

**2013 SUPPORTING STATEMENT**  
**7 CFR 1924-A, Planning and Performing Construction and other Development**  
**OMB No. 0575-0042**

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary.**

The Rural Housing Service (RHS) is the credit Agency for rural housing and community development within Rural Development of the United States Department of Agriculture. The Agency offers a supervised credit program to build modest housing and essential community facilities in rural areas. This regulation prescribes the policies and responsibilities, including the information and collection necessary to demonstrate compliance with applicable acts for planning and performing development work for these facilities.

Section 501 of Title V of the Housing Act of 1949, as amended, authorizes the Secretary of Agriculture to extend financial assistance to construct, improve, alter, repair, replace, or rehabilitate dwellings, farm buildings and/or related facilities to provide decent, safe, sanitary living conditions and adequate farm buildings and other structures in rural areas.

Section 506 of the Act requires that all new buildings and repairs shall be constructed in accordance with plans and specifications as required by the Secretary and that such construction be supervised and inspected.

Section 509 of the Act grants the Secretary the power to determine and prescribe the standards of adequate farm housing and other buildings. The Housing and Urban Rural Recovery Act of 1983 amended Section 509 (a) and Section 515 to require residential buildings and related facilities comply with the standards prescribed by the Secretary of Agriculture, the standards prescribed by the Secretary of Housing and Urban Development, or the standards prescribed in any of the nationally recognized model building codes.

Similar authorizations are contained in Sections 303, 304, 306, and 339 of the Consolidated Farm and Rural Development Act, as amended, which authorized loans and grants for essential community services.

In several sections of both acts, loan limitations are established as percentages of development costs, requiring careful monitoring of those costs. Also, the Secretary is authorized to prescribe regulations to ensure that Federal funds are not wasted or dissipated and that construction will be undertaken economically and will not be of elaborate or extravagant design or materials.

The Rural Utilities Service (RUS) is the credit Agency for rural water and wastewater development within Rural Development of the United States Department of Agriculture (USDA). The Rural Business-Cooperative Service (RBS) is the credit Agency for rural business development within Rural Development of USDA. These Agencies adopted use of forms in RD Instruction 1924-A. Information for their usage is included in this report.

Other information collection is required to conform to numerous Public Laws applying to all Federal agencies, such as: Civil Rights Acts of 1964 and 1968, Davis-Bacon Act, Historic Preservation Act, Environmental Policy Act; and to conform to Executive Orders governing use of Federal funds.

**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 applicant/borrower, contractor, subcontractor, material supplier, equipment lessor, architect, engineer, manufacturer or sponsor of manufactured housing collects the required information. Rural Development provides forms and/or guidelines to assist in the collection and submission of information; however, most of the information may be collected and submitted in the form and content which is accepted and typically used in the normal conduct of planning and performing development work in private industry when a private lender is financing the activity. The information is usually submitted via hand delivery or U.S. Postal Service to the Rural Development Field Office, although receipt through e-mail or USDA Service Center's eForms website is becoming more common. Occasionally, information is submitted directly to the Rural Development State Office.

The information is used by Rural Development to determine whether a loan/grant can be approved, to ensure that Rural Development has adequate security for the loans financed, to provide for sound construction and development work and to determine that the requirements of the applicable acts have been met. The information is also used to monitor compliance with the terms and conditions of the loan/grant and to monitor the prudent use of Federal funds.

## **FORMS**

### **Form RD 1924-1**

This form is prepared by the Agency after the applicant/borrower has furnished the Agency with sufficient information to fully describe the planned construction and development work. It provides the basis for a mutual understanding between the borrower and the Agency regarding the development to be accomplished.

The annual number of respondents is estimated to be 6000 based on the annual number of loans and grants for development work that involves more than one construction contract. This includes all Section 504 loans and grants, all Section 502 loans involving construction by the self-help method and all farm ownership loans that involve development work. This amount reflects a decrease in use for farm and residential ownership from the 2008 activities.

Since the Agency Field Office prepares the form, the public burden is limited to the time required to review, understand and agree to the contents of the form. Signatures or initials for changes are required to indicate agreement with the plan. The public time involved varies between 5 and 30 minutes, depending on the complexities of the various development items included in the plan. The average response time is estimated to be 15 minutes.

### **Form RD 1924-2**

This form is prepared by an applicant/borrower, builder or designer to furnish the Agency with sufficient information to fully describe the materials, equipment, and fixtures to be used in the construction or repairs of a residential dwelling unit. The collection of information for the form is a normal business practice.

The annual number of respondents is estimated to be 3900 based on the annual number of loans and grants for the construction or repair of single family housing. This includes all Section 502 loans involving new construction and 10% of Section 504 loans and grants.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 2 hours.

### **Form RD 1924-3**

This form is prepared by the applicant/borrower, builder, or designer to furnish the Agency with sufficient information to fully describe the materials, equipment, and fixtures to be used in the construction of a farm service building. The collection of information for the form is a normal business practice.

The annual number of respondents is estimated to be 2000 based on the annual number of farm ownership loans that involve development work, which usually includes service buildings.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 1 hour.

### **Form RD 1924-5**

This form is prepared by an applicant/borrower or architect to invite builders to submit bids for constructing service buildings, single family homes, or multi-family housing units by the contract method. The collection of information for the form is a normal business practice for contracts that are competitively bid.

The annual number of respondents is estimated to be 3600 based on the annual number of Sections 502, 514, and 515 loans and farm ownership loans involving development work that are constructed by the contract method and are competitively bid.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

### **Form RD 1924-6**

This form is prepared by an applicant/borrower, builder, architect, or engineer to set forth specific conditions and terms of a construction contract. The applicant/borrower and builder

must sign the form indicating their commitment to fulfill their responsibilities described in the agreement. The collection of information for the form is a normal business practice.

The number of annual respondents is estimated to be 13140 based on the annual number of loans and grants to construct or repair service buildings, single family homes, multi-family housing units, and community facilities. This includes Section 502 loans involving construction by the contract method, farm ownership loans involving development work, Section 514 loans and grants, Section 504 loans and grants, Section 515 loans involving construction by the contract method, and community facility loans and grants. (Section 514, 515, and CF programs use this contract in limited numbers.)

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

### **Form RD 1924-7**

This form is prepared by an applicant/borrower, contractor, architect, or engineer to record any changes in the development work performed by the contract method. An applicant/borrower, contractor, architect/engineer, and the Agency indicating mutual approval of the change sign the form. The collection of information for the form is a normal business practice.

The annual number of respondents is estimated to be 7420 based on the annual number of loans and grants that involve development work by the contract method. This includes community facility loans and grants, farm ownership loans involving development work, Section 514 loans and grants, 90 percent of Section 515 loans, 33 percent of the Section 502 loans constructed by contract, and 50 percent of the Section 504 loans and grants. The average number of changes per loan/grant per year is estimated to be 1 for all but water and wastewater loans which is 3.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

### **Form RD 1924-9**

This form is prepared by a contractor to certify that payments have been made in full for all material and labor used in the performance of a construction contract and to release an applicant/borrower from any claims which might arise by virtue of the contract.

The annual number of respondents is estimated to be 11800 based on the annual number of loans and grants involving construction contracts that do not include some form of surety. This includes such contracts financed with Section 502, 504, 514, or 515 loans and grants; farm ownership loans involving development work; community facility loans and grants, and water and waste programs.

The average public time required collecting information for the form and forward to the Field Office is estimated to be 15 minutes.

### **Form RD 1924-10**

This form is prepared by a contractor to show that the contractor has paid all materials and labor used in a construction contract. All subcontractors and suppliers who have provided material and/or labor for the development work sign the form. Their signatures indicate their release to the applicant/borrower from any claims.

The annual number of respondents is estimated to be 11800 based on the annual number of loans and grants involving construction contracts that do not include some form of surety. This includes such contracts financed with Section 502, 504, 514, or 515 loans and grants; farm ownership loans involving development work; community facility loans and grants, and water and waste programs.

The average public time required collecting information for the form and forward to the Field Office is estimated to be 30 minutes.

### **Form RD 1924-11**

This form is prepared by an applicant/borrower when requesting countersignatures by the Agency on checks for payment of labor performed by hired workers involved with the construction of single family home or multi-family housing units.

The annual number of respondents is estimated to be 300 based on the annual number of loans involving construction by the self-help borrower or owner-builder methods.

The average public time required collecting information for the form and forward to the Field Office is estimated to be 30 minutes.

### **Form RD 1924-12**

This form is prepared by the Agency to record the results of an inspection of development work or an existing dwelling or other type building. An applicant/borrower signs the form indicating acceptance of the completed development work or existing facility.

The annual number of respondents is estimated to be 16000 based on the annual number of loans and grants for development work or existing facilities. This includes Section 502, 504, 514, and 515 loans and grants; all farm ownership loans involving development work; 50 percent of community facility loans and grants, and all water and wastewater loans and grants. The average number of inspections per loan/grant per year is estimated to be 3. (For Section 504 repair loans and grants only 1 inspection is typically performed.)

Since the form is prepared by the Agency, the public burden is limited to the time required by an applicant/borrower and builder to review and understand the contents of the form, and the applicant/borrower to sign the form indicating final acceptance of the facility or development work. The public time involved varies between 5 and 30 minutes depending on the complexity of the work involved or reported on the form. The average response time is estimated to be 5 to 30 minutes.

### **Form RD 1924-13**

This form, prepared by all applicants for Section 515 loans, is used to provide the applicant/borrowers and the Agency with a trade-item cost breakdown of the proposed development work for evaluation. The form is also used to certify actual cost of construction work performed. In its efforts to combat fraud, waste, and abuse in the 515 program, the Agency scrutinizes proposed construction costs to preclude unnecessary expenditures of Government funds. This form requires a line item breakdown of costs, thus enabling the Agency to capture needed information.

The annual number of respondents is estimated to be 600 based on the annual number of applications filed involving arms length construction contracts, construction contracts with identities of interest, and construction by the owner-builder method. This includes 40 percent of the Section 514 loans and grants and 100 percent of all of the Section 515 loans. The form is prepared twice per loan/grant per year.

The information to be provided on the form must be collected from a variety of sources, contractors, subcontractors, suppliers, equipment lessors, etc. Therefore, the average public time required collecting the information and forwarding the form to the Field Office will exceed 30 minutes. The estimated time is 2 hours.

### **Form RD 1924-18**

A contractor to request partial payment prepares this form for work performed on financed construction. The completed form provides the applicant/borrower and Agency information on the quantity and value of work performed. The applicant/borrower and Agency indicating their acceptance/approval of the request sign the form. The collection of information for the form is a normal business practice.

The annual number of respondents is estimated to be 12600 based on the annual number of loans and grants involving construction contracts. These include Section 502, 504, 514, and 515 loans and grants; farm ownership loans involving development work; community facility loans and grants; and water and wastewater loans and grants. The average number of partial payments requested per loan/grant per year is estimated to be 3 for most programs. (For Section 504 a single payment is normal.) The public time required to prepare and sign the form varies between 15 minutes and 2 hours depending on the complexity of the work.

The average response time is estimated to be 30 minutes.

### **Form RD 1924-19**

This form is completed by a contractor/builder and issued to the applicant/borrower at the completion or acceptance of the development work. The completed form protects the applicant/borrower against deficient materials and workmanship. The collection of information for this form is a normal business practice.

The annual number of respondents is estimated to be 11100 based on the annual number of loans and grants involving development work. This includes all Section 502 loans involving

construction performed by contract or conditional commitment; all Section 504, 514, and 515 loans/grants involving contracts; all farm ownership loans involving contracts; and all community facility loans and grants.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

### **Form RD 1924-25**

This form is prepared by licensed architects, professional engineers, plan reviewers, local building officials, National codes organizations, registered professional building designers, local communities, plan services, or builders/contractors to certify that final drawings and specifications and any modifications thereof are in conformance with the applicable development standard. The collection of information for the form is a normal business practice.

The annual number of respondents is estimated to be 4000 based on the annual number of loans and grants involving construction contracts. This includes Sections 502, 504, 514, and 515 loans and grants.

The public time required to prepare the form varies between 5 and 15 minutes depending on the size and employee characteristics of the companies. The average response time is estimated to be 10 minutes.

## **NON-FORMS**

### **Drawings and Specifications**

These documents are prepared by an applicant/borrower, builder, architect, engineer, or other designer to fully describe the proposed development work. The information on the documents is used to assist the builder in providing information on the types of materials to be used in the construction process and is also used by the Agency to determine compliance with Agency design and construction requirements and other applicable regulations. The preparation of these documents is a normal business practice.

The annual number of respondents is estimated to be 7750 based on the annual number of loans and grants that involve construction and repair of development. This includes all Section 502, 514, and 515 loans and grants for new construction; all farm ownership loans for development work; and 10 percent of Section 504 loans and grants for repair work.

The public time involved collecting the documents for submission, review and approval by the Field Office varies between 15 minutes and 2 hours depending on the complexity of the development work and the duplication or standardization of individual items of work. The average response time is estimated to be 30 minutes.

### **Cost Estimate**

Written cost estimates are prepared by an applicant/borrower, builder, or architect to provide the Agency with sufficient information to determine the economic feasibility of a proposal for development work. The information is also used to compare with other similar proposals and determine availability of funds to complete the proposed development. The collection of information for this written estimate is a normal business practice.

The annual number of respondents is estimated to be 12000 based on the annual number of loans and grants that involve construction and repair work. This includes Section 502 and 504 loans and grants, all farm ownership loans involved with development work, and Section 514 and 515 loans or grants involving construction by the contract method without any identities of interest.

The public time required to forward this information to the Field Office varies between 15 minutes and 2 hours depending on the complexity of the development work. The average response time is estimated to be 30 minutes.

### **Narrative Description of Work Items**

These documents are prepared by an applicant/borrower, builder, or designer to describe items of development work that are too minor to justify preparing drawings and specifications. The information is used to assist builders in performing the work, preparing cost estimates, and to determine compliance with applicable Agency requirements and regulations. The preparation of these documents is a normal business practice.

The annual number of respondents is estimated to be 3750 based on 90 percent of the annual number of Section 504 loans/grants that involve minor items of repair work.

The public time involved to prepare and submit the narratives varies between 5 minutes and 1 hour depending on the scope and complexity of the repair work. The average response time is estimated to be 30 minutes.

### **Certification of Drawings and Specifications**

These certifications are prepared by an architect, engineer, or other professional qualified to determine compliance of drawings and specifications with applicable development standards. This information is used by the Agency to make final determination of the acceptability of the proposed development.

The annual number of respondents is estimated to be 7600 based on the annual number of loans and grants that involve the construction and repair of development that is required to comply with specified development standard. This includes all Section 502, 514, and 515 loans/grants for new construction; all farm ownership loans for development work; and 10 percent of Section 504 loans/grants for repair work.

The public time involved to prepare and submit a written certification varies between 5 minutes and 30 minutes depending on the scope, duplication and complexity of the proposed development work. The average response time is estimated to be 15 minutes.

### **Written Consent of Prior Lien Holders**



Prior lien holders of property containing surplus structures, timber, or other salvageable material prepare these written consents. These documents assure the Agency that its loan security is not encumbered.

The annual number of respondents is estimated to be 500 based on the annual number of loans or grants that involve the development of property containing surplus materials for salvage.

The average public time required preparing these written consents and forward to the Field Office is estimated to be 15 minutes.

### **Agreement to Pay with Personal Funds**

This written agreement is prepared by an applicant/borrower to indicate their agreement to pay for all cost incurred with well drilling operations prior to loan closing that results in an unsatisfactory water supply. These documents prevent the Agency from being obligated to finance unacceptable wells.

The annual number of respondents is estimated to be 200 based on the annual number of Section 502 loans and farm ownership loans that involve individual water systems. Approximately 1.5% of loans involve such activities.

The average public time required preparing the written agreements and forward to the Field Office is estimated to be 15 minutes.

### **Agreement Between Borrower and Builder**

This is an executed written agreement between an applicant/borrower and builder that sets forth specific conditions and terms of a construction contract. The information in the agreement is used by the Agency to determine if the terms and conditions are in compliance with Agency regulations and policies to protect the Government's interest in the proposed development work. This agreement is a normal business practice.

The annual number of respondents is estimated to be 170 based on the annual number of Section 514 and 515 loans/grants that involve construction by the contract method without using Form RD 1924-6.

Since this agreement is a normal business practice, the public time required is the amount necessary to forward the agreement to the Field Office for review and approval. The average response time is estimated to be 15 minutes.

### **Request for Surety Bond**

This request is prepared by an applicant/borrower to require a construction contractor to furnish surety bonds that guaranteed payment and performance on a contract. When this request is received, the Agency will approve the construction contract only when the appropriate bonds are furnished and will assist the applicant/borrower in the execution of the contract terms and conditions.

The annual number of respondents is estimated to be 700 based on the annual number of Section 502 and 504 loans and grants, farm ownership loans, Section 515 loans, and Section 514/516 loans and grants that involve construction contracts with surety bonds requested by the applicant/borrower.

The average public time required preparing these written requests and forward to the Field Office is estimated to be 15 minutes.

### **Payment Bond**

This surety bond is prepared by a corporate or non-corporate bonding company to guarantee the payments made by a contractor for a specific contract or project. The bond protects the interest of the applicant/borrower and the Agency from any default of the contractor.

The annual number of respondents is estimated to be 700 based on the annual number of construction contracts financed with Section 502 and 504 loans and grants, farm ownership loans, Section 515 loans, and Section 514/516 loans and grants that include surety bonds.

The average public time required preparing a bond and forward to the Field Office is estimated to be 30 minutes.

### **Performance Bond**

This surety bond is prepared by a corporate or non-corporate bonding company to guarantee the full performance of a contractor for a specific contract or project. The bond protects the interest of the applicant/borrower and the Agency from any default of the contractor.

The annual number of respondents is estimated to be 700 based on the annual number of construction contracts financed with Section 502 and 504 loans and grants, farm ownership loans, Section 515 loans, and Section 514/516 loans and grants that include surety bonds.

The average public time required preparing a bond and forward to the Field Office is estimated to be 30 minutes.

### **Letter of Credit**

This is prepared by a lending institution at the request of a contractor to satisfy contract surety requirements. This unconditional and irrevocable document may be used in the lieu of surety bonds, when determined acceptable by the Agency protects the Government's interest by guaranteeing adequate funds to complete the development work and cover the risk involved.

The annual number of respondents is estimated to be 30 based on the annual number of loans and grants that involve contracts with this form of surety. This includes contracts financed with Section 502 and 504 loans and grants, farm ownership loans, Section 515 loans, and Section 514/516 loans and grants.

The information to be provided on this document is usually complex in nature. Therefore, the average public time required collecting the information and forward to the Field Office will exceed 30 minutes. The estimated time is 1 hour.

### **Documents for Exception to Surety Requirements**

These documents are prepared by an applicant/borrower to request an exception to the Agency requirement that contractors provide surety bonds with their construction contracts. The information in the documents is used by the Agency to determine if the Government's interest in the project will remain protected with construction contracts not secured with payment and performance bonds.

The annual number of respondents is estimated to be 400 based on the estimated annual number of construction contracts that are required to be bonded and request an exception. This includes contracts financed with Section 502 and 504 loans and grants, farm ownership loans, Section 515 loans, and Section 514/516 loans and grants.

The average public response time to prepare the documents and forward to the Field Office is estimated to be 30 minutes.

### **Construction Contract Bidding Documents**

These documents are prepared by an applicant/borrower or architect to invite builders to submit bids for constructing service buildings and residential facilities by the contract method. The collection of information and preparation of these documents is a normal business practice for contracts that are competitively bid.

The annual number of respondents is estimated to be 50 based on the annual number of Section 514 and 515 loans/grants involving construction work by the contract method and are competitively bid without using Form RD 1924-5.

The average public time required to forward the documents to the Field Office is estimated to be 15 minutes.

### **Application for Payment**

These documents are prepared by a contractor to request payments for work performed on financed construction. The documents provide the applicant/borrower and the Agency information on the quantity and value of work completed. An architect indicating his/her concurrence with the request signs the documents. The preparation of the documents is a normal business practice.

The annual number of respondents is estimated to be 55 based on the annual number of Section 514 and 515 loans/grants that involve construction without using Form RD 1924-18. The average number of applications per loan/grant per year is estimated to be 6.

Since this document is a normal business practice, the public time is the amount necessary to forward the document to the Field Office for review and concurrence. The average response time is estimated to be 15 minutes.

### **Notification of Delays in Construction**

This written document is prepared by a contractor to notify an applicant/borrower and the Agency that construction is delayed or interrupted due to an unforeseen event or circumstance. The information is used by the Agency to determine if the builder should be entitled to an extension of time in the construction contract.

The annual number of respondents is estimated to be 670 based on the estimated annual number of construction contracts that are delayed or interrupted. This includes contracts that are financed with Section 502, 504, 514, and 515 loans and grants and farm ownership loans.

The average response time to forward the notification to the applicant/borrower and the Field Office is estimated to be 15 minutes.

### **Lump-Sum Agreements for Labor or Material**

An applicant/borrower and builder or supplier for the purchase of minor items of development prepares this written agreement. The agreement is presented to the Agency to justify expenditure.

The annual number of respondents is estimated to be 400 based on the annual number of Section 502 loans that involve construction by the self-help and borrower methods. The average number of written agreements per loan per year is estimated to be 5.

The average public time required preparing these agreements and forward to the Field Office is estimated to be 30 minutes.

### **Manufacturer's and Builder's Certification**

A modular/panelized manufacturer and a builder of any on-site development work associated with the housing unit prepare this certificate.

The information on the certification is used by the Agency to be ensured that the appropriate development standards have been met and that the Government's interest is secure.

The annual number of respondents is estimated to be 495 based on the number of Section 502 loans that involved the purchase and installation of modular/panelized housing units.

The average public time required preparing the certification and forward to the Field Office is estimated to be 30 minutes.

### **Documents for Insured 10-Year Warranty**

These documents; including written evidence of licensing, acceptable rating and financial stability, insured warranty plans or program's insurance policies or binders, and inspection reports; are prepared by insurance companies wanting to insure warranties for new construction of single family homes. The documents provide the Agency with information to determine acceptability of the warranty plan and the construction of the dwelling unit.

The annual number of respondents is estimated to be 495 based on the annual number of Section 502 loans for new construction with 10-year warranties and the annual number of insurance companies wanting to participate in the loan program.

The average public burden to prepare these documents and forward to the State or National Office is estimated to be 30 minutes.

### **Complaints of Construction Defects**

A written document is prepared by a borrower to notify the Agency that his/her complaints to a builder regarding construction deficiencies have not been satisfied. The information is used by the Agency to determine what action should be taken to resolve the dispute and to protect the Government's interest in the development work involved.

The annual number of respondents is estimated to be 40 based on the estimated annual number of loans and grants that involve construction work that is disputed during the warranty period. This includes development work financed with Section 502, 504, 514, and 515 loans/grants and farm ownership loans.

The average public response time to forward the notifications to the Field Office is estimated to be 15 minutes.

### **Irrigation System Inspection Report**

A qualified technician who witnesses the performance test of an irrigation system prepares this report. The report provides information on the compliance of the system with the plans and specifications. The information in the report is used to determine final acceptance of the system by the Agency.

The annual number of respondents is estimated to be 36 based on the annual number of farm ownership loans that involve the installation of an irrigation system.

The average public burden to prepare the report and forward to the Field Office is estimated to be 30 minutes.

### **Contract Change Order**

This document is prepared by an applicant/borrower, contractor, architect, or engineer to record any changes in the development work performed by the contract method. An applicant/borrower, contractor, architect/engineer, and the Agency indicating mutual approval of the change sign the document. This document is used in the normal business practice.

The annual number of respondents is estimated to be 295 based on the annual number of loans and grants that involve development work without using Form RD 1924-7. This includes 25 percent of Section 514 loans and grants, 25 percent of Section 515 loans, and 25 percent of Community Facility loans that involve construction by the contract method. The average number of contract changes per loan/grant per year is estimated to be 2.

Since this document is a normal business practice, the public time required is the amount necessary to forward the document to the Field Office for review and approval. The average response time is estimated to be 15 minutes.

### **Agreement Between Borrower and Architect**

This is an executed written agreement between an applicant/borrower and architect, which contains responsibilities for each party to meet regarding the design and construction of a multi-family housing proposal. The information in the agreement is used by the Agency to determine that sufficient architectural services will be provided to an applicant/borrower and that compensation for these services are fair and reasonable. This agreement is a normal business practice.

The annual number of respondents is estimated to be 190 and based on the annual number of Section 514 and 515 loans and grants that involve architectural services.

Since this agreement is a normal business practice, the public time required is the amount necessary to forward the agreement to the Field Office for review and approval. The average response time is estimated to be 15 minutes.

### **Project Representative's Resume**

This document, prepared by an individual seeking to be hired as a construction project representative, is required by the Agency and submitted for review and acceptance. The information is used to determine if the individual is qualified to carry out the duties of the position.

The annual number of respondents is estimated to be 12 based on the estimated annual number of Section 514 and 515 loans/grants that involve the services of a project representative. Since the resumes are normally an existing document, the public time required is the amount necessary to forward the resume to the Field Office for review and acceptance. The average response time is estimated to be 15 minutes.

### **Project Representative's Diary**

This document is prepared by a construction project representative to provide a written record of the daily events of a construction project. The information is used by an applicant/borrower, architect, and the Agency to monitor the progress and performance of a contractor. The preparation of this document is a normal business practice.

The annual number of respondents is estimated to be the 12 based on the annual number of Section 514 and 515 loans/grants that involve the services of a project representative.

Since this document is a normal business practice, the public time required is the amount necessary to forward specific information from the document to the Field Office upon request. The average response time is estimated to be 15 minutes.

### **Audit Report**

This report is prepared by an independent certified public accountant or licensed public accountant to certify to the Agency that the construction records of a contractor are accurate and based on prescribed accounting and reporting practices. The information in the report is used to verify actual construction costs and approve final fund expenditures.

The annual number of respondents is estimated to be 100 based on the annual number of loans involving construction by the owner-builder method. This includes 50 percent of the Section 514 loans/grants, 50 percent of the Section 515 loans involving contracts, and all Section 515 loans involving construction by the owner-builder method.

The information to be provided on the document is usually complex in a nature. Therefore, the average public time required collecting the information and forward to the Field Office will exceed 30 minutes. The estimated time is 1 hour.

### **Documents for Exception to Competitive Bidding**

These documents are prepared by an applicant/borrower to request an exception to the Agency requirement for competitive bidding. The information provided in the documents is used to determine if an applicant/borrower is legally authorized to negotiate a construction contract and if the proposed negotiated contract is sufficient to protect the Government's interest in the project.

The annual number of respondents is estimated to be 50 based on the annual number of Section 514 and 515 loan/grants that involve negotiated construction contracts. Since the information provided on the documents is readily available, the public time required is the amount necessary to collect and forward the information to the Field Office. The average response time is estimated to be 15 minutes.

### **Documents for Exception to Contract Method**

These documents are prepared by a public body applicant/borrower who wants to construct a multi-family project without a construction contract. The information on the documents is used by the Agency to determine the capability of an applicant/borrower to construct the project in accordance with the Agency's regulations and policies.

The annual number of respondents is estimated to be 6 based on the estimated number of Section 514 and 515 loans/grants that involve public body organizations constructing their own facilities.

The information to be provided on the documents must be collected from a variety of sources, such as consultants, employees, etc., and may often be complex in nature. Therefore, the

average public time required collecting the information and forward the documents to the Field Office will exceed 30 minutes. The estimated time is 4 hours.

### **Owner-Builder Construction Proposal**

This proposal is prepared by an applicant/borrower who wishes to also be the builder for a multi-family housing project. The information provided in the proposal is used by the Agency to determine if an applicant/borrower is qualified to construct the proposed development work and if the method of construction is sufficient to protect the Government's interest in the project.

The annual number of respondents is estimated to be 8 based on the annual number of Section 515 loans that involve construction by the owner-builder method.

The information to be provided on the documents must be collected from a variety of sources, such as former clients, financial organizations, etc., and may often be complex in nature. Therefore, the average public time required collecting the information and forward to the Field Office will exceed 30 minutes. The estimated time is 4 hours.

### **Prerequisites for Modular/Panelized Housing Unit Manufacturers**

Manufacturers requesting initial approval to participate in the Agency's loan program submit several documents, including a current acceptance document from HUD, a current HUD factory inspection report, a letter requesting a review for acceptance for loan consideration, information about the manufacturing organization and quality control, brief description of the facilities and construction drawings and specifications. The information is used to verify that applicant meets development standards and will be used since the major portion of the units cannot be directly inspected for compliance due to its manufacture off-site.

The annual number of respondents is estimated to be 16 on the estimated number of manufacturers requesting Agency acceptance each year.

Since the information is readily available, the public time required is the amount necessary to collect and forward the documents to the State Office with a brief cover letter. The average response time is estimated to be 30 minutes.

Since these types of structures are required to comply with HUD Handbook 4950.1, Technical Suitability of Products Program, Technical and Processing Procedures, some of these prerequisites are duplications of information required by the Department of Housing and Urban Development.

### **Letter of Conditions**

This letter is prepared by the State Office to notify a modular/panelized-housing manufacturer of the conditions of acceptance of their request to participate in the loan program. The information is used by the manufacturer to know what special conditions must be met to have individual units considered for loan approval.



The annual number of respondents is estimated to be 16 based on the estimated number of manufacturers requesting Agency acceptance each year.

Since the public time required is only the amount necessary to read and understand the contents of the letter, the average response time is estimated to be 15 minutes.

### **Approval of Modular/Panelized Housing Units**

This document is prepared by the State Office to notify the modular/panelized-housing manufacturer of its approval for a specific model or unit. The information is used by the manufacturer for its record and reference.

The annual number of respondents is estimated to be 65 based on the estimated number of individual units or models submitted to the Agency each year for approval.

Since the public time required is only the amount necessary to read and understand the contents of the approval document, the average response time is estimated to be 15 minutes.

### **Evidence of a HUD Review Process**

Manufacturers of modular/panelized housing units provide the Agency with written evidence that factory inspections and acceptance documents are kept current. This evidence is in the form of inspection reports and memorandums prepared by the Agency, HUD, or other approved Agency. The information is used by the Agency to verify that the housing units constructed by the manufacturer are in compliance with prescribed standards.

The annual number of respondents is estimated to be 65 based on the estimated number of modular/panelized manufacturers currently determined to be acceptable by the Agency to participate in the Section 502 loan program. Each respondent provides two reports per year.

The average public time required collecting, and submitting the written information to the State Office is estimated to be 30 minutes.

Since these types of structures are required to comply with HUD Handbook 4950.1, Technical Suitability of Products Program, Technical and Processing Procedures, this is a duplication of information required by the Department of Housing and Urban Development.

### **Notification to Manufacturer**

This document is prepared by the State Office to notify modular/panelized-housing manufacturers that a factory inspection is overdue or that an acceptance document needs to be reviewed or updated. The information is used by the manufacturer to take appropriate action to remain on the Agency's list of acceptable companies.

The annual number of respondents is estimated to be 35 based on the estimated number of modular/panelized housing manufacturers with delinquent records each year.

Since the public time required is only the amount necessary to read and understand the document, the average response time is estimated to be 15 minutes.

### **HUD Bulletins**

These bulletins are prepared by the Department of Housing and Urban Development to prescribe the conditions for acceptance of a manufacturer's modular/panelized housing unit. Manufacturers requesting approval to participate in the Agency's loan program forward copies of these bulletins to the State Office to verify compliance with prescribed standards.

The annual number of respondents is estimated to be 35 based on the estimated number of manufacturers requesting Agency acceptance each year.

The average public time required to forward the bulletins to the Agency is estimated to be 15 minutes.

### **Installation Instructions**

Manufacturers of modular/panelized housing units requesting approval to participate in the Agency's loan program forward installation instructions of materials or products unfamiliar to the Agency. This information is used to verify that the materials or products are properly installed or applied.

The annual number of respondents is estimated to be 35 based on the estimated number of manufacturers requesting Agency acceptance each year.

The average public time required to forward the installation instructions to the State Office is estimated to be 15 minutes.

Since these types of structures are required to comply with HUD Handbook 4950.1 Technical Suitability of Products Program, Technical and Processing Procedures, this is a duplication of information required by the Department of Housing and Urban Development.

### **Individual Water-Sewer System Proposal Documents**

These documents are prepared by an applicant/borrower, architect, engineer, or builder to fully describe the proposed work for individual water and sewer systems. The information includes approvals and recommendations of various authorities and specific construction details. The information is used by the Agency to determine compliance with Agency regulations and policies.

The annual number of respondents is estimated to be 400 based on the annual number of Section 502 and farm ownership loans that involve individual water and sewer systems.

The average public time required collecting the documents and forward to the Field Office is estimated to be 30 minutes.

## **Notification for an Inspection**

A contractor makes this verbal notification to the Agency when he/she is ready for a construction inspection. This notification allows the Agency sufficient time to plan and prepare for the inspection.

The annual number of respondents is estimated to be 15370 based on the annual number of loans and grants involving construction work. This includes Section 502, 504, 514, and 515 loans/grants and farm ownership loans involving construction contracts. The average number of notifications per loan/grant per year is estimated to be 3. The average public time required to make the verbal notifications to the Field Office is estimated to be 5 minutes.

## **RECORDKEEPING**

### **Retain Copy of Approved Drawings and Specifications**

An applicant/borrower retains one copy of the approved drawings and specifications after the loan is closed to keep for his/her records. The information on the documents may be used by the applicant/borrower to monitor construction and reference for determining compliance with contract conditions.

The annual number of respondents is estimated to be 4100 based on the annual number of loans and grants that involve construction by the contract method.

The length of time to retain the documents is normally equal to the length of construction time, which is estimated to average 4 months.

The average public time required maintaining a record keeping system for these documents is estimated to be 5 minutes.

### **T/A Grantee Bookkeeping System**

A recipient of a self-help technical assistance (T/A) grant will maintain a bookkeeping system to assure that funds for each account is properly distributed and maintained.

The annual number of respondents is estimated to be 24 based on the annual number of T/A grant recipients.

The length of time to retain the bookkeeping system is normally equal to the length to construct the self-help homes involved with the T/A grant, which is estimated to average 1 year.

The average public time required maintaining this bookkeeping system is estimated to be 30 minutes.

### **Keep Construction Accounts**

An architect is required to keep construction accounts for multi-family housing projects to assure that funds are properly distributed and maintained.

The annual number of respondents is estimated to be 200 based on the annual number of Section 514 and 515 loans and grants.

The length of time to retain the accounts is normally equal to the length of construction time for each loan/grant, which is estimated to average 6 months.

The average public time required maintaining a record keeping system for these accounts is estimated to be 30 minutes.

### **Maintain Construction Diary**

A project representative maintains a diary to record daily events of a construction project. The information is used by an applicant/borrower, architect and the Agency to monitor the progress and performance of the contractor.

The annual number of respondents is estimated to be 12 based on the annual number of Section 514 and 515 loans/grants that involve the services of a project representative.

The length of time to retain the diary is normally equal to the length of construction time for each loan/grant, which is estimated to average 9 months.

The average public time required to maintain these diaries is estimated to be 15 minutes.

### **Construction Accounting System**

A builder of a multi-family housing project that involves an identity of interest is required to develop a construction accounting system to maintain a running record of actual construction costs.

The annual number of respondents is estimated to be 100 based on the annual number of loans involving construction contracts with identities of interest and construction by the owner-builder method.

The length of time to retain the accounting system is normally equal to the length of construction time for each loan, which is estimated to average 6 months.

The average public time required to maintain these account systems is estimated to be 30 minutes.

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

The information collected is of such type and nature that the use of improved information technology, such as data and word processing would not significantly reduce the public burden. Information for each loan/grant application is unique and, therefore, cannot take significant advantage of this technology. Forms have been automated and are available on the USDA Service Center website. Provision of information is faster, however the time for electronic input roughly equals the time for handwriting the form.

**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.**

Every effort has been made to identify and void unnecessary duplication of information collection. The conditions involved with every loan/grant request are unique. Duplication of information is required only when determined necessary to ensure all involved parties have sufficient information to carry out their responsibilities. There is no duplication of information required by other Federal Government agencies. Whenever possible we try to utilize the forms of other agencies to prevent duplication. Further, the regulation 1924-A is being re-written, and all forms will be reviewed and revised accordingly.

**5. If the collection of information impacts small business or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

The information collection required in this regulation places no burden on small businesses or other small entities beyond, that which is performed in normal business practice.

**6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information required in this regulation is usually collected only when needed for each loan/grant request. Collection is not made on a periodic basis, except when consistent with normal business practice. Therefore, the frequency of collection is at the absolute minimum to enable accurate and responsible determinations are made. Information cannot be obtained less frequently.

If the information were not collected and submitted, Rural Development would not have control over the type and quality of construction and development work planned and performed with Federal funds. Rural Development would not be assured that the security provided for loans is adequate, nor would Rural Development be certain that decent, safe, and sanitary dwellings or other adequate structures were being provided to rural residents, as required by the Housing Act of 1949, as amended and the Consolidated Farm and Rural Development Act, as amended. Specifically, the burden to be cleared with this regulation is described as follows:

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

- a. Requiring respondents to report information more than quarterly.

There are no information collection requirements that require specific reporting on more than a quarterly basis.

**b. Requiring written responses in less than 30 days.** There are no specific information collection requirements that require less than 30 days response. However, in many cases, it benefits a borrower to provide RHS with information as soon as possible. Agency cannot provide the borrower with increased program benefits until documentation is received to support the borrowers' request.

**c. Requiring more than an original and two copies.** There are no specific information collection requirements that require more than an original and two copies.

**d. Requiring respondents to retain records for more than 3 years.** There are no such requirements.

**e. Not utilizing statistical sampling.** There are no such requirements.

**f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.** No such requirements exist.

**g. Requiring a pledge of confidentiality.** There are no such requirements.

**h. Requiring submission of proprietary trade secrets.** There are no such requirements.

**8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

The document was published in the Federal Register on December 3, 2012 [77 FR 71573]. No comments were received.

While formal responses were not requested, the RHS staff members are in constant communication with field staff that monitors the program and with customers to ensure that the forms are clear and adequate.

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

There is no payment or gift to respondents.

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

There are no formal assurance of confidentiality provided to respondents.

**11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.**

The information collected and recordkeeping requirements of this regulation do not include any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs or other matters that are commonly considered private.

**12. Provide estimates of the hour burden of the collection of information.**

See the attached Spreadsheet. The following is an explanation of the various wage classes in column I on the spreadsheet:

<u>RESPONDENT</u>	<u>WAGE (\$/hr)</u>
Applicant/Borrower	\$11.75
Inspector/Project. Rep.	23.50
Subcontractor/Supplier	17.62
Contractor/Manufacturer	23.50
Architect/Engineer	47.00
Auditor/Bank Official	41.12

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There are no capital/start-up or operation/maintenance costs involved.

**14. Provide estimates of annualized cost to the Federal Government.**

The estimated annual cost for the Agency to administer this regulation is \$29,475,000, determined by multiplying the number of employees directly involved in the preparation and administration (4500), times a national average cost factor (\$32,750), times a national average percentage of time employees are involved (20%). The cost factor includes salaries, benefits, travel, communication, supplies, etc.

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.**

There is an adjustment decrease of 139,225 responses and 43,481 burden hours based on the decrease of respondent activity of the programs included in this package. The Government cost has decreased as well due to a decrease in staff assigned to this work.

**16. For collection of information whose results will be published, outline plans for tabulation and publication.**

There is no specific collection of information requirement in this rule that will 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.**

Rural Development forms are often cleared with multiple packages and having multiple expiration dates will confuse the public and to which one if the correct or current date.

**18. Explain each exception to the certification statement identified in items 19 on OMB 83.1.**

There are no exceptions requested.

**19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop-shopping concept?**

This information collection is not related to the service center initiative and is not part of the one stop-shopping concept.