

# Supporting Statement for Paperwork Reduction Act Submissions

## Housing Counseling Program – Application for Approval as a Housing Counseling Agency OMB No. 2502-0573 (HUD-9900)

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### 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 objective of the program is to educate families and individuals in order to help them make smart decisions regarding improving their housing situation and meeting the responsibilities of tenancy and homeownership, including through budget and financial counseling. 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 possible foreclosure. Counselors may also provide reverse mortgage counseling to elderly homeowners who seek to convert equity in their homes to pay for home improvements, medical costs, living expenses or other expenses. Additionally, housing counselors may distribute and be a resource for information concerning Fair Housing and Fair Lending. The Housing Counseling Program is instrumental to achievement of HUD's mission. The Program's far-reaching effects support numerous departmental programs, including Federal Housing Administration (FHA) single family housing programs.

Approximately 1,000 HUD-approved agencies provide housing counseling services nation-wide currently. HUD maintains a list of these agencies so that individuals in need of assistance can easily access the nearest HUD-approved housing counseling agency via HUD's website or an automated 1-800 Hotline. HUD Form 9900, Application for Approval as a Housing Counseling Agency, is necessary to make sure that people who contact a HUD approved agency can have confidence they will receive quality service.

2. To participate in HUD's Housing Counseling Program, a housing counseling agency must first be approved by HUD. 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. Eligible organizations include local housing counseling agencies, private or public organizations (including grassroots, faith-based and other community-based organizations) such as nonprofit, state, local or tribal government entities or public housing authorities that meet the Program criteria. HUD uses form HUD-9900 to evaluate whether applying organizations meet minimum requirements to participate in the Housing Counseling Program. The application for approval for HUD-9900 is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm>.

HUD uses this information to populate Agency profile data in the Housing Counseling System (HCS) database. This data populates HUD's website and automated 1-800 Hotline.

The decrease in burden hours is due to the estimated decrease in the number of respondents participating in the Housing Counseling Program, as further addressed in Supporting Statement #15.

3. The automated collection of information is available to the public via the fillable/savable form HUD-9900, Application for Approval as a Housing Counseling Agency. Applicants to the Housing Counseling Program may access, complete and save a copy of the application form via HUD's website. HUD may consider further streamlining the information collection by further automating the approval application process if funds become available.

4. Form HUD-9900, Application for Approval as a Housing Counseling Agency, is the first contact a housing counseling agency has with HUD, so no “similar information” is already available, and no duplication occurs.
5. The information collection is the same for all entities, regardless of size. The information requested represents the minimum necessary to make an effective evaluation.
6. Failure to collect the information described in this submission would prevent HUD from screening potential housing counseling agencies through which HUD depends solely to provide critical housing counseling services to clients. The collection is needed to ensure applicants meet particular eligibility criteria and possess the capability to deliver effective and efficient services. This is critical since HUD refers individuals and households in need of assistance to these HUD approved counseling agencies. If the collection is not conducted, HUD would not approve any new agencies as part of the program.
7. There are no special circumstances involved in this collection.
8. In accordance with the regulations at 5 CFR 1320.8(d), HUD published a *Federal Register* notice seeking public comments on the information collection prior to submission to OMB. The notice was published on (April 21, 2011, Vol. 76, No. 77/page 22411-22412). There were no comments received.

Presently, in March 2011, each of the Homeownership Centers contacted a HUD approved housing counseling agency in its jurisdiction to request their views on the information collection relating to the availability of data, clarity of instructions, the format of the reporting, the data elements collected and the time burden involved. To obtain a representative sampling, agencies with small, medium and large housing counseling client volumes were contacted. Comments were provided by the following agencies: Ms. Nydia Ferral, Executive Director, Community Housing Development Corporation of MSI, Mooresville, NC; Mr. Richard Konda, Executive Director, Santa Clara County Asian Law Alliance, San Jose, CA; Ms. Vanessa Anderson, Resource & Compliance Manager, NeighborWorks Salt Lake, Salt Lake City, UT; Mr. Ronald Ruddle, Executive Director, Eastside Community Development Corporation, Baltimore, MD; and Ms. Christal Crouso, Housing Director, Fairmont Housing Authority, Fairmont, WV. The comments from these housing counseling agencies can be summarized as follows: The required data elements requested were reasonable, relevant and important, and the information was available free of cost. For some agencies, finding current data for their target areas was challenging. One agency found that the data available for its target areas could be inconsistent. The form HUD-9900 instructions were clear overall. In instances where clarification was needed, the agencies found speaking with HUD staff helpful. The reporting format was straight forward. The time involved in completing the information collection ranged from seven hours to two weeks.

HUD has used a similar version of form HUD-9900 for many years. The form has been revised in part based on feedback and comments from the users and HUD staff. HUD is in the process of reviewing the form HUD-9900 to determine if further revisions are needed.

9. There are no payments to respondents.
10. The Application for Approval as a Housing Counseling Agency Form HUD-9900 is subject to the Privacy Act, which requires the records to be maintained with appropriate administrative, technical and physical safeguards to ensure their security and confidentiality.
11. There are no questions of a sensitive nature.
12. Estimate of public burden:

Information Collection	Number of Respondents	Responses per Year	Total Annual Responses	Hours per Response	Total Hours	Hourly Cost	Annual Cost
<b>Application to become a HUD-approved agency</b>							
HUD-9900	143	1	143	8.00	1,144	\$20*	\$22,880

This hourly cost, applied when the burden cost relates to a housing counseling agency, is an average hourly salary of housing counseling agency employees.

13. There are no additional costs to respondents.

14. Costs to the Federal Government

Information Collection	Number of Responses	Hours per Response	Total Hours	Average Pay per Hr	Annual Cost
Form HUD-9900					
Review of applications, Form HUD-9900	143	8	1,144	\$33*	\$37,752

\*Salary cost for Federal Employees is based on an average of GS-12.

15. This is a request for an extension of a currently approved collection. The decrease in burden hours is due to the estimated decrease in the number of respondents participating in the Program. Approximately 1,000 HUD-approved agencies provide housing counseling services nation-wide. Through these agencies, HUD continues to meet the significant demand from homeowners, homebuyers, renters and the homeless for critically needed housing counseling services. HUD’s approvals of new housing counseling agencies will remain strong, though the annual number of approvals may decrease slightly due to the extensive agency network that currently exists. HUD will continue to ensure that areas throughout the country, including under-served areas, receive needed housing counseling services.

16. HUD maintains a web site and automated 1-800 hotline listing all HUD approved Housing Counseling Agencies.

17. HUD is not seeking approval to avoid displaying the OMB expiration date.

18. There is no exception to Item # 19 “Certification of Paperwork Reduction Act Submission.”

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

The collection of information does not employ statistical methods.