

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. Section 4(a) of the Housing Act of 1937 states that the Secretary may make loans of commitments to make loans to Public Housing Agencies (PHAs), to finance or refinance the development, acquisition, or operation of low-income housing projects by such agencies. As stipulated in the Consolidated Annual Contributions Contract (Sec. 13) between a Housing Authority and the Department, HUD requires PHAs be insured against financial loss. PHAs must obtain certificates of insurance from contractors and subcontractors before beginning work under either the development of a new low-income housing project or the modernization of an existing project. The certificates of insurance not only provide evidence that worker's compensation and general liability, automobile liability insurance, is in force before any construction work is started, but they protect the PHAs from liability of loss.
2. The PHAs require certificates of insurance to ensure that the required insurance is in force before any construction work is started. Participating contractors must be insured and must provide the insurance certificates to the PHAs to protect the PHA from any potential liability in the interest of HUD and taxpayers.
3. Since construction companies only provide a certificate of insurance to the PHAs automation of this process is not practicable.
4. All existing information was examined and no duplication was found.
5. This collection of information does not significantly impact small businesses or entities.
6. The certificates of insurance are required as a business transaction between the PHA and contractor before construction of a public housing project. Federal program requirements would not be met if the collection is not conducted, or is conducted less frequently.
7. There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines at 5 CFR 1320.6.
8. This information collection was announced in the *Federal Register*, Volume 75, page 76479, on December 8, 2010. No comments were received.
9. No payments or gifts to respondents are provided.
10. This information is collected under the regulatory requirements and is kept by PHAs to assure that the contractors have the required insurance before the contract work is started. The information remains with the PHAs and is not given out to the public.
11. There are no questions of a sensitive nature.

12. We estimate that the information collection requirements will have the following reporting burden:

Potential Respondents	Est. Avg. Freq. of Response	Est. Annual Response Time (Hrs.)	Burden (Hrs.)
Reporting Burden: 3,000	4	0.3	3,600
Recordkeeping Burden: 3,000	4	0.2	2,400
Total Burden:			6,000

Estimated annualized cost to respondents  
 Burden: 6,000 hrs. @ \$25.00/hr. = \$150,000

Signature of Senior Officer or Designee:

Date:

X  
 Colette Pollard, Departmental Reports Management Officer,  
 Office of the Chief Information Officer

13. There are no additional costs to the respondents.
14. There will be no additional costs to the Federal Government.
15. The reduction in burden hours is a result of a reassessment of burden hours associated with the recordkeeping process.
16. The information collection will not be published.
17. The Department is not requesting to not display the OMB number and expiration date.
18. There are no exceptions to the certification identified in Item 19 of the OMB 83-i.

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

This information collection will not be used for statistical purposes.