/trxmatg.cfm>

Project Owners/Management Agents

In interviewing and verifying information provided by the applicant/resident, project owners/management agents must obtain consent from the applicant/resident using form HUD-9887/9887-A, *Notice and Consent for the Release of Information*, to verify eligibility and income information provided through computer matching or by obtaining information directly from the third party source; provide applicants the opportunity to provide their race and ethnic information using form HUD-27061-H, *Race and Ethnic Data Reporting Form*; ensure that the household is eligible for admission or continues to be eligible for assistance; ensures accurate calculation of both the tenant payment and the portion paid by HUD. When coupled with software which transfers the housing assistance payment from the certification to the monthly subsidy billing, the amounts paid on behalf of each tenant, rolled up to the total units under contracts, ensure accurate payment of assistance by HUD or the CA to the owner/management agent.

In less than 200 households nationwide, owners/management agents continue to follow the old “10% cap” rules which date back to the Housing and Urban Rural Recovery Act (HURRA) of 1983 and provide additional protections for elderly households who converted from the Rent Supplement or RAP programs to Section 8 during that era.

HUD Field Staff and CAs

These two entities monitor the owner to ensure that the certifications are submitted and review them for compliance with HUD’s regulations and statutes. CAs, whether they are Performance-Based or Non-Performance-Based, must use the certification to ensure the accuracy of the vouchers on which they make payment.

Headquarters:

Historically, HUD collects and uses the data for a variety of functions which include policy and budget development; responding to Congressional inquiries, OMB and the public’s questions; litigation, Inspector General investigations, and the Office of Fair Housing and Equal Opportunity (FHEO) monitoring of civil rights laws, including compliance activities based on racial, ethnic and other tenant characteristic data collected on their behalf.

Since the Stewart McKinney Homeless Assistance Amendments of 1989 and the Computer Matching and Privacy Act of 1988, which were strengthened by 24 CFR 5.240 based on the wording in the Quality Housing and Work Responsibility Act of 1998 (QHWRA), the Department has taken tenant personal identifiers (Social Security number, full names and dates of birth) from TRACS for an established data range, matching those identifiers against databases from both the Department of Health and Human Services and the Social Security Administration to capture 1099 data, wage and benefit information for the individuals, and then matching amounts against data transmitted to TRACS. This function is called Computer Matching Income Verification (CMIV). Matching activity has been performed on a limited basis since 1994. However, with the establishment of the Real Estate Assessment Center (REAC) and for calendar year 1998 income data, the CMIV function was performed on all household members residing in assisted housing for baseline purposes. Based on results, the large-scale computer matching function has become an annual function using tenant data resident in TRACS.

As subsidy vouchers (HUD-52670, OMB #2502-0182) are paid based on active certifications, TRACS Payment Subsystem reminds owners that they are to maintain at least 90% of their active certifications in TRACS to continue to receive full payment of the subsidy requested.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other 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.**

Collections of information for the extended collection are automated except for the income information of a student’s parent(s) and the initial recertification notice. The income information collected from a college student’s parent(s) is a limited collection and will not affect a large number of individuals;

therefore, it would not be cost effective for HUD to automate the collection of income data from a student's parent(s). The initial recertification notice only serves as a notification to the tenant of the recertification requirements and is not used for income, rent or subsidy determinations; therefore, the information is not automated. The owner/management agent electronically transmits the data identified in section 2 above to TRACS.

Forms provided by HUD that may be used by owners/management agents during the certification/recertification process that have an OMB approved form number at initial posting or at the time of renewal of the forms are provided in a fillable pdf format at www.hudclips.org and are available for use by owners/management agents, applicants/tenants and other parties providing third party verification of information.

The majority of owners/management agents use automated forms, letters, certifications, etc. that they have created or that have been created by developers (Vendors) of their on-site TRACS software for use in the recertification process.

Upfront income verification (UIV) of social security benefits is currently being provided electronically to owners/management agents through HUD's Enterprise Income Verification (EIV) system for use in verifying social security benefit information for tenants at the time of recertification. The EIV system uses personal identifiers (Social Security number, last names and dates of birth) from participant information located in the TRACS system, matching those identifiers against data from the Social Security Administration's data files to obtain the social security benefit information. W-4 (new hires), wage and unemployment benefit information from the Department of Health and Human Services' National Directory of New Hires (NDNH) is also provided to owners/management agents through the EIV system for use in verifying employment and wage information for tenants at the time of recertification. Use of the UIV information will help reduce some of the owner's/management agent's burden as using the UIV data replaces the more time-consuming and less accurate third party verification process. However, if the tenant disputes the information provided through EIV, the owner/management agent must research and resolve the issue. Use of the UIV information also reduces the potential for errors in determining the income eligibility of applicants/tenants and in rent calculations, thus helping HUD reduce the errors in their rental assistance programs. HUD will continue to pursue computer matching with other Federal agencies providing benefits to program participants for use in EIV and for further reduction in improper payments in the rental assistance programs.

The EIV access application from the owner/management agent or CA will be collected electronically and manually via a PDF-fillable or Word-fillable document which can be emailed, faxed or mailed to HUD's Multifamily Help Desk.

Burden hours per respondent are the fewest possible to collect the information. The burden hours include the tenant household interview, verification of information, calculations to determine tenant rent and HUD assistance, printing of facsimiles of the HUD-50059 or HUD-50059-A for signatures and, finally, the transmission of the data to TRACS.

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.

No similar information is available.

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.

Some entities collecting information are small owner entities; however, these collections are the minimum required by statute and/or regulations for determining eligibility, income, rent and amount of subsidy paid by HUD.

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.

If these data elements are not collected and validated:

- Owners/management agents will be unable to determine eligibility and assistance payments.
- HUD limited subsidy funds may be paid to households that are not eligible.
- HUD's limited assistance will be paid in amounts greater than households are entitled to receive.
- HUD would be unable to effectively ensure the legislation in these areas is being properly performed.
- FH&EO will be unable to monitor and enforce compliance with civil rights laws.
- HUD's policy development, budget, and income matching work will be seriously hampered.
- Real Estate Assessment Center (REAC) computer matching income verification efforts would be impossible.
- HUD will not reach its goals for reducing improper payments as required by the Improper Payments Information Act (IPIA) and Executive Order 13520, Reducing Improper Payments.
- Owners/management agents and CAs are mandated by 24 CFR 5.233 to obtain access and use EIV in its entirety.
- Owners/management agents will be unable to electronically submit Race and Ethnicity data to TRACS in accordance with the revised OMB standard classifications of Federal data on race and ethnicity.

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 often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring 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;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **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**
- **requiring respondents to submit proprietary trade secrets, 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.**

The respondent would have to provide updated information for Sections A, B, C, D or E of the form, if the agency decided to change the level of access the system user would require. Initial Coordinator Access Authorization Forms which have been approved by an authorized official are required to be retained during the period in which the user has access to the EIV system to ensure authorization safeguards were used in the granting of EIV system access. This collection of information is not in connection with a statistical survey. This collection of information does not require the use of a statistical data classification that has not been reviewed and approved by OMB. O/As, CAs, and service bureaus are not required to submit proprietary trade secrets or other confidential information.

Legislation requires that all tenants be recertified at least annually. Tenants who are not recertified in that timetable will not be eligible to receive rental assistance. At a future point, owners/management agents will only be paid under OMB-2502-0182 based on current recertifications and will not be paid on recertifications which are past due.

- 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 on 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 3 years - even if the collection of information activity is the same as in prior periods. There may be**

circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on September 13, 2010 (Vol. 75, No. 176, page 55596-55597). ... comments were received.

HUD established a working group in February 2007 to identify enhancements for TRACS Release 202C. The working group consists of HUD Industry Partners (Contract Administrators, Trainers and Software Vendors) and HUD staff. The working group conducted eight work sessions to determine the requirements for TRACS Release 202C. During these sessions, forms HUD-50059/HUD-50059-A relative to 2502-0204 were revised and designed. On March 13, 2008, HUD held the Quarterly TRACS Industry Meeting in Washington D.C. for approximately 130 Industry Partners (Contract Administrators, Owners/Agents, Service Bureaus, Trainers and Software Vendors). During the Industry Meeting, a special session was conducted where each form relative to 2502-0204 was presented to the attendees for open discussion. After the Industry Meeting, the Form Presentation was posted to the HUD TRACS Announcement Web Page for review. On April 9, 2008, HUD held a Virtual Meeting with 115 Contract Administrators and HUD staff where the forms and TRACS 202C enhancements were presented followed by a question and answer period. No comments from the Quarterly TRACS Industry Meeting, Postings or Virtual Meeting resulted in changes to the forms.

HUD consulted with the following industry partners to discuss ways in which the burden to owners/management agents and tenants can be reduced and the impact these revised collections will have on the recertification process. After discussion, the conclusion was reached that these collections would have very little impact due to the fact that the requirements are already in place and the provision of HUD forms, notices, leases, etc., in lieu of using documents they or their software contractor have developed, ensures their compliance with program requirements.

During the development period of the EIV system, HUD formed an Integrated Project Team (IPT), which consisted of HUD staff, Public Housing Agencies (PHAs) and Multifamily owners and management agents (O/As) to obtain feedback on every aspect of system development and information collection requirements to provide PHAs and O/As with this system, that they have requested HUD to provide for them. HUD has discussed the requirements under the Federal Privacy Act related to information collection and safeguarding of personally identifying information that is maintained in EIV. The stakeholders have provided feedback to HUD with respect to mechanisms that can be implemented to reduce the administrative burden of information collection and comply with the requirements under the Federal Privacy Act. HUD has implemented the majority of the measures that the stakeholders have requested. Based on the review of the HUD-crafted electronic collection and display of the information to be collected under this PRA request, HUD has received a positive response from the stakeholders.

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

There are no payments or gifts given to respondents.

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

HUD does not promise confidentiality. However, pursuant to 42 U.S.C. 1437f(ee)(2)(A), for the HUD form 91066, Certification of Domestic Violence, Dating Violence, or Stalking, the information provided by the victim of domestic violence pursuant to the certification form will be retained in confidence and not entered into any shared database nor provided to any related entity except when the disclosure is: consented to by the individual in writing, requiring for use in eviction proceedings, or otherwise required by law.

The integrity and availability of data in EIV is important. Much of the data needs to be protected from unanticipated or unintentional modification, as well as improper and unauthorized use or disclosure. HUD restricts the use of this information to HUD approved officials, CAs under contract with HUD and O/As; thus, the data is protected accordingly.

Vulnerabilities and corresponding security measures include: (1) only persons with Web Access Subsystem (WASS) User IDs and passwords may access the EIV system; (2) access to the EIV system is controlled using EIV's security module, which controls a user's access to particular modules based on the user's role and security access level; (3) User IDs are used to identify access to sensitive data by users; (4) data corruption/destruction: MF users do not have write access to databases that contain income information obtained by HUD from third parties. HUD users' write access is limited to user administration by authorized personnel. This will eliminate the risk of data destruction or corruption.

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.

VAWA 2005 provides that, at the request of an owner or manager, that an individual may certify, via a HUD-approved certification form that the incident or incidences of abuse are bona fide. VAWA 2005 requires that the form include the name of the perpetrator of the violence and that there is a 14-day deadline (plus any extensions granted by the owner or manager) from the date of the request for such certification, to return the form. The Department therefore considers the form and its contents necessary in order for victims of abuse to receive the protections of VAWA recognizing that domestic violence is a sensitive topic and that victims of abuse may be reluctant to fill out the certification, the Department has tried to develop a form that clearly and concisely explains the purpose of the form and what information is required. To that end, the form itself has a section that explains its purpose and another section that explains how to use the form, the timeline for submitting the form to the owner and manager and that the protections of VAWA may not apply if the form is not submitted in a timely manner. The form also informs the individual of alternate documentation that may satisfy the certification requirement.

HUD does not require the asking of private or sensitive questions of the respondents or third parties.

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 hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**
- **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 13.**

Project owners/management agents must perform an initial certification and an annual recertification and complete the data elements known as the HUD-50059 for each household. The HUD-50059 is a compilation of the information on each tenant within a household that is used for determining the household's rent and the amount of subsidy HUD will pay on the household's behalf. There are 1,302,939 households consisting of 2,160,726 tenants. Prior to completing the HUD-50059, owners/management agents are required to verify tenant's income and employment information. This is accomplished by the mandatory use of EIV. Due to the sensitivity of the data contained in the EIV system, owners/management agents must be granted access to the system by an authorized official. Initial authorization is granted once for each owner/management agent. Anticipated owner/management agent requiring completion of the HUD-90011 and HUD-90012 is 24,000. This brings the total number of respondents to 2,184,726.

- a. Time needed to (1) interview the family to identify income, assets, allowances and household composition; (2) obtain and analyze verifications of the information supplied by the tenant; (3) prepare the HUD-50059; (4) obtain tenant consent for the release of information; and, (5) obtain race and ethnic data is 58 minutes. $58 \text{ minutes} \times 1,302,939 \text{ households} = 1,259,551 \text{ hours}$.
- b. Owners/management agents must provide the Annual Recertification Initial Notice annually to each household. They must obtain the signature of the head of household and must sign as the signatory witness on the Annual Recertification Initial Notice that notifies each household when their next annual recertification will take place. Time to complete form and obtain the signatures. - 4 minutes. $4 \text{ minutes} \times 1,302,939 \text{ households} = 86,906 \text{ hours}$.
- c. Tenant's who have a long-term care insurance policy must provide certification annually to the owner/management agent that the policy meets the required provisions in order for the insurance premiums paid by the tenant to be included as an allowable medical expense deduction. Time for tenant to complete and sign the Sample Certification for Qualified Long-Term Care Insurance Expenses - 10 minutes. $10 \text{ minutes} \times \text{certifications for } 40 \text{ tenants} = 7 \text{ hours}$.
- d. Owners/management agents must obtain information directly from third parties to determine a student's independence from parents in order to determine if the student is eligible for assistance. This student's independence from parents is determined annually. To obtain and analyze verifications received - 8 minutes. $8 \text{ minutes} \times 186 \text{ students} = 25 \text{ hours}$.
- e. Owners/management agents must obtain third party verification relative to a person's disability meeting the qualifications for the program covering the project where they are applying to live. To obtain and analyze verifications received - 3 minutes. $3 \text{ minutes} \times 40,022 \text{ disabled persons} = 2,001 \text{ hours}$.
- f. Owners/management agents must submit a request and supporting documentation to request a waiver of the regulations governing eligibility requirements and HUD or CA must review and approve the request - 10 minutes. Submission varies based upon the vacancy rate at a project and the lack of qualified applicants. $10 \text{ minutes} \times 300 \text{ waiver requests} = 50 \text{ hours}$.
- g. Tenants and the owner/management agent must sign lease agreements at the time of initial occupancy. There are no hours associated with the signing of a lease, as the lease is a standard business practice used by the rental housing industry. The HUD model leases include terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the tenants. In addition, respondents who are current leaseholders and owners must sign the lease addendum; form HUD-91067, affording the leaseholders the protections under the Violence Against Women Act (VAWA). There are no burden hours associated with the form HUD-91067, Lease Addendum, as this form is an addendum to the leases signed by tenants and owners
- h. Tenants together with owners/management agents conduct move-in/move-out inspections recording the condition of the rental unit at move-in/move-out. There are no hours associated with completing the move-in/move-out inspection report, as these types of inspections are standard business practice used by the rental housing industry.
- i. In order to continue to be eligible for receipt of rental assistance and prevent eviction from the rental unit, owners may request respondents who are a victim of domestic violence, dating violence or stalking to complete the certification, form HUD-91066. A burden hour of 1 hour has been included for completion of the certification form by the affected respondents.
- j. Owners/management agents must obtain a certification of income annually from the parents of a college student unless the student has declared, and the owner/management agent can verify, independence from parents. Owners/management agents use this certification to determine the student's eligibility for the section 8 program. Time for parents to complete a certification and for owners/management agents to determine the student's eligibility for section 8 assistance - 5 minutes. $5 \text{ minutes} \times 1,670 \text{ students} = 139 \text{ hours}$.

- k. Owners/management agents requiring completion of the HUD-90011 and HUD-90012 totals 24,000. 15 minutes x 24,000 owner/management agents = 6,000 hours.

Collection Data

Subsidy Type	Information Collection	Number of Responses	Frequency of Response	Hours Per Response	Annual Burden	Hourly Rate	Total Cost
Section 8 Section 236 RAP Rent Sup 202 PRAC 811 PRAC 202/162 PAC Section 221(d)(3) BMIR	a(1), a(2), a(3) Certification Compliance (HUD-50059/50059-A)			.6333			
	a(4) Consent for Release (HUD-9887/9887A)			.1667			
	a(5) Race and Ethnicity (HUD-27061-H)			.1667			
	Total	1,302,939	Annually	.9667	1,259,551	\$25.00	\$31,488,775
	b. Recertification Notice (HUD-90100)	1,302,939	Annually	.0667	86,906	\$25.00	\$2,172,650
	c. Certification of Long Term Insurance (HUD- 90101)	40	Annually	.1667	7	\$25.00	\$175
	d. Verification of college students independence from parents	186	Annually	.1333	25	\$25.00	\$625
	e. Verification of disability (HUD-90102 & HUD-90103)	40,022	1	.05	2,001	\$25.00	\$50,025
	f. Eligibility waivers (HUD-90104)	300	Varies	.1667	50	\$25.00	\$1,250
	g. Lease (HUD-90105a, 90105b, 90105c, 90105d, 91067)	324,597	1	0	0		
	h. Move-in/move-out inspection report (HUD- 90106)	305,000	1	0	0		
i. victim of domestic violence, dating violence or stalking to complete the certification, form HUD-91066	300	1	1	300	\$25.00	\$7,500	
Section 8	j. Certification of college student's parent(s) income	1,670	Annually	.0833	139	\$25.00	\$3,475
	k.EIV CAAF & UAAF (HUD- 90011 & HUD-90012)	12,000 12,000	Annually Semi- annually	.25	6,000	\$25.00	\$150,000
	Grand Totals	3,301,693			1,354,979	\$25.00	\$33,874,475

Respondent cost is based on an hourly pay scale of \$25.00 for managers. The amount includes labor and overhead.

13. Provide an estimate for the total annual cost burden to respondents or record keepers 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 and 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 collections 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.

Industry Software Vendors must enhance their applications used by owners/management agents whenever information collections result in form changes. The applications are used by owners/management agents to create automated forms (facsimiles) and transmit data to HUD TRACS.

HUD consulted three Industry Software Vendors to determine cost burden estimates relative to HUD TRACS Release 202C.

Cost Burden Estimates

Vendor	Annualized Capital/Startup Cost	Annual Operation & Maintenance	Annualized Cost Requested	Annual Cost Requested
Vendor-A	\$0	\$201,567	\$201,567	\$604,701
Vendor-B	\$0	\$128,508	\$128,508	\$385,524
Vendor-C	\$0	\$287,567	\$287,567	\$862,701
Total	\$0	\$617,642	\$617,642	\$1,852,926
Average		\$205,881	\$205,881	\$617,642

Notwithstanding HUD’s request to collect this information, CAs, and O/As already collect and maintain this information. As such, there is no annual cost burden to respondents or recordkeepers resulting from this collection of information.

14. Provide estimates of annualized costs 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 may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

There are two areas of annualized cost to the Federal government identified: Data costs and data analyst/program management costs.

- a. Data costs include HUD’s cost of data collections and electronic transmission into TRACS, maintaining data files, recurring report production, and staff time related to these activities.
 - 1. Data collections \$1,475,000
 - 2. Operating costs of computer processing, analyst or programmer support \$250,000
- b. Data analyst/program management costs include:
 - Staff time to analyze reports produced from the tenant data. These reports are used to track program usage; make budget projections; and suggest legislative changes. Two person years of staff time is \$88,704 (at GS-12, annual pay scale of \$62,905).
- b. Total Federal government cost is \$1,850,810 (\$1,475,000 + \$250,000 + \$125,810).

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I. A program change is something HUD did that resulted in an increase or decrease in the number of respondents, responses, or burden hours. An adjustment is the result of other factors, including changing economic conditions or re-calculating burden hours.

This is a revision of the currently approved collection. This new information will be used by HUD to authorize and account for all CA and O/A staff that will have access to the EIV system. 24 CFR 5.233 mandates that owner/agents (O/As) use HUD’s Enterprise Income Verification (EIV) System in its entirety as third party verification of tenant’s employment and income information and to reduce administrative and subsidy errors.

Specifically, this new regulation clarifies that new household members under the age of 6 who already have a SSN are subject to the same disclosure and verification requirements as new household members who are at least 6 years of age. It also clarifies that, subject to the exemptions allowed, an entire household may lose its tenancy if one member of the household does not comply with the SSN disclosure requirements. As a result of this required change, there has been a slight increase in the number of respondents, responses and burden hours.

16. For collections 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 from these collections 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.

All forms will be posted on HUD's Website (www.hudclips.org) and will contain the OMB expiration date. However, forms produced by automated systems will not display or print the OMB expiration date.

HUD is seeking an extension not to display/print the expiration date on forms included in these information collections. To reduce this burden on Vendors, HUD is requesting an extension for Vendor software applications to reference/display the HUDCLIPS URL (www.hudclips.org). HUDCLIPS contains official HUD forms depicting the OMB expiration date and OMB control number. When OMB changes an expiration date on a form, HUD loads the form with the new expiration date onto HUDCLIPS. Allowing Vendor's to use screens, facsimiles and reference HUDCLIPS eliminates the need for software vendors to change their existing applications to accommodate new OMB mandated expiration dates. The attachment titled "VendorA 50059 Steps.zip" contains Vendor screens shots used to create facsimiles of the HUD-50059.

Whenever a HUD form changes or a new form is added, Industry Vendors must perform the software development life cycle phases (Analysis, Design, Development, Testing and Implementation, etc.) to ensure the change gets implemented at roughly 21,800 HUD Business Partner sites. With a number of HUD forms being relatively static, only the form expiration date changes over time. Vendors incur unnecessary cost when modifying their software applications to accommodate changing expiration dates. An expiration date change in vendor software adds no value.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the certification statement identified in item 19.

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

There are no plans to use statistical methods for collecting this information.