



“AFFORDABLE HOUSING PROGRAM (AHP)”

OMB NUMBER 2590-0007

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Circumstances Necessitating the Collection of Information

Section 10(j) of the Federal Home Loan Bank Act (Bank Act) (12 U.S.C. 1430(j)) requires the Federal Housing Finance Agency (FHFA) to promulgate regulations under which each of the 12 Federal Home Loan Banks (Banks) must establish an Affordable Housing Program (AHP) to provide subsidized funding to members engaged in lending for long term, low- and moderate-income, owner-occupied and affordable rental housing at subsidized interest rates. Section 10(j) also establishes the standards and requirements for providing such subsidized funding to Bank members. Part 1291 of FHFA’s regulations (12 CFR part 1291) implements the statutory requirements and authorizes the Banks to make AHP funding decisions. The AHP data collection requirements are found in chapter 5 of FHFA’s Data Reporting Manual (DRM), which is available electronically in FHFA’s FOIA Reading Room:

http://www.fhfa.gov/webfiles/13095/AHP_Data_Reporting_Instructions_Expires_2-28-2013.pdf.)

2. Use of Data

The Banks use the AHP data collection to determine whether an AHP applicant satisfies the statutory and regulatory requirements to receive subsidized advances or direct subsidies (grants) under the AHP. FHFA uses the information to verify that Bank funding decisions, and the use of the funds awarded, are consistent with statutory and regulatory requirements and with the safe and sound operation of the Banks.

3. Use of Information Technology

The information collection uses a low level of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Data submission from the Banks to FHFA is through formatted files a Bank can create in a manner it considers most efficient or convenient. The use of improved information technology would have no effect on the burden imposed on Bank members because the required information is the same regardless of the method of collection.

4. Efforts to Identify Duplication

The information collection avoids duplication by requiring the submission of information that already may be available to, or compiled by, AHP applicants for other purposes. For instance, because an AHP applicant is likely to be applying for funding from multiple sources, the applicant may be able to use directly or modify information compiled for use in other funding applications when applying for AHP funds.

5. Impact on Small Entities

The information collection does not have a significant economic impact on a substantial number of small entities. The regulation implements statutory requirements applicable to all AHP applicants regardless of their size. FHFA does not have the authority to make adjustments to the statutory requirements to accommodate small entities.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

If the information were not collected at the times specified in part 1291 and the DRM, the Banks would be unable to determine whether an AHP applicant satisfies the statutory and regulatory criteria to receive AHP funding, and FHFA would be unable to verify whether Bank funding decisions, and the use of funds awarded, are consistent with statutory and regulatory requirements.

7. Circumstances Requiring Special Information Collection

There are no special circumstances that require FHFA to conduct the information collection in a manner inconsistent with the guidelines provided.

8. Solicitation of Comments on Information Collection

In accordance with the requirements of 5 CFR 1320.8(d), FHFA published a request for public comments regarding this information collection in the *Federal Register* on December 26, 2012. *See* 77 FR 76037 (Dec. 26, 2012). The 60-day comment period closed on February 25, 2013. FHFA received no public comments.

9. Provision of Payments or Gifts to Respondents

No payments or gifts are provided to any respondent.

10. Assurance of Confidentiality

The Banks and FHFA maintain the confidentiality of information as required by applicable statute, regulation, or agency policy.

11. Questions of a Sensitive Nature

There are no questions of a sensitive nature in the information collection.

12. Estimates of the Hour Burden of the Information Collection

FHFA has analyzed the cost and hour burden on Bank members and AHP applicants for the six facets of the information collection: (I) AHP competitive applications; (II) verification of statutory and regulatory compliance of AHP competitive applications at the time of AHP subsidy disbursement; (III) AHP modification requests; (IV) AHP monitoring agreements; (V) AHP recapture agreements; and (VI) homeownership set-aside program applications.

The aggregate total annual cost to members and applicants is \$2,907,300. The estimated total annual hour burden is 60,140 hours. The estimated total annual number of submissions is 13,540. The method FHFA used to determine the annual cost and hour burden for each facet of the information collection is explained in detail below.

I. AHP Competitive Applications

The estimated annualized cost to members and applicants is \$1,512,000. The estimated annualized hour burden is 36,000 hours. The estimates are based on the following calculations:

Employees of project sponsor/owner and member prepare AHP application.

- Processing time: 24 hours per application
- Total applications: 1,500
- Total hours: 36,000
- Hourly rate: \$42 (includes salary, benefits, and overhead)
- Total cost: \$1,512,000

II. Verification of Statutory and Regulatory Compliance of AHP Competitive Applications at the Time of AHP Subsidy Disbursement

The estimated annualized cost to members and applicants is \$25,200. The estimated annualized hour burden is 600 hours. These estimates are based on the following calculations:

Member's employee prepares and submits to the Bank documents verifying statutory and regulatory compliance at the time of the subsidy disbursement.

- Processing time: 1 hour per submission
- Total submissions: 600
- Total hours: 600
- Hourly rate: \$42 (includes salary, benefits, and overhead)
- Total cost: \$25,200

III. AHP Modification Requests

The estimated annualized cost to members and applicants is \$18,900. The estimated annualized hour burden is 450 hours. These estimates are based on the following calculations:

Employees of project sponsor/owner and member prepare AHP modification request.

- Processing time: 2.5 hours per request
- Total requests: 180
- Total hours: 450
- Hourly rate: \$42 (includes salary, benefits, and overhead)
- Total cost: \$18,900

IV. AHP Monitoring Agreements

The estimated annualized cost to members and applicants is \$464,400. The estimated annualized hour burden is 4,650 hours. These estimates are based on the following calculations:

Member's attorney prepares and implements AHP monitoring agreement with the project sponsor/owner.

- Processing time: 4 hours per agreement
- Total agreements: 600
- Total hours: 2,400
- Hourly rate: \$120 (includes salary, benefits, and overhead)
- Total cost: \$288,000

Employee of project sponsor/owner prepares reports and certifications required by the AHP monitoring agreement.

- Processing time: 2 hours per submission
- Total submissions: 600
- Total hours: 1,200
- Hourly rate: \$42 (includes salary, benefits, and overhead)

- Total cost: \$50,400

Member's attorney reviews documentation from project sponsors/owners regarding AHP monitoring agreements.

- Processing time: 1 hour per agreement
- Total agreements: 600
- Total hours: 600
- Hourly rate: \$120 (includes salary, benefits, and overhead)
- Total cost: \$72,000

Member's attorney prepares reports and certifications required by the AHP monitoring agreement.

- Processing time: .75 hour per report
- Total reports: 600
- Total hours: 450
- Hourly rate: \$120 (includes salary, benefits, and overhead)
- Total cost: \$54,000

V. AHP Recapture Agreements

The estimated annualized cost to members and applicants is \$172,800. The estimated annualized hour burden is 1,440 hours. These estimates are based on the following calculations:

Member's attorney prepares and implements AHP recapture agreement with the project sponsor/owner.

- Processing time: 4 hours per agreement
- Total agreements: 360
- Total hours: 1,440
- Hourly rate: \$120 (includes salary, benefits, and overhead)
- Total cost: \$172,800

VI. Homeownership Set-aside Program Applications

The estimated annualized cost to members is \$714,000. The estimated annualized hour burden is 17,000 hours. These estimates are based on the following calculations:

Member's employee prepares homeownership set-aside program application and certifies compliance upon disbursement of funds.

- Processing time: 2 hours per submission

- Total submissions: 8,500
- Total hours: 17,000
- Hourly rate: \$42 (includes salary, benefits, and overhead)
- Total cost: \$714,000

13. Estimated Total Annualized Cost Burden to Respondents

Estimated total annualized ongoing miscellaneous costs imposed upon members and applicants by this information collection are \$286,100, calculated as follows:

- Related to (I) preparation of AHP competitive applications:
 - Costs: \$75 per application
 - Total applications: 1,500
 - Total costs: \$112,500
- Related to (III) AHP modification requests:
 - Costs: \$20 per request
 - Total requests: 180
 - Total costs: \$3,600
- Related to (VI) Homeownership set-aside program applications:
 - Costs: \$20 per application
 - Total applications: 8,500
 - Total costs: \$170,000

14. Estimated Cost to the Federal Government

The estimated annual cost burden to the federal government is \$11,200 and 160 hours, calculated as follows:

FHFA staff reviews Banks' AHP data submissions for completeness and validation.

- Review time: 80 hours per submission
- Total data reporting submissions: 2 annually by all Banks
- Total hours: 160
- Hourly rate: \$70 (includes salary, benefits, and overhead)
- Total cost: \$11,200

15. Reasons for Change in Burden

The hourly and estimated annual cost burdens upon members and applicants that are shown in this submission differ in some respects from those which were shown in the Supporting Statement submitted with the request for renewal of this information collection in 2010. For

each facet of the information collection, the number of estimated applications, agreements and submissions (as appropriate) has been recalculated to reflect the actual numbers for the year 2011. In a few cases, estimated time spent on each facet of the collection has been adjusted to reflect the actual experience of Bank members and applicants, as reported to FHFA by the Banks. In addition, estimated per hour personnel costs have been increased for all facets to account for the effects of inflation, as well as to bring the per hour cost estimates in line with those that have been used by FHFA in its Supporting Statements for other information collections that have been filed recently. In a few other cases, estimated per hour personnel costs have been increased to reflect the fact that an in house or outside attorney must prepare or review the materials.

In the 2010 Supporting Statement, the non-labor costs imposed upon members and applicants by various facets of this information collection were shown under Item #12, in combination with the labor costs. In this Supporting Statement, the non-labor costs have been broken out separately and are now shown under Item #13 in order to make clear that they are not labor costs. The “per submission” non-labor costs are the same as those reflected in the 2010 Supporting Statement, but the total costs have been adjusted to reflect the new estimates for the number of annual submissions.

FHFA has not included in the burden estimates time spent by the Banks in connection with this information collection, as was mistakenly included in the 2010 Supporting Statement. The Banks are instrumentalities of the United States and, thus, are not subject to the information collection requirements of the Paperwork Reduction Act. *See* 44 U.S.C. § 3502(3)(A)(i).

16. Plans for Tabulation, Statistical Analysis and Publication

FHFA will not publish the results of this information collection.

17. If Seeking Approval to Not Display the Expiration Date for OMB Approval of the Information Collection, Explain the Reasons Why Display Would Be Inappropriate

FHFA plans to display the expiration date of OMB approval.

18. Explain Each Exception to the Topics of the Certification Statement Identified in “Certification for Paperwork Reduction Act Submission.”

There are no exceptions to the topics of the certification statement identified in the “Certification for Paperwork Reduction Act Submissions”.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods.