

Supporting Statement for Paperwork Reduction Act Submissions

Housing Counseling Program – Biennial Agency Performance review OMB No. 2502-0576 (HUD-9910)

A. Justification:

1. The Single Family Program Support Division is responsible for administration of the Department's Housing Counseling Program, authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701w and 1701x). The Housing Counseling Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters and the homeless. The primary objectives of the program are to expand homeownership opportunities, preserve homeownership and improve access to affordable housing. These services are provided by non-profit and government organizations. Their counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership. Counselors also help borrowers avoid predatory lending practices, such as inflated appraisals, unreasonably high interest rates, unaffordable repayment terms and other conditions that can result in a loss of equity, increased debt, default and foreclosure.

To participate in HUD's Housing Counseling program, a housing counseling agency must be approved by HUD (2502-0261), or designated as a subgrantee or affiliate of a HUD-approved intermediary, multi-state organization, or a state housing finance agency. Approval entails meeting various requirements relating to experience and capacity, including nonprofit status, a minimum of one year of housing counseling experience in the target community and sufficient resources to implement a housing counseling plan. In order to maintain approval status housing counseling agencies must remain in compliance with program policies and regulations.

2. HUD participating agencies are non-profit and government organizations that provide housing services. HUD staff performs on-site, desk, or remote monitoring of agencies participating in HUD's Housing Counseling Program. Staff uses form HUD-9910, Agency Performance Review, to conduct and document results of performance reviews.

These performance reviews are conducted to ensure that agencies are in compliance with the program policy and regulations governing the program. Housing Counseling Program requirements are set forth in 24CFR214, Housing Counseling Program, Revision-5 of Housing Counseling Program Handbook 7610.1, mortgagee letters and grant agreements (if applicable). Findings from performance reviews are used to renew or disapprove the status of housing counseling agencies to participate in the program. Additionally, performance review findings are used as past performance indicators in the grant application review scoring process. The Form HUD-9910 has been modified to meet new program requirements, improve the quality and scope of the performance reviews conducted to better monitor the financial and administrative controls that agencies should have in place to effectively manage their programs, deter and discover conflicts of interest and to establish improved procedures to monitor the expenditure of HUD grant funds.

The information is used to assist HUD in evaluating the managerial and financial capacity of organizations to sustain operations sufficient to implement HUD approved housing counseling programs. The collection of information assists HUD to reduce its own risk from fraudulent activities or supporting inefficient or ineffective housing counseling programs. Since HUD publishes a web list of HUD approved Housing Counseling Agencies and maintains a toll free housing counseling hotline, performance reviews help HUD ensure that individuals seeking assistance from these participating agencies can have confidence in the quality of services that they will receive.

HUD staff uses the information collected to assess the management and financial capability of approved housing counseling agencies to carry out their missions relative to the HUD Housing Counseling Program. The information also assists HUD staff to detect any conflicts of interest or activities that may not be permissible. Additionally, this information helps HUD staff to assess whether participating organizations are meeting basic programmatic and grant administrative requirements and maintaining staff with the appropriate experience. Participating organizations receive these performance reviews periodically as determined by HUD to ensure that they have performed according to plan and to provide HUD with any information on changes that may impact the nonprofit's performance. Quarterly 9902 progress reports (2502-0261) are also required to ensure compliance and monitor activity to keep the risk to the Federal government at a minimum. Performance reviews also give HUD the opportunity to provide technical assistance to participating housing counseling agencies.

Most of the information required under this information collection is maintained by the affected organizations in the normal course of business with HUD and HUD ascribes no burden hours to recordkeeping. The requirements for recordkeeping and what information HUD expects to view when its staff conducts a performance review are set forth in the Housing Counseling Program Handbook 7610.1 Rev-5, Chapter 3. The information cited in the handbook is a tool for the participating organizations to use so that they can be prepared for HUD reviews.

The form has been substantially revised to meet new program requirements, improve the quality and scope of the performance reviews conducted to better monitor the financial and administrative controls that agencies should have in place to effectively manage their programs, verify compliance with grant agreements, deter and discover conflicts of interest and to establish improved procedures to monitor the expenditure of HUD grant funds.

3. This information is collected during the course of on-site, desk, or remote monitoring interviews and file reviews. Agencies have the option of emailing information to HUD for desk and remote monitoring reviews. HUD has received OMB approval (2502-0261) to collect client level data through the use of client management systems used by counseling agencies. When remotely monitoring a participating agency, HUD also accesses individual client electronic files through agency client management systems, which allows HUD to decrease costs and reduce the burden to Housing Counseling Agencies. However, HUD must continue to perform on-site and desk monitoring for those agencies using a client management system not remotely accessible by HUD staff.
4. This information is not collected elsewhere. HUD makes every effort to assure no duplication of information is required.
5. HUD makes every effort to minimize the burden of information collection to all organizations participating in the Housing Counseling Program. Only information critical to evaluating an organization's compliance with program requirements is collected. The required information is, for the most part, standard and already available in the organizations' places of business and may include grant files, client files, financial records, the organization's internal program policy, program budget and personnel documents and/or legal documents. Additionally, the use of the electronic file data that will be captured through client management systems will also further reduce the burden.

6. Ascertaining the professional and management capacity of HUD Housing Counseling Program participating organizations to provide adequate housing counseling services is necessary to comply with the requirements of the Housing and Urban Development Act and to ensure that grant funded organizations comply with HUD and OMB administrative and financial regulations. If this information is not collected HUD would be unable to effectively monitor the Housing Counseling Program to guard against waste, fraud, abuse or inappropriate program practices. This collection provides the means to meet that obligation. Since HUD publishes a web list of HUD approved Housing Counseling Agencies and maintains a toll free housing counseling hotline, performance reviews help HUD ensure that individuals seeking assistance from these participating agencies can have confidence in the quality of services that they will receive.
7. There are no special circumstances that would require HUD to collect information in any manner described in question #7 of this form.
8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on April 29, 2011 (Volume 79, Number 83, Page 24041). No comments were received.

HUD staff interviewed five housing counseling agencies that were reviewed by HUD during the first two quarters of Fiscal Year 2011. Agencies were asked to estimate the time burden for their staff to prepare for the performance review, be interviewed by HUD staff and to retrieve files requested by HUD staff. The average of these responses was 9.5 hours total time burden for the performance review.

9. There are no payments or gifts to respondents with respect to this collection.
10. There is no sensitive information.
11. There are no sensitive questions involved in this collection.
12. The estimated number of respondents, frequency of response, annual hour burden and estimated cost to the respondents are stated below:

Description of Information Collected	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Annual Burden Hours	Hourly Rate	Total Annual Cost
HUD-9910-Performance Review Form	455	1	455	9.5	4323	\$25	\$108,075

The hourly cost is based on an estimate of the average annual salary of respondent staff at \$52,000.

13. There is no additional cost to respondents or record keepers.
14. Estimated annualized costs to the Federal government include approximately 6,370 hours of staff time needed to complete preparation for the performance review, make travel arrangements, coordinate performance review visits with participating organizations, conduct and document performance reviews using the HUD Form-9910. The federal staff required to administer this process comprise mixture of both administrative and professional personnel. With an estimated average cost of \$36.21 per hour for staff, the total annualized cost to the Federal government is estimated to be \$230,658.

COSTS FOR HUD STAFF AND RESOURCES - FISCAL YEARS 2010/2011

Information Collection	Total Annual Responses	Hours per Response	Total Annual Hours	Hourly Cost	Travel Cost per review	Total Annual Cost
HUD-9910 Performance Review Activities include: Performance review pre-file review, coordinate performance review visits with participating organizations and conduct on-site performance reviews using the HUD Form-9910.	455	14	6370	\$36.21	N/A	\$230658
Travel Costs to conduct performance reviews	455				137	\$ 62,335
Total for HUD Staff and resources						\$292,993

Federal hourly rate is based on the average of annual salary of a GS-12, Step 1 and GS-13, Step 1 of the US pay rate

The reason for the program change is primarily due to revision of HUD Handbook 7610.1 issued July 2010 and HUD’s efforts to improve the quality of monitoring and financial oversight of the Housing Counseling Program. Improving the scope and quality of information collected with the Form HUD 9910 will improve HUD’s ability to monitor program activities to ensure compliance with programmatic and financial requirements.

- 15. This is a revision of a currently approved collection. The Form HUD-9910 has been modified to meet new program requirements, improve the quality and scope of the performance reviews conducted to better monitor the financial and administrative controls that agencies should have in place to effectively manage their programs, deter and discover conflicts of interest and to establish improved procedures to monitor the expenditure of HUD grant funds. This accounts for the adjustment in the reporting burden.
- 16. There is no anticipated publication of the information gathered through this collection.
- 17. HUD is not requesting approval to avoid displaying the expiration date.
- 18. There are no exceptions to the certification statement identified in item #19 Certification of the Paperwork Reduction Act” of the OMB 83-I.

B. Collections of Information Employing Statistical Methods.

The collection of information does not employ statistical methods.