

Supporting Statement to Accompany  
OMB Clearance of Customer Satisfaction Surveys:  
*Phase Two 2009 HUD Partners Surveys*

Part A: Justification

U.S. Department of Housing and Urban Development

February 2010

## **PART A: JUSTIFICATION**

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### **A1 Circumstances that Make the Collection of Information Necessary**

This information collection complements an information collection that was approved by the Office of Management and Budget in September 2009 under OMB Control Number 2535-0116, which expires on February 29, 2012. Both the earlier (Phase One) and the present (Phase Two) information collection involve surveys of key customers (program delivery partners) of the U.S. Department of Housing and Urban Development (HUD) to determine whether the Agency is appropriately and adequately serving their needs. They follow from HUD's commitment, as articulated in its *Annual Performance Plan*, to measure its partners' satisfaction with its performance, operations and programs, as well as changes in satisfaction.<sup>1</sup> The purpose of the surveys is to facilitate the acquisition of information that will help the Department improve its performance, not only in relation to its partners but, more importantly, its end customers. The premise is that when those who deliver HUD's programs receive quality service from HUD, the individuals and households who benefit from HUD's programs and activities will, in turn, receive the best possible service.

The 2009 HUD Partner Surveys are being done in two phases. Phase One (previously approved by OMB) involves the following partner groups: mayors, directors of public housing agencies (PHAs), directors of local community development departments, executives of National Association of Housing Partnerships (NHPN)-affiliated nonprofit organizations, directors of fair housing agencies (FHAPs), and directors of Fair Housing Initiative Program (FHIP) grantee organizations. Phase Two, presented in this submission, involves: owners of multifamily housing properties assisted under section 202/811; owners of HUD-insured, unsubsidized multifamily housing properties; owners of HUD-assisted, subsidized multifamily housing properties; and HUD/FHA-approved single family mortgage lenders.

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<sup>1</sup>HUD's *FY 2009 Annual Performance Plan (February 2008)* states that HUD will survey its partners approximately every three years to determine partner satisfaction with the Department and compare the most recent findings with prior surveys to measure change over time. See <http://www.hud.gov/offices/cfo/reports/cforept.cfm>. Under HUD's strategic goal of embracing high standards of ethics, management, and accountability, there is the strategic objective of improving the accountability, service delivery, and customer service of HUD and its partners. To track its commitment to this goal and strategic objective, HUD has established the following performance indicator: "HUD partners become more satisfied with the Department's performance, operations and programs" (p. 103).

The 2009 HUD Partners Surveys (Phase One and Phase Two) are a follow-up to information collections that were approved, and undertaken, in previous years—2000 and 2005. The 2000 surveys<sup>2</sup> established baseline measures and the 2005 surveys<sup>3</sup> provided an initial follow-up. A report on the baseline, 2000 survey, *How's HUD Doing: Agency Performance as Judged by Its Partners*, was published by HUD in 2001. A report on the second, 2005 survey, *Partner Satisfaction with HUD's Performance: 2005 Survey Results and Trends Since 2001*, was published by HUD in 2006.

Of the four partner groups to be surveyed in Phase Two of the 2009 HUD Partners Surveys, the three multifamily owner groups were previously surveyed in 2000 and 2005 such that change in partner satisfaction over time can be assessed. The fourth group, HUD/FHA single family mortgage lenders, is being surveyed for the first time in 2009.

The information produced by this customer satisfaction survey will enable HUD to better serve its program delivery partners by identifying aspects of HUD's service that need improvement. It will also enable HUD to determine whether its customer service, and the satisfaction of its partners, has improved over the last four years—for those groups surveyed in prior years. Finally, as a significant extension of the previous Partners Surveys, the 2009 surveys will provide reports on customer service and satisfaction at the field office level—where most agency contact with HUD partners takes place on a day-to-day basis.

## **A2 How and By Whom the Data Will Be Used**

This section discusses how and by whom the data will be used. It provides a project overview, states the purpose of the data collection, indicates who will use the information, and gives justification for the various items to be included in the survey.

### **A2.1 Project Overview**

HUD administers an array of programs in the housing, public housing, fair housing, and community and economic development areas. HUD's end customers generally receive assistance, services, or benefits through intermediaries (i.e., program delivery partners) such as public agencies that own and manage public housing, fair housing agencies that provide educational and adjudication services, and state and local government agencies and officials involved in community improvement. This data collection consists of a survey by mail, with telephone follow-up, of a sample of four distinct partner groups—consisting of approximately 33,500 partners.

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<sup>2</sup>OMB approval for the 2000 surveys expired on October 31, 2003.

<sup>3</sup>OMB approval for those surveys ended on May 31, 2008.

## **A2.2 Purpose of the Data Collection**

The information produced by this customer satisfaction survey will measure changes in partners' opinions since 2005 when HUD last conducted a similar survey of its partners. A report based on the information gathered in this study will satisfy HUD's *FY 2008 Annual Performance Plan* requirement and is intended to provide information that supports better cooperation toward meeting objectives shared by HUD and its partners.

## **A2.3 Who Will Use the Information**

The customer satisfaction survey findings will be used by senior Department management and program staff, including the Office of Field Policy and Management, to assess and improve organizational performance. In particular, the survey results will enable HUD to identify specific issues regarding HUD-customer relationships that partners consider to be impediments to their efforts to implement HUD's housing, community development, and fair housing programs.

The information will also be made available in report form for dissemination to the general public—including the participating partner groups and other stakeholders and interested parties—to allow for public assessment of HUD's performance vis-à-vis its program delivery partners.

## **A2.4 Survey Instrument**

The survey instrument, containing approximately 45 questions, is divided into two clusters. The first cluster, approximately 35 questions, will be completed by, or administered to, all respondents; the second cluster, containing approximately 15 questions, is specific to each partner type.

***Cluster one: questions that apply to all partner groups.*** The first cluster of questions deals with:

- Satisfaction with HUD's programs and the way HUD runs its programs
- Opinions about the quality and timeliness of information received from HUD
- Opinions about the quality and consistency of guidance received from HUD
- Satisfaction with partners' ability to reach staff at HUD when necessary
- Opinions about responsiveness and competence of HUD staff
- Satisfaction with training and technical assistance
- Satisfaction with electronic communication
- Satisfaction with Grants.gov (formerly eGrants)
- Opinions about HUD's management controls and monitoring systems

Collectively, these items cover key dimensions of HUD's relationships with its partners

and will provide the Department with information on specific areas of performance.

**Cluster two: questions specific to each partner group.** Because each partner group has a somewhat different type of relationship to and association with HUD, the survey instrument includes questions specific to each group. Based on input from HUD program offices and previous input from representatives of the organizations that represent such groups, the following types of items are considered central to assessing HUD's service to each group:

- **Questions specifically for owners of multifamily properties:** These questions address respondents' satisfaction with HUD field office staff, physical inspections by HUD's Real Estate Assessment Center with respect to physical inspections and electronic submission of financial information, understanding the distinctions between dealing with HUD's different offices, hubs and centers, the consistency with which HUD provides interpretations of its policies and regulations, HUD's capacity to monitor and provide oversight, and the clarity of HUD's organizational structure.
- **Questions specifically for HUD/FHA-approved single family mortgage lenders.** These questions address satisfaction with: FHA's Neighborhood Watch Early Warning System, which allows FHA-approved lenders to identify and analyze the performance of loans they originate, underwrite, or service; FHA Connection, which provides FHA-approved lenders and business partners with direct, secure, online access to HUD computer systems; FHA's Quality Assurance Monitoring Reviews, which include on-site loan-level examination of lender files as well as assessment of lenders' compliance with FHA loan origination and servicing requirements; and FHA's Post Endorsement Technical Reviews that are intended to provide useful feedback to lenders regarding compliance with FHA requirements.

### **A3 Use of Improved Technologies**

Under contract to the Urban Institute (Washington, DC), the surveys will be administered by Silber & Associates, an independent survey research organization (Clarksville, MD), which makes full use of the latest methodological and technical developments in mail surveys and telephone interviewing, including proprietary software to check the accuracy of mailing addresses. The surveys will be conducted by mail, with telephone follow-up where appropriate or necessary.

### **A4 Efforts to Identify Duplication**

Discussions with knowledgeable HUD officials and others outside the Department indicate that there are no similar, independently conducted surveys of a

broad range of HUD partner groups that assess HUD's current organizational performance or changes in performance since the 2001 baseline survey and the 2005 follow-up survey.

#### **A5 Involvement of Small Entities**

Respondents to this survey will be officials of large and small for-profit businesses and non-profit organizations that are involved with HUD multifamily and single family housing programs. As such, they partner with HUD to provide services or benefits to end customers. Since some respondents will be officials of small entities, sampling only a portion of the universe of such entities and establishing the voluntary nature of participation in this survey are all geared to minimize the burden, and perceived burden, on such entities. Based on the experience with predecessor surveys in 2001 and 2005, the majority of such entities, including small entities, are interested in providing customer feedback to HUD; response rates have been high.

#### **A6 Consequences of Less Frequent Data Collection**

The data collection is designed as a follow-up to two previous surveys and is needed to track changes in HUD partner satisfaction with Departmental performance. Without the follow-up survey, HUD lacks an important scientific and systematic basis for evaluating changes in partner/customer satisfaction over time.

#### **A7 Special Circumstances**

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320.6 (Controlling Paperwork Burden on the Public--General Information Collection Guidelines). There are no special circumstances that require deviation from these guidelines.

#### **A8 Consultations Outside the Agency**

Prior to conducting the 2001 and 2005 HUD partner surveys, consultations were held with representatives of organizations that represented most of the partner groups. Their purpose was to seek ideas for questions that might be asked related to HUD's service to and relationships with these groups. The questionnaires that were developed in 2001 and 2005 took into account suggestions and ideas offered as a result of these outside consultations and are carried over to the 2009 survey.

Since establishing trends over time in HUD partners' satisfaction with the Department is an important objective of the 2009 HUD Partners Surveys, the questionnaires designated for owners of multifamily properties, for the most part, contain items previously included in the 2000 and 2005 HUD Partners Surveys. Those items,

therefore, were previously pre-tested as part of the pre-survey consultation process, and then administered. As a result, they do not require pre-testing again in 2009. However, since the survey of FHA-approved single family mortgage lenders has not previously been administered, pre-tests were conducted as part of the consultation process. This involved asking fewer than nine randomly selected pre-test respondents to complete a survey questionnaire and, then, participate in a telephone debriefing consultation to determine if, in their judgment, the questions were relevant, appropriate, and understandable, and if the survey format was user-friendly and efficient.

#### **A9 Payments to Respondents.**

Participants voluntarily agree to participate in this data collection and do not receive any payment.

#### **A10 Arrangements and Assurances Regarding Confidentiality**

For the survey to produce valid results it is essential that respondents know the information they provide about HUD's customer service will not be associated with their names, organizations, business, agencies or communities—i.e., that their customer service responses will be combined with all other customer service responses such that identifying information will not be disclosed to HUD or anyone else, or cited or reported in any way that could identify them. Respondents must be assured by the survey administrators that confidentiality procedures will be employed. HUD's authority to offer respondents such assurance derives from Section 502 (g) of the Housing and Urban Development Act of 1970 (Public law 91-609) (*12 U.S.C. 1701z-2*), which provides that,

The Secretary is authorized to request and receive such information on data as he deems appropriate from private individuals and organizations, and from public agencies. Any such information or data shall be used only for the purposes for which it is supplied, and no publication shall be made by the Secretary whereby the information or data furnished by any particular person or establishment can be identified, except with the consent of such person or establishment.

During the survey operations period, Silber & Associates will be able to associate responses with respondents for quality control purposes, but such linkages will be separated when they are no longer operationally necessary. Prior to that, strict procedures will be in place to make certain such linkages are used only for survey management. All reporting of the customer survey data to HUD will involve aggregations such that no individual respondent or their organization, business, agency or community will be identified or identifiable. The data set provided to HUD will also not contain any identifying information (such as name, organization, business, agency, address or community of respondents) that could permit disclosure or identification of respondents

—directly or by deductive inference

### A11 Sensitive Questions

The questions being asked are not considered sensitive. Sensitive questions are defined as those whose answers, if made public, could cause physical, mental, emotional, economic, or other harm to an individual.

### A12 Estimate of Annualized Burden Hours

Exhibit 1 summarizes the sampling frames, survey samples, and projected number of respondents. The estimated response rates were derived from the results of the 2005 customer satisfaction survey. Exhibit 2 shows the estimated burden per respondent and for the project overall.

**Exhibit 1**

<b>Respondent Group</b>	<b>Universe Size</b>	<b>Sample Size</b>	<b>Estimated Response Rate</b>	<b>Projected Number of Completed Surveys</b>
Section 202/811 Multifamily Ownership Entities	6,926*	1,894	66%	1,250**
HUD-Insured, Unsubsidized Multifamily Ownership Entities	4,468*	2,118	59%	1,250**
HUD-Assisted, Subsidized Multifamily Ownership Entities	12,500*	2,016	62%	1,250**
HUD/FHA Approved Single Family Mortgage Lenders	9,606	2,082	60%	1,250
<b>TOTAL</b>	<b>33,500</b>	<b>10,004</b>	<b>62%</b>	<b>5,000</b>

\*Estimated based on HUD property-based dataset.

\*\*Estimated based on response rates for the 2005 HUD Partners Surveys.

**Exhibit 2**

<b>Projected Number of Respondents (Completed Surveys)</b>	<b>Burden Minutes Per Respondent</b>	<b>Total Annual Burden (in Minutes)</b>	<b>Total Annual Burden (in Hours)</b>
5,000	16	80,000	1,333



### **A13 Estimated Recordkeeping and Reporting Cost Burden on Respondents**

The cost burden to respondents (who are responding in their capacity as officials of the organizations in which they are employed) is the time required to respond to survey questions, which can be valued at the equivalent of the earnings of such persons for that amount of time.

- For the survey of owners of multifamily properties, respondents may range from property managers to company executives. The Bureau of Labor Statistics' (BLS) *Occupational Outlook Handbook* indicates that the 2006 median annual earnings of property, real estate and community association managers was \$43,070, while that of company managers was \$105,130. Assuming that one half of the respondents will be property managers and the remaining half company managers, the average earnings would amount to \$74,100 (with corresponding hourly earnings of \$36.32), and the annualized "cost" burden on all respondents is estimated to be \$36,320; the equivalent "cost" per respondent for completing the 16-minute survey is estimated to be \$9.68.
- For the survey of FHA-approved single family mortgage lenders, respondents may range from mid-level managers to financial managers. The Bureau of Labor Statistics' (BLS) *Occupational Outlook Handbook* indicates that the 2006 median annual earnings of administrative services managers was \$67,690 while that of financial managers was \$90,970. Assuming that one half of the respondents will be administrative services managers and the remaining half financial managers, the average earnings would amount to \$79,330 (with corresponding hourly earnings of \$38.89), and the annualized "cost" burden on all respondents is estimated to be \$12,963 the equivalent "cost" per respondent for completing the 16-minute survey is estimated to be \$10.37.

### **A14 Estimated Cost to the Federal Government**

The total contracted cost to the Federal Government for developing, administering, and reporting on Phase Two of the 2009 HUD Partners Surveys is \$417,898.

### **A15 Reasons for Changes in Burden**

This submission to OMB is a request for an extension to Phase Two of the 2009 HUD Partner Survey information collection activity, where Phase One was previously approved by OMB.

### **A16 Tabulation Plans**

Immediately following completion of data collection, the survey administrator, Silber & Associates, will prepare a data set containing respondents' answers to each of the questions and some additional demographic information (such as community size, size of housing authority, etc.) that derive from the sampling lists. The Urban Institute, under contract to HUD, in conjunction with its subcontractor, Silber & Associates, will analyze the survey data. The Urban Institute will have primary responsibility for the preparation of the research report, with Silber & Associates preparing histograms and other visual displays for the report. A report and data set (minus any personal identifiers or demographic information that could, through inference, connect responses to respondents) will be delivered to HUD approximately four months after the data collection ends.

Although the four partner groups being surveyed are major HUD partners, they do not cover all of the partner groups with which HUD associates. Moreover, their relationship with the Department varies considerably with the programs and program areas with which they are involved. It is not appropriate, therefore, to combine them into a single "partners" group for analytic purposes. Accordingly, each partner group will be analyzed separately, with comparisons made among the four as well as with the partner groups surveyed during Phase One.

Analyses will be primarily descriptive in nature. Each partner group's current level of satisfaction with various aspects of its relationship with HUD will be presented for 2009 and compared with similar data from the 2005 partner surveys. This will permit assessment of changes that have occurred. Appropriate tests of statistical significance of differences will be used. In addition, results for each partner group will be cross tabulated by such factors as frequency of partner contact with HUD, years of interaction with HUD, entity size, and whether respondents perceive their relationships with HUD to involve primarily regulation or a combination of regulation and support.

Reports will consist of the following:

- **A main report**—comparing 10 partner groups—those covered by this collection (Phase Two) and those covered by a previous collection (Phase One)—on all of the question items for which comparison is possible. It will contain an executive summary, an explanation of who HUD's partners are and the role they play, and why HUD is surveying such partners, and the results of the surveys with verbal description, pictorial and numeric presentation of results, and explanations where possible.
- **Individual partner group data binders**—presenting survey responses for the respective groups cross tabulated by such factors as size of organization/ agency, frequency of interaction with HUD, and years of experience with

HUD. Each will contain a description of the respective partner group and survey highlights.

- **Individual field-unit data binders.** Eighteen separate binders—one for each multifamily hub—will be prepared for analyzing the responses of multifamily owners; and four separate binders—one for each single family homeownership center—will be prepared for analyzing the responses of FHA-approved single family mortgage lenders. These will present survey responses disaggregated to the appropriate field-unit level and compare them to the national aggregation.<sup>4</sup>

#### **A17 Expiration Date Display Exemption**

Any reproduction of the data collection instrument will prominently display the OMB approval number and expiration date.

#### **A18 Exceptions to Certification**

This submission, describing data collection, requests no exceptions to the Certificate for Paperwork Reduction Act (5 CFR 1320.9).

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<sup>4</sup> Field unit data binders will not be prepared in cases where the number of respondents is fewer than 10; in such cases, responses will be combined at the Regional Office level.