

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.**

This information collection is necessary for HUD to monitor potential purchasers' current compliance with state or local government housing statutes, regulations, ordinances, and codes. This information collection requires potential purchasers of HUD-owned multifamily housing projects to certify that all of their projects owned and located in the same city or town as the project to be purchased are in compliance with state and local housing codes. (This information is being collected in accordance with Section 219 of the Consolidated Appropriations Act of 2004¹ and the revised regulations at 24 CFR Part 200, Subpart H.² In addition, HUD issued a proposed rule (24 CFR Parts 200 and 290, disposition of Multifamily Housing Projects by HUD; Purchaser's Compliance With State and Local Housing Laws and Requirements), which was announced in the Federal Register on August 5, 2005, Volume 70, No. 150, page 45492.³ This proposed rule has not yet been finalized and is currently under internal review; however the proposed rule remains HUD's policy position.

- 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.**

The respondents include potential purchasers of multifamily housing projects that are HUD-owned or secured by a HUD-held mortgage which are being foreclosed. This collection requires potential purchasers to certify that all other properties owned by the purchaser, and located in the same city or town as the project being purchased, are in substantial compliance with applicable state or local government housing statutes, regulations, ordinances, and codes. This collection also expands the scope of the participation and compliance requirements for HUD's Federal Housing Administration programs to include purchasers of multifamily housing projects from state or local governments, in cases where the property had previously been acquired by the state or local government from HUD. This information is be used by HUD staff to determine if the potential purchaser has honored its past legal and financial obligations prior to approval of the sale. Since the last submission, HUD revised its Note Sale requirements which impacted HUD's procedures for property disposition because it reduced the number of projects that are HUD-Held. As a result, HUD's current inventory reported for this submission is only three responses, which does not require OMB clearance.

¹ http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_public_laws&docid=f:publ199.108.pdf

² <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=9ba49513f6365a64f0ab15e294733f1f&rgn=div5&view=text&node=24:2.1.1.1.1&idno=24#24:2.1.1.1.1.7>

³ <http://www.gpo.gov/fdsys/pkg/FR-2005-08-05/html/05-15472.htm>

However, HUD is unable to guarantee that the number of respondents will remain constant; therefore, this collection seeks OMB approval in the event that there is an increase in the number of responses.

3. Describe whether, and to what extent the collections of information involves the use of automated, electronic, mechanical, or other the 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.

This information collection does not involve the use of automated electronic, mechanical, or other technological collection at this time. A one-page form (which will take about 15 minutes or less) is required and is available on HUD's website. Since it takes a short amount of time to complete and a program change has reduced the number of respondents, automation is not feasible for this form because of Department funding limitations.

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 are no duplicate methods in place to collect and monitor this information.

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 may impact small businesses if involved in purchasing a HUD-owned multifamily housing project. The collection will be reviewed during the approval period to determine if methods can be altered to minimize burden.

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.

If this information is not collected or collected less frequently, the sale transactions could violate section 203(i) of the Housing and Community Development Act of 1978. Specifically, Section 203(i) of the Housing and Community Development Act of 1978 which authorizes the Secretary of HUD to manage or dispose of HUD-held multifamily housing projects and allows state and local governments the right of first refusal to purchase a multifamily housing project that is owned by the Secretary or subject to a mortgage held by the Secretary. HUD's regulations for the multifamily housing project disposition program are located at 24 CFR Part 290, Subpart H, which establishes HUD's standards for approval, disapproval, or withholding of action on principals based on past performance. In order to monitor compliance with these regulations, HUD requires certification of compliance for all projects in the locality of the project to be purchased (HUD and non-HUD related.)

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

There are no special reporting requirements.

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 three 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.

This information is collected in a manner consistent with guidelines of 5 CFR 1320.6. The Notice announcing this collection of information appeared in the Federal Register on Friday, April 29, 2011 (Vol.76, No. 83, page 24042) no comments were received.

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

There will be no gifts or payments to respondents.

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

The information collected is not of a confidential nature. HUD does not assure confidentiality to respondents.

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.

There are no questions of a sensitive nature.

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 burden hours, 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 form OMB 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 14.**

Estimates of annualized costs to Respondents

Estimated Number of Respondents ¹	Frequency of Response (per annum) ²	Total Number of Responses ³	Burden Hours per Response	Total Annual Burden Hours	Cost per Hour ⁴	Total Annual Cost
25	1	25	0.25	6.25	\$15.00	\$93.75

- 1) Estimated Number of Respondents (Insured Inventory) reflects the number of properties in HUD’s inventory that will only be affected if they go into foreclosure or become HUD-Held. The possibility of receiving 14,758 respondents in one year would mean all of HUD’s insured portfolio would fail, which would be extremely rare.
- 2) The frequency of response is based on the number of times per year the respondent is required to submit this information.
- 3) Estimated Number of Responses is based on the average sale of HUD-owned projects in the last fiscal year (about 3 per year). This number is based on surveying HUD’s two Property Disposition Centers (Fort Worth and Atlanta).
- 4) Estimated Cost to respondents is based on the respondent or respondent’s staff hourly rate to gather and list the projects on the certification form. Cost per hour was obtained from payscale.com.

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 purchasers.

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.

Estimates of annualized costs to the Federal Government

Estimated Number of Respondents	Estimated Number of Responses	Staff Hours per Response	Total Annual Burden Hours	*Cost per Hour	Total Annual Costs
25	25	.50	12.5	\$28.00	\$350.00

*Estimated cost per hour for HUD Staff (GS-12) to review and confirm the information submitted by the potential purchaser. Cost per hour obtained from Office of Personnel Management general service hourly wage chart for GS-12, Step 1.

15. Explain the reasons of 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. The reduction in the number of respondents results from a program change. HUD no longer holds projects after foreclosure longer than a day or so; therefore, the HUD-owned inventory drastically decreased since the last submission. Although there was a reduction in respondents we received more participation which accounts for the increase in annual responses and hours.

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 results of this collection 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.

HUD is not seeking approval not to display the expiration date for this information collection.

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

There are no exceptions to the Certification Statement identified in item 19.