

Supporting Statement for Paperwork Reduction Act Submissions

Request for Prepayment of Section 202 or 202/8 Project

A. Justification

1. The collection of this information is necessary to review prepayment requests for Section 202 and 202/8 direct loans. The legal authority for collecting this information is provided under Section 811 of the American Homeownership and Economic Opportunity (AHEO) Act of 2000 and 24 CFR 891.530. Section 891.5309, Prepayment Privileges, states that the prepayment (whether in whole or in part) or the assignment or transfer of physical and financial assets of any Section 202 project is prohibited, unless the Secretary gives prior written approval. The section also states that the Secretary may not grant approval unless HUD has determined that the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, until the original maturity date of the loan, in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law.
2. The information will be gathered and submitted by the owner in support of the prepayment request. The information consists of a written request for the prepayment using the form HUD-9808 or similar format; submission of a copy of the Mortgage, Mortgage Note, Housing Assistance Payments Contract, Regulatory Agreement, Subordinate Mortgage/Loans that may be in place, list of households currently residing in Section 8 or Rent Supplement assisted units, list of any commercial renters/leases, vendors that may be in place, detailed narrative justifying the future use of the full rental assistance currently being provided to the project. HUD staff will review this information to determine if approval of the prepayment request can be granted.
3. After a thorough review, there are no plans to automate this collection of information. Information collected consists of significant prior documentation. Owners submit documents to the local HUD office who in turn forward the prepayment request with their recommendation to HUD Headquarters' Office of Asset Management for review and processing. However, in an effort to automate where possible the forms used for this program are pdf fillable and available electronically on HUDclips.
4. There is no duplication of similar information currently collected.
5. The collection of this information does not impact small businesses.
6. It would be impossible to review, process, and approve prepayment requests without a written request to determine the owner's proposal for the long-term affordability of the project after mortgage payment. Without the information, HUD would be unable to determine whether the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, until the original maturity date of the loan, in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law.
7. There are no special circumstances associated with this information collection.
8. This office consulted with staff from three of HUD's Multifamily Hubs concerning the information collection. All advised that the criteria are sufficient and the document is fairly user-friendly. However, there is room for further clarification and explanation in the document that would assist in the review of the owner's request. The agency notice soliciting comments on the information collection was published in the Federal Register on February 16, 2011, (Volume 76, Number 32, Page 9044). There were no comments.

9. There will be no gifts or payments provided to respondents.
10. The information collected is not of a confidential nature; therefore, the Department does not assure confidentiality to respondents.
11. Respondents are not required to provide information of a sensitive nature.
12. Estimated Burden (includes both prepayments requiring HUD approval and those not requiring HUD approval.). HUD will receive approximately 190 requests from owners of Section 202 and 202/8 direct loan projects to prepay and/or refinance their direct loans.

	Number of Respondents	Annual Frequency	Total Responses	Hours per Response	Total Burden Hours	Cost per Hour	Total Cost
HUD-9808	190	1	190	2	380	\$25	\$9,500

The cost per hour is based on an estimated average annual salary of \$52,000.

13. There are no additional costs to the respondents.
14. Estimates of annualized costs to the Federal government:

Number of Responses	Hours per Response	Cost per Hour	Total Cost
190	1	\$36	\$6,840

The cost per hour is based on the salary for a GS-12, step 1.

15. There are no significant changes for this period. However, there are minor decreases in responses and annual burden time due to a decrease in the number of project owners requesting to prepay their Section 202 direct loan.
16. The results of this information collection will not be published.
17. HUD is not seeking approval to avoid displaying the expiration date for this information collection.
18. There are no exceptions to the Certification Statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

There are no statistical methods used in this collection.