

Supporting Statement for Paperwork Reduction Act Submissions

Housing Counseling Program – Home Equity Conversion Mortgage Counseling Client Survey OMB No. 2502 (new) 9911 and 9912

A. Justification:

1. Overview of Homeownership and Home Retention Housing Counseling

Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701w and 1701x) established a Housing and Urban Development Housing Counseling Program which is administered by the Office of Housing Counseling. Among other types of housing counseling, the Housing Counseling Program supports the delivery of both homeownership and home retention counseling through national and local non-profit organizations and state housing finance agencies.

Further, as a result of the new requirements of Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203) which includes testing and certification of counselors, these certificates will ensure that only HUD-approved, certified counselors provide the counseling to the consumer.

Regulations codified at 24 CFR Part 214 detail the requirements pertinent to HUD's housing counseling program.

2. The respondents are HUD-approved housing counseling agencies, specifically housing counselors employed by the agency who conduct homeownership and/or home retention counseling. A certificate will be prepared by the housing counselor for each client completing counseling services. The counseling will discuss issues regarding purchasing, homeownership readiness, budgeting, credit history, mortgage selection and loan features and products, mortgage application process, lending documents, mortgage insurance, prequalification, loan approval and closing processes, selecting a house, explanation of various real estate professionals' involvement, related financial decisions, taxes, insurance, homeowner association and condominium fees, preventive maintenance, refinancing, default and foreclosure.

The completed certificate will be presented to lenders and servicers by the client when applying for services, benefits and/or loan products. Some services, benefits and/or loan products require homeownership or home retention counseling in order for the client to participate. The certificate will provide proof that the client has received counseling from a HUD-approved housing counseling agency.

3. Counselors employed by HUD-approved counseling agencies will access FHA Connection to create the certificates. These certificates are completely automated and records of the certificates are held within FHA Connection. The burden on the counselors to create the certificates is minimal and the recordkeeping is automatic within the system.

4. There is no duplication of information. This information collection is not collected elsewhere.

5. No significant impact on small businesses or other small entities.

6. The information collection is necessary to provide documentation to lenders and servicers that clients have received counseling required to obtain benefits, loan products and services from a HUD-approved housing counseling agency.

Failure to collect the information described in this submission would prevent the lender or servicer from having proof that the consumer has received the appropriate type of counseling provided by a HUD-approved, certified counselor. Without this information collection, consumers may not be able to obtain the services, benefits and/or loan products for which they otherwise qualify and need to improve their housing situation.

7. No special circumstances exist.
8. 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 July 8, 2013 (Volume 78, Number 130, Page 40759). No comments were received.
9. There are no payments to respondents.
10. No assurance of confidentiality is provided, nor is such appropriate or feasible.
11. There are no questions of a sensitive nature.
12. Annual Reporting Burden

First Time Home Buyer (FHBs) Applications							
Form	Number of Respondents	Frequency of Responses	Total Annual Responses	Hours per Response	Total Annual Burden Hours	Hourly Rate	Total Cost
HUD-9911	8000	varies	175,000	.25	43,750	\$17	\$743,750
HUD-9912	8000	varies	657,000	.25	164,250	\$17	\$2,792,250
Totals	8,000		832,000		208,000		\$3,536,000

The above table provides an estimate of response burden.

13. The total annual cost burden to respondents for completion of the two certificates is \$3,536,000 which is the same time cost estimate noted in response to number 12 above. Respondents will have a minimal cost to print certificates and related processing costs. These are estimated not to exceed \$100,000 annually.
14. The costs to the Federal Government are in the development of the certificates and changes to FHA Connection to add them to the system. These costs are estimated to not exceed \$50,000.
15. This is a new collection.
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.

B. Collections of Information Employing Statistical Methods.

Statistical methods are not used as they would not increase accuracy or reduce reporting burden.

