

# Supporting Statement for Paperwork Reduction Act Submissions

## Housing Counseling Program – Home Equity Conversion Mortgage Counseling Client Survey OMB No. 2502 – 0585 (HUD-92903)

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### A. Justification:

#### 1. Overview of Home Equity Conversion Mortgage Counseling Program

The Single Family Program Support Division is responsible for administration of the Department's Housing Counseling Program, authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701w and 1701x). A final Housing Counseling rule was published in the Federal Register at 72 FR 55638 and codified at 24 CFR Part 214. Among other types of housing counseling, the Housing Counseling Program supports the delivery of counseling for the Home Equity Conversion Mortgages (HECM) to consumers who are at least 62 years old. This counseling provides information to the consumer regarding reverse mortgages and the suitability of a reverse mortgage for their unique situation.

As a condition of eligibility to receive a Home Equity Conversion Mortgage, consumers must participate in reverse mortgage counseling. As part of the housing counseling program evaluation, performance reviews are conducted at the HUD-approved counseling agencies by HUD staff. HUD staff mails the HECM Counseling Session Evaluation to consumers who have recently received counseling. The evaluation is used as a performance tool and it provides valuable feedback to HUD regarding the customer service and the counseling quality provided by the HECM counseling agency being reviewed.

#### 2. Information Submission

As part of the housing counseling program evaluation, performance reviews are conducted at the HUD-approved counseling agencies by HUD staff. HUD staff mails the HECM Counseling Session Evaluation to consumers who have recently received counseling. The evaluation is completed by the consumer and mailed back to HUD. The evaluation is used as a performance tool and it provides valuable feedback to HUD regarding the customer service and the counseling quality provided by the HECM counseling agency being reviewed.

#### 3. Automation

The collection of information will be automated in those instances when an e-mail address is available for the client. HUD will e-mail the HECM Counseling Session Evaluation to the client with a return e-mail address, along with a mailing address.

#### 4. Duplication of Information

The HECM Counseling Session Evaluation is the only information collected regarding the quality of the counseling and customer service provided by the housing counseling agency. There is no duplication of information.

5. Effects on Small Entities

The information collection is the same for all entities, regardless of size. The Information requested is used as a performance tool to evaluate the HECM counseling provided by housing counseling agencies being reviewed.

6. Failure to Collect Information

Failure to collect the information described in this submission would prevent FHA from obtaining valuable information from consumers regarding their HECM counseling experience. This information is used as a performance tool during the evaluation of the agency. Information supplied on the HECM Counseling Session Evaluation could determine any actions that would need to be taken against the counseling agency. FHA also utilizes this information to make changes in policies and procedures where applicable.

7. Special Circumstances

No special circumstances exist.

8. Solicit Public Comments

In accordance with the regulations at 5 CFR 1320.8(d), HUD published a *Federal Register* notice seeking public comments on the information collection prior to submission to OMB. The notice was published on April 18, 2012 /Vol. 77, No. 75 /page 23273. No comments were received.

9. There are no payments to respondents.

10. No assurance of confidentiality is provided. The HECM Counseling Session Evaluation is not subject to the Privacy Act since there is no personal information requested from the respondents.

11. Sensitive Information

There are no questions of a sensitive nature.

12. Annual Reporting Burden

<b>First Time Home Buyer (FHBs) Applications</b>						
<b>Form</b>	<b>Number of Respondents</b>	<b>Frequency of Responses</b>	<b>Hours of Response</b>	<b>Burden of Hours</b>	<b>Hourly Rate</b>	<b>Total Cost</b>
HUD-(92911)	300	1	0.166	49.8	\$12	\$597.6

The 300 respondents represent the number of consumers receiving HECM counseling who are likely to respond.

The following table provides an estimate of response burden.

13. There are no additional costs to respondents.

#### 14. Costs to the Federal Government

The time spent on the survey by HUD staff is a standard part of the HUD's housing counseling review process and an important part of how HUD determines the quality of the agencies performance. Using a GS-12salaried employee as a basis, at approximately \$42.00 per hour, with the review of one survey taking approximately ¼ hour for a cost of \$10.50 per survey.  $300 \times 10.50 = \$3,150$

15. This is an extension of a currently approved collection. The reduction in respondents and burden is due to the proportionate decrease in number of HECM counseling clients.
16. HUD will not publish the results of this information collection.
17. HUD is not seeking approval to avoid displaying the OMB expiration date.
18. There are no exceptions to the certification statement identified in Item # 19.