

Supporting Statement for Paperwork Reduction Act Submissions

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.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, 2010 (Public Law 111-203, Sec 1496) appropriated \$1billion to HUD to establish an Emergency Homeowners' Relief Fund, that will provide emergency mortgage assistance to homeowners that are at risk of foreclosure due to involuntary unemployment or underemployment due to an adverse economic or medical condition. Accordingly, HUD will implement the Emergency Homeowners Loan Program (EHLF) that is designed to offer a declining balance, deferred payment "bridge loan" (non-recourse, subordinate loan with zero interest) for up to \$50,000 to assist eligible homeowners with payments of arrearages, including delinquent taxes and insurance plus up to 24 months of monthly payments on their mortgage principal, interest, mortgage insurance premiums, taxes, and hazard insurance. The Emergency Homeowners Loan Program is designed by HUD to meet the statutory directive and provides funding to support mortgage relief assistance.

HUD will use two approaches to implement EHLF: (1) provide allocations to States that currently have substantially similar programs to administer their mortgage relief funds directly; and (2) delegate key administrative functions to third party entities that will assist HUD with program implementation. The third party entities will be primarily responsible for intake processing, eligibility screening, counseling, outreach, funds control, payment distribution, and note processing.

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.

Collection of EHLF application information and mortgage loan data

Method (how) and source of information (by whom) collection:

Emergency Homeowners' Loan Program (EHLF) Applicants will submit required data elements to States with substantially similar programs or to **NeighborWorks of America**, a third party organization designated to perform specific EHLF administrative functions on HUD's behalf. The States and NeighborWorks will conduct intake sessions to collect required data elements from potential program participants and provide housing counseling services. The required data and supporting documents will be uploaded into a centralized data system and transferred to HUD.

A third party organization acting as HUD's Fiscal Agent will request borrower reinstatement data for EHLF eligible homeowners from their mortgage servicers. The servicers have developed a "Common Data File" that each will use to electronically submit data to HUD's Fiscal Agent upon HUD's request.

Purpose for collecting information :

Homeowners seeking to obtain assistance through the Emergency Homeowners' Loan Program must submit application data to determine program eligibility. To demonstrate eligibility program applicants must provide: (1) basic personal data – name, address, phone, social security number, household composition, income verification documents (Tax returns, W2, paystubs, self –employment documentation), etc; (2) documentation to certify that the applicant is three months delinquent in their monthly mortgage and a written notice from the mortgage holder indicating its intent to foreclose on the mortgage ; (3) documentation of the pre-event and current income which demonstrates that the applicant suffered reduction in income of 15% or more as a result of involuntary unemployment or underemployment due to adverse economic or medical conditions; (4) written notice of employment termination; (5) documentation verifying medical condition and expenses; and (6) mortgage loan information and loan payment history. This information will be used to determine program eligibility.

This information collection was recently approved under an emergency collection issued earlier this year (2/28/2011). The emergency collection was only approved for 6 months. HUD is now submitting a request to receive a regular

collection approval to ensure that the information collected is approved throughout the duration of the program. There has been no change in the use of the information since the emergency approval was issued approximately six weeks ago.

EHLP Program Forms

HUD-96020-EHLP Commitment Letter, This form is system generated. The applicant information indicated on the form is populated by the system. The applicant is not required to provide any data on this form. **The third party organization (working on behalf of HUD) NeighborWorks** will send it to applicants to inform them that they are eligible for emergency assistance under the Federal Emergency Homeowners Loan Program (subject to the terms and conditions included in the commitment letter). Receiving this letter approves the applicant to forward to the next phase of the application process.

HUD-96021a-EHLP Notice of Termination – Income Increase Termination, This form is system generated and the data indicated on the form is populated by the system. **The third party organization (working on behalf of HUD) NeighborWorks** will send the form to applicants to inform them that effective immediately, they are hereby notified that their Emergency Homeowners' Loan Program (EHLP) emergency assistance payments have been terminated because they reported to HUD that the combined current income of all persons named on their first lien mortgage loan documents increased to an amount greater than eighty-five (85%) of your combined adjusted gross income prior to your becoming unemployed or underemployed. The form also provides instructions regarding the appeals process. If applicable, the applicant would provide information to support an appeal.

HUD-96021b-EHLP Notice of Termination – Failure to Remit Payment, This form is system generated and the data is populated by the system. **The third party organization (working on behalf of HUD) NeighborWorks** will send this form to applicants to inform them that effective immediately, they are hereby notified that their Emergency Homeowners' Loan Program (EHLP) emergency assistance payments have been terminated because they failed to remit their first late EHLP monthly homeowner contribution payment that is past due or they failed to timely make their EHLP monthly homeowner contribution payment (either in the full amount due or at all) for a second time. The form also provides instructions regarding the appeals process. If applicable, the applicant would provide information to support an appeal.

HUD-96022-EHLP Termination Appeal Form – Maximum Assistance Amount/Period, This form is system generated and the data is populated by the system. **The third party organization (working on behalf of HUD) NeighborWorks** send this form to applicants to inform them that effective immediately, they are hereby notified that their Emergency Homeowners' Loan Program (EHLP) emergency assistance payments have been terminated because they have received the maximum approved amount of emergency assistance; and/or they have received EHLP emergency assistance for the maximum number of months as determined by HUD at the time you were approved to participate in the EHLP. The form also provides instructions regarding the appeals process. If applicable, the applicant would provide information to support an appeal.

HUD-96023a-EHLP Applicant Certification Statement, **The EHL Co-applicant** completes this form to certify that they meet Immigration status requirements for receiving EHLP assistance and all EHLP Program eligibility requirements including but not limited to (lawful ownership of property; to the best of their knowledge there are no more than two liens on the property; they are not in bankruptcy; all co-borrowers were identified on the EHLP application; they have not received a notice of foreclosure sale; and all data they provided to the Housing Counseling agency is accurate).

HUD-96023b-EHLP Co-Applicant Certification Statement, **The EHL Applicant** completes this form to certify that they meet Immigration status requirements for receiving EHLP assistance and all EHLP Program eligibility requirements including but not limited to (lawful ownership of property; to the best of their knowledge there are no more than two liens on the property; they are not in bankruptcy; all co-borrowers were identified on the EHLP application; they have not received a notice of foreclosure sale; and all data they provided to the Housing Counseling agency is accurate).

HUD-96024-EHLP Pre-Applicant Screening Worksheet, - The EHLP applicant completes this form. The form is used to collect applicant data to confirm if EHLP applicants meet the basic eligible requirements to apply for EHLP assistance. If applicants meet basic eligibility criteria they may be selected to submit an application for EHLP assistance.

HUD-96025a-EHLP Unemployment Affidavit – Self Employed, The applicant completes this form to certify that they have experienced a substantial loss of, or reduction in, self-employment income and that their self-unemployment/self-underemployment was caused by adverse economic conditions, or a personal medical emergency.

HUD-96025b-EHLP Unemployment Affidavit – Employer No Longer in Business, The applicant completes this form to certify that they have experienced a substantial loss of income resulting from a loss of employment, and that their unemployment was caused by adverse economic conditions, or a personal medical emergency. In addition, they are certifying that I do not possess or have access to a letter from their previous employer notifying them of their unemployment because, to the best of their knowledge and belief, the employer is no longer in business.

HUD-96026-EHLP Third Party Authorization Form, The EHL P applicant completes this form to authorize their Lender, NeighborWorks, the designated Housing Counseling Agency, the Bank of New York Mellon and the Risk Management Group (individually and collectively) to share, release, discuss, and otherwise provide to and with each other, and/or their agents or other authorized representatives, public and non-public personal information contained in or related to the mortgage loan account of the Applicant.

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.**

In efforts to reduce the administrative burden associated with the mailing and processing of paper applications, NeighborWorks affiliates will conduct intake sessions with program applicants and enter required data into the HOPE Loan Port System. It is estimated that the intake process is 75% automated. Some information will be collected on HUD-forms (draft forms are attached- forms will be submitted for HUD approval) which have data elements that were approved as a part of the initial collection submission (2502-0597).

Reinstatement data collected by HUD's Fiscal Agent from mortgage servicers will be submitted electronically through the Common Data File. A list of data elements included in the Common Data File is attached.

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 information. This information is being request from individual applicants to determine eligibility for a new program.

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.**

This collection of information does not impose any administrative burdens on small businesses.

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.**

The information collected will be used to determine borrower eligibility. If this information is not collected the Department will not be able to determine if applicants are eligible to receive assistance through EHL P .

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;
- 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 than 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 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 are no special circumstances surrounding this collection of 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 3 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.

In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on April 25, 2011 (Volume 76, Number 79, Page 22913). No comments were received.

HUD staff consulted with EHLP third party partners and EHLP State grantees to obtain their views on the availability of data, frequency of collection, the clarity of instructions and reporting format and data elements to be recorded, disclosed or reported.

- NeighborWorks of America
- Pennsylvania Housing Finance Agency
- Maryland Department of Housing and Community Development

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

Mortgage relief assistance payments will be provided to the lenders of program applicants (homeowners) that are determined as eligible to receive benefits under EHLP. HUD will offer a declining balance, deferred payment "bridge loan" (non-recourse, subordinate loan with zero interest) for up to \$50,000 to assist eligible homeowners with payments of arrearages, including delinquent taxes and insurance plus up to 24 months of monthly payments on their mortgage principal, interest, mortgage insurance premiums, taxes, and hazard insurance.

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

The intake process to obtain assistance through EHLP 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. The confidentiality of the information provided by EHLP applicants will be safeguarded, consistent with assurances of confidentiality covered under the Privacy Act. EHLP applicants will be provided information on the Federal Privacy Act, HUD's authority to collect the data requested and public burden.

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.

No questions of a sensitive nature are included in this request.

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 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; 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 13.

Information Collection EHLP	Number of Respondents	Frequency of Response (Annual)	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response*	Annual Cost
Data Intake Session Intake/Recertification (Data elements that will be collected are outlined on the EHLP Data Reporting Requirements)	36,264	1	36,264	3	108,792	\$20.00	\$2,175,840
Counseling (Covered under OMB Approval - 2502-0261) (Affiliate Counselors)	36,264	*	*	*	*	*	*
Servicer Common Data File	30,000	1	30,000	.25	7,500	\$20	\$150,000
EHLP Pre-Applicant Screening Worksheet	36,264	1	36,264	.50	18,132	\$20	\$362,640
EHLP Third Party Authorization Form	36,264	1	36,264	.10	3,626	\$20	\$72,520
EHLP Applicant Certification Statement	36,264	1	36,264	.30	10,879	\$20	\$217,580
EHLP Co-Applicant Certification Statement	36,264	1	36,264	.30	10,879	\$20	\$217,580
EHLP Unemployment Affidavit – Self Employed,	3,600	1	3,600	.10	360	\$20	\$7,200
EHLP Unemployment Affidavit – Employer No Longer in Business	7,000	1	7,000	.10	700	\$20	\$14,000
EHLP Commitment Letter, HUD-		*	*	*	*	*	*
EHLP Notice of Termination – Income Increase Termination	3,600	1	3,600	.30	1080		\$21,600
EHLP Notice of Termination – Failure to Remit Payment	7,000	1	7,000	.50	3,500	\$20	\$70,000
EHLP Termination Appeal Form – Maximum Assistance Amount/Period	12,000	1	12,000	.30	3,600	\$20	\$72,000
Totals	36,264		244,520		169,048		\$3,380,960

The estimated cost for the burden hours is computed at \$20 per hour. This labor rate is projected to be the average hourly salary of EHLP applicants

(respondents) that will be providing the required data for program participation.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers 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.

There are no additional costs to respondent (EHLP) applicants.

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.

Information Collection	Number of Responses	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
	36,264	1	36,264	5	181,320	\$48.00	\$8,703,360

The hourly cost is based on the annual salary of a GS-13 midpoint level in the salary table for DC-MD-VA-WV-PA.

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

This is a revision of a currently approved collection. There have been no major changes to the way the program is administered since the previous collection request. However, draft HUD- forms have been created for the data elements approved in the initial collection (2502-0597). Draft forms are attached. The collection is required to determine homeowner eligibility to participate in the Emergency Homeowners Loan Program. Also, a third party organization acting as HUD's Fiscal Agent will electronically collect reinstatement data from mortgage servicers upon HUD's request.

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.

The information 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.

There is no request to not display the expiration date.

18. Explain each exception to the certification statement identified in item 19.

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

B. Collections of Information Employing Statistical Methods

This collection will not employ statistical methods.