

# Supporting Statement for Paperwork Reduction Act Submission

## 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 information collection is used by HUD, by Mortgagees, and by Contract Administrators (CAs) to evaluate the quality of project management; determine the causes of project problems; devise corrective actions to stabilize projects and prevent defaults; and to ensure that fraud, waste and mismanagement are not problems for the community. The information collected also supports enforcement actions when owners fail to implement corrective actions. The term Contract Administrators includes Performance-Based Contract Administrators and Traditional Contract Administrators.

### Regulatory Authority

24 CFR 880.612, states that “. . . the contract administrator will inspect the project and review its operation at least annually . . . .”

24 CFR 884.224 and 24 CFR 886.130 both provide that “. . . HUD will review project operations at such intervals as it deems necessary . . . .”

24 CFR 891.450 states that “HUD shall conduct periodic on-site management reviews . . . .”

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520) When collecting information from 10 or more people, gives HUD the authority to collect.

Fair Housing Act title VIII of Civil Right Act of 1968, prohibits discrimination.

### Administrative Requirements

HUD Handbook 4350.1, REV-1, Chapter 6, provides guidance and procedures for conducting and evaluating on-site management reviews.

HUD Handbook 4566.2, Chapter 6 governs the mortgagee on-site management review responsibilities.

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.**

The form HUD-9834 will be collected by the reviewer (HUD staff, Mortgagees, or CAs depending on the type of review) to gather and record information during on-site reviews of project operations. HUD staff and Mortgagees collect information from portions of the form for unsubsidized projects. CAs collect information using the entire form except where noted “This section applies only to HUD Staff and Mortgagees.”

The form HUD-9834 provides a checklist of items to be reviewed, and owners/agents are evaluated in the following areas:

- General Appearance and Security;
- Follow-up and Monitoring of Inspections;

- Maintenance and Standard Operating Procedures;
- Financial Management/Procurement;
- Leasing and Occupancy;
- Tenant Services; and,
- General Management Practices.

The desk review information portion of the form is collected prior to the on-site review using HUD systems and project file information. The desk review is used to reduce public reporting burden and prepare the reviewer for conducting the on-site review.

The Reviewer conducts the on-site review while program participants, i.e., resident managers, management agent representatives and/or project owners, are required to provide the information used by HUD to assess management operations.

Upon completion of the on-site review, the reviewer is required to complete the HUD-9834, Management Review Summary Report - Findings portion, which is used to:

- Summarize the information gathered on the questionnaire;
- Assign an evaluation rating for each of the 7 areas of project management listed above;
- Formulate an overall rating;
- Report specific problems; and
- Describe required corrective actions and set target completion dates.

The reviewer will mail the HUD-9834, Management Review Summary Report and findings to the owner/agent.

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

Currently, there are no plans to automate this process as it requires the Reviewers to conduct on-site reviews of project policies, manuals, written procedures, and a sample of units and project facilities. At this time, automating this process is not feasible as it will not allow HUD staff to adequately conduct on-site management reviews of the management and project operations to ensure compliance with HUD regulations and guidelines as required.

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.**

There is no duplication of the information collected. In areas where duplication could occur, reviewers collect that information prior to an on-site visit from information stored in various HUD databases.

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.**

Owners and Management Agents of insured and HUD-held projects could include small businesses and other small entities; however this collection does not pose an additional burden.

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.**

HUD collects this information to determine management's competence, and the causes of management problems. The information is used to design corrective actions, to stabilize projects, and to prevent mortgage defaults. If this information were not collected or collected less frequently, there would pose a significant risk of defaults on insured loans and consequently greater losses to HUD's insurance fund. Additionally, HUD could not ensure that tenants were provided with decent, safe, and sanitary housing.

**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 than quarterly;**

There is no requirement for respondents to report the information more than quarterly.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

There is no requirement for respondents to prepare a written response to a collection in fewer than 30 days.

- **requiring respondents to submit more than an original and two copies of any document;**

There is no requirement for 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;**

There is no requirement for 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 than can be generalized to the universe of study;**

This collection is not performed in connection with a statistical survey.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

There is no use of a statistical data classification.

- **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**

There is no pledge of confidentiality that is not supported by authority established in statute or regulation.

- **requiring respondents to submit proprietary trade secret, 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.**

There is no requirement for respondents to submit proprietary trade secret, or other confidential information.

**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 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 three years – even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.**

Information collection is conducted in a manner consistent with the guidelines of 5 CFR 1320.6. The Notice announcing this collection of information appeared in the *Federal Register* on July 9, 2008, Vol. 73, No. 132, Page 39330. Three users of the form were contacted. Program Centers in Atlanta and Denver were contacted, as well as a Contract Administrator in Annapolis. No comments were received.

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

There are no gifts or payments of any kind given to respondents.

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

HUD does not promise confidentiality. 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.**

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 burden hours, and explain the reasons for the variance. Generally estimates should not include burden hours for customary and usual business practices;
- if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of form OMB 83-I; and
- 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 14.

Estimates of the Hour burden of the Collection of Information							
Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
HUD-9834	24,366	1	24,366	8	194,928	\$ 30.19	\$ 5,884,876
Total	24,366		24,366		194,928		\$ 5,884,876

- Number of owners/agents is based on data obtained from HUD systems.

- Hourly cost for owners/agents is based on data obtained from [www.payscale.com](http://www.payscale.com) for the owner or owner's staff to gather and provide the necessary information. Note that the cost per hour may vary depending on locality.
- Total number of responses is based on annual on-site reviews performed by CAs, which normally ranges from 15,000 – 17,000 per year.
- The frequency of reviews is estimated at one per year per project based on the CA portfolio. The number of reviews performed by CAs is not constant and could change due to reasons beyond HUD's control (e.g., Owners may opt-out of the contract).

**13. Provide an estimate of 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 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 collection 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.**

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

There are no additional capital or start-up costs. There are not total operation and maintenance purchase of services components required for collecting this information.

**Explain the reasons of any program changes or adjustments reported in Items 13 and 14 of the OMB form 83-I.**

<b>Estimates of Annualized Cost to the Federal Government</b>							
<b>Information Collection</b>	<b>Number of Respondents</b>	<b>Frequency of Response</b>	<b>Total Annual Responses</b>	<b>Burden Hours per Response</b>	<b>Annual Burden Hours</b>	<b>Hourly Cost</b>	<b>Total Annual Cost</b>
HUD-9834	24,366	1	24,366	0.75	18,275	\$ 28.88	\$ 527,768
Total	24,366		24,366	0.75	18,275		\$ 527,768

\*The estimated number of respondents is based on the number of insured projects in HUD systems that are reviewed by HUD staff and must comply with the on-site management review requirements.

\*\*The hourly cost for HUD staff is based on the hourly pay from [www.opm.gov](http://www.opm.gov) for a GS-12 to conduct the on-site review.

15. This is a revision of a currently approved collection. Adjustments were made based on the current estimated number of projects in HUD systems required to respond to on-site management reviews. Review of new program requirements are included in this form, which accounts for the additional time burden is anticipated.
16. **For collection 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.**
17. The results of this reporting will not be published.
18. **If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

Not seeking approval to not display the expiration date.

19. **Explain each exception to the certification statement identified in item 19of the OMB 83-I.**

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

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

There are no statistical methods used in this collection.