## SUPPORTING STATEMENT

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## Rental Housing Finance Survey (RHFS)

**Part A: Justification**

1. **Necessity of Information Collection**

We request clearance for the proposed questions to be used on the 2012 Rental Housing

Finance Survey (RHFS). We will collect data between January 1 and March 31, 2012.

Estimates derived from the RHFS sample will help public and private stakeholders better understand the financing, operating costs, and property characteristics of the multifamily rental housing stock in the United States. Many of the questions are similar to those found on the 1995 Property Owners and Managers Survey and the rental housing portion of the 2001 Residential Finance Survey.

Title 12, United States Code, Sections 1701z-1, 1701z-2(g), and 1701z-10a provide authority to collect this information. Title 13, U.S.C., Section 8b provides the U.S. Census Bureau authority to collect this information for the Department of Housing and Urban Development (HUD). The collected data will be protected by the confidentiality provisions of Title 13, U.S.C., Section 9.

1. **Needs and Uses**

The RHFS interviews owners and managers of multifamily rental properties with two or more units. When possible we will try to interview property owners, the entity liable for the financial disposition of properties. If an owner cannot be identified or reached, we will interview the managers. At times, interviews with both owners and managers may have to be conducted in the course of the survey, as each may possess distinct portions of the necessary information to complete the survey.

Various stakeholders have great interest in the data that will be collected through this survey. With these data, the survey sponsor, the Department of Housing and Urban Development (HUD), can gain a better understanding of multifamily rental loan origination volumes, property characteristics associated with these originations, and operating cost and revenue characteristics for the multifamily rental housing stock in the United States. The RHFS will play an important role in enabling the Federal Housing Finance Agency to fulfill its requirements to set affordable housing goals for the government-sponsored enterprises (GSEs) and to develop standards for underwriting multifamily mortgages. The RHFS data can be used to provide a statistically representative picture of multifamily financing and critical components of the national income accounts.

National and local policy analysts, program managers, budget analysts, and Congressional staff can use the RHFS data to advise the executive and legislative branches about financial characteristics of the multifamily rental housing stock in the United States and the suitability of public policy initiatives. The data will also help analysts to determine which properties take the most advantage of various government programs, and where changes to programs might be advisable.

Academic researchers and private organizations will use the RHFS data in efforts of specific interest and concern to their respective communities. For example, no national data are available currently on such items such as rent concessions and expenses on capital improvements.

The rental apartment industry will be able to use the data to benchmark individual project performance against national data to help them make better business decisions. Multifamily rental housing is critical to solving the nation’s affordable housing problems, and potential investors in the multifamily rental housing market will gain a better understanding of the ownership and financing structures of the industry with these data.

The Census Bureau will maintain a bibliography on the Internet that lists analytical reports derived from RHFS. This site will be found at:

<www.census.gov/hhes/rhfs/rhfs.html>

The Bureau of Economic Analysis (BEA) plans to use the RHFS data in preparing key investment components in the National Income and Product Accounts (NIPAs) and the Fixed Assets Accounts (FAAs). The specific data that the BEA anticipates to use are capital improvements, legal form of ownership, property types and rent concessions.

Information quality assessment is an integral part of the predissemination review of information disseminated by the Census Bureau (fully described in the Census Bureau’s Information Quality Guidelines). Information quality assurance is also integral to information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

1. **Use of Information Technology**
2. Data Collection

The RHFS does not collect data via Computer Assisted Personal Interviewing (CAPI), the Internet or through the Electronic Data Interchange. The time and research resources needed to establish this type of electronic reporting in an ongoing small survey of approximately 4,400 sample units nationwide is counterproductive.

1. Data Dissemination

HUD’s Office of Policy Development and Research will make the information collected on the RHFS available to the public on its internet website. The Census Bureau has a website that complements HUD's. The Census Bureau’s website will also contain an extensive set of tables for the user’s convenience.

1. **Efforts to Identify Duplication**

HUD consulted with other government agencies and determined that the RHFS is the only data source with detailed information on the mortgage financing of the multifamily rental properties with two or more units.

Although housing data are collected as part of the American Housing Survey (AHS), American Community Survey (ACS) (Census Bureau), Consumer Expenditure Survey (CES) (Bureau of Labor Statistics), and the Residential Energy Consumption Survey (RECS) (Department of Energy), these surveys provide none of the extensive level of detailed information on rental housing expenses and multifamily financing available from the RHFS.

1. **Minimizing Burden**

We have designed the RHFS questions to obtain the required information. To minimize the response burden, we developed a questionnaire guide to clarify the survey instruments. Prior to personal visits, we will send out respondent letters to provide an overview of the survey, the interview procedure, types of questions covered, and confidentiality. We are implementing lessons from the 2001 Residential Finance Survey (RFS), in that we will only contact owners and/or managers of the rental properties to complete the survey. In the discontinued RFS, we surveyed both the owner/manager and the lender, which had a higher response burden and was less cost effective.

We anticipate only few respondents will ask for additional time to fill out the questionnaire. In most cases, FRs will administer face-to-face interviews and complete the survey during a personal visit. Since we only have information on the basic street address of the sample, our first contact with the respondents will be through a personal interview. It would not be feasible to contact the respondents prior to the personal interview.

1. **Consequences of Less Frequent Collection**

As a longitudinal survey, we interview our samples periodically to provide intermittent readings between decennial censuses. The length of time between interviews is two years on the RHFS. Less frequent enumerations would impair HUD’s ability to monitor GSE goal compliance on a timely basis. It would also reduce the HUD’s ability to detect changes in severe housing needs. Without this ability, the Administration and Congress would be less able to formulate policy on rental housing finance and rental assistance.

1. **Special Circumstances**

We collect the data in a manner consistent with OMB guidelines, and there are no special circumstances.

1. **Consultations Outside the Agency**

Attached is a copy of the *Federal Register Notice* required by 5 CFR 1320.8(d).

HUD discussed plans for the 2012 RHFS with the following people:

David S. Johnson

Chief, Housing and Household Economic Statistics Division

U.S. Census Bureau

301-763-6443

Ruth Ann Killion

Chief, Demographic Statistical Methods Division

U.S. Census Bureau

301-763-2048

Cheryl R. Landman

Chief, Demographic Surveys Division

U.S. Census Bureau

301-763-3773

During the development of the RHFS questionnaire, we consulted with approximately 50 prospective data users who comprised diverse areas of interest. Responses received from these data users had considerable effect on the content. There were no major problems that could not be resolved during consultation.

HUD and the Census Bureau conducted cognitive testing of the RHFS questionnaire content in December 2010. Any applicable changes to the content of the questionnaire identified during cognitive testing were incorporated in the final version of the instrument.

1. **Paying Respondents**

The RHFS does not give respondents payments or gifts.

1. **Assurance of Confidentiality**

The Census Bureau collects these data in compliance with the Privacy Act of 1974 and OMB Circular A-108. The Census Bureau will make an attempt to identify property owners and/or property managers in advance. All respondents will receive a respondent introductory letter (RHFS-01(L)). If possible, the Census Bureau will send each sample address a letter in advance of the interview (RHFS-03(L)). Both, the respondent introductory letter and the respondent advance letter will contain the information required by this act.

The letters inform the respondents of the voluntary nature of this survey and states that there are no penalties for failure to answer any question. The letters will explain why the information is being collected, how it will be used, and that it will take approximately 60 minutes to complete the interview. The letters will display the OMB control number and date of expiration.

As part of the introduction for personal-visit interview, the Census Bureau FRs will ask the respondents if they received the Advance Letter, if applicable. If not, the FRs will give the respondent introductory letter (RHFS-01(L)) to the respondents and allow them sufficient time to read the contents. For interviews conducted by telephone, if the respondents inquire as to the purpose of the survey, the FR will provide an oral explanation that includes the information required by the Privacy Act.

The letters will display the toll-free phone number of the regional office for which the FR works as a way for the respondent to authenticate her/his employment with the Census Bureau.

After the interview is completed, the FRs will give the respondents a "Thank You" Letter (RHFS-02(L)). The Advance Letter, the Respondent Introductory Letter, and the Thank You letter state that all information respondents give to the Census Bureau employees is held in strict confidence by Title 13, United States Code. Each FR has taken an oath to this effect and is subject to a jail term, fine, or both, if he/she discloses any information given to him/her.

The data collected under this agreement are confidential under Title 13, U.S.C., Section 9. Should the HUD staff require access to Title 13 data from this survey to assist in the planning, data collection, data analysis, or production of final products, those staff members are required to obtain Census Bureau Special Sworn Status (SSS). They must demonstrate that they have suitable background clearance and they must take Data Stewardship Awareness Training.

Any access to Title 13 data at HUD is subject to prior approval by the Census Bureau's Data Stewardship Executive Policy Committee upon assurance that the HUD facility and information technology security meet Census Bureau requirements.

1. **Justification for Sensitive Questions**

The survey does not include any questions of a sensitive nature.

1. **Estimate of Hour Burden**

We estimate the respondent burden hours to be 4,273. Please refer to the table on the following page for more detailed information.

Table 1. Estimate of Hour Burden

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Interview Type | | Total Addresses | Respondent Burden  Combined | |
| (A)  Name | (B)  Definition | (C)  RHFS | (D) Avg Min Per Intv | (E)  Total Hours |
| Occupied/  Vacant | 1. Sampled property with two to four units all of which are for rent. 2. A residential property with 5 or more units, of which approximately 80% or more are for rent AND commonly owned/finance. | 4,200 | 60 | 4,200 |
| Noninterview | Sampled addresses not intended for occupancy or occupants refuse to participate, or out of scope | 200 | 0 | 0 |
| **Total Addresses For Data Collection (DC)** | | **4,400** |  |  |
| Reinterview | Second quality control check interview at 10 percent of the above sampled addresses | 440 | 10 | 73.3 |
| **Total DC and Reinterview Addresses/Burden Hours** | | **4,840** |  | **4,273.3** |
| ComputationsTotal Hours = (Average Minutes Per Case\*Total Addresses)/60 | | | | |

1. **Estimate of Cost Burden**

The annualized cost estimate to respondents for burden hours is $0. There are no costs to

respondents other than that of their time to respond.

1. **Cost to Federal Government**

HUD estimates the costs to the government for the 2012 RHFS program to be about $6million. The figure provided represents the average of a two-year cycle consisting of a data collection year followed by a public use file (PUF) products processing year. The figure is based on the following factors.

* Actual money spent adjusted for inflation to complete data collection and release public use files for the RHFS.
* Actual money spent adjusted for inflation to maintain the RHFS samples in a non-data collection year. Maintenance includes completing the work to release the public use file for the RHFS sample.

1. **Project Schedule**

The Census Bureau has scheduled the 2012 field enumeration for the RHFS to begin in

January and continue through March.

The projected release date of the public use file is September 2012.

1. **Request to Not Display Expiration Date**

There are no requests.

1. **Exceptions to the Certificate**

There are no exceptions.

1. **Contacts for Statistical Aspects and Data Collection**

The HUD consulted the following individuals on the statistical data collection and

analysis operation:

Statistical Methods:

Aref Dajani, Chief, Longitudinal Surveys Branch

Demographic Statistical Methods Division

U.S. Census Bureau

(301) 763-1797

[Aref.N.Dajani@census.gov](mailto:Aref.N.Dajani@census.gov)

Subject Matter Expert:

Robert Callis, Chief, Financial and Market Characteristics Branch

Social, Economic and Housing Statistics Division

U.S. Census Bureau

(301) 763-5694

[Robert.R.Callis@census.gov](mailto:Robert.R.Callis@census.gov)

Overall Data Collection:

Joe Huesman, Chief, Housing Surveys Branch

Demographic Surveys Division

U.S. Census Bureau

(301) 763-4822

[Joseph.John.Huesman@census.gov](mailto:Joseph.John.Huesman@census.gov)

Attachment