

Supporting Statement for Paperwork Reduction Act Submissions

Office of Hospital Facilities (OHF) Transactional Forms for FHA Programs 242, 241, 223(f), 223(a)(7)

OMB Control Number 2502-0602

HUD-2-OHF, HUD-2205a-OHF, HUD-2434-OHF, HUD-2466GP-OHF, HUD-41901-OHF, HUD-92421-OHF, HUD-92422-OHF, HUD-92451-OHF, HUD-92453-OHF, HUD-92010-OHF, HUD-92330a-OHF, HUD-92403.1-OHF, HUD-92403-OHF, HUD-92432-OHF, HUD-92450-CA-OHF, HUD-92452-OHF, HUD-92464-OHF, HUD-92466-OHF, HUD-2576-OHF, HUD-92580-OHF, HUD-3305-OHF, HUD-4128-OHF, HUD-9250-OHF, HUD-91725-OHF, HUD-92013-OHF, HUD-92023-OHF, HUD-92415-OHF, HUD-92441-OHF, HUD-92447-OHF, HUD-92448-OHF, HUD-92452A-OHF, HUD-92457-OHF, HUD-92476-OHF.

***All the above documents should have the suffix of "OHF" (i.e. HUD 4128-OHF)

A. Justification

1. Why this information is necessary:

The information is needed for administration of the Section 242 Hospital Mortgage Insurance Program. The collection is a comprehensive list of HUD Forms associated with the administration of the Hospital Mortgage Insurance Program pursuant to 24 CFR 242, 241, 223(f) [proposed] and 223(a)(7).

The collection is needed as the Office of Healthcare Facilities (OHF) has used Multifamily Housing forms since its inception. Though helpful, the Multifamily forms don't take into account all the information necessary from healthcare facilities that OHF often needs during the underwriting, construction and initial/final endorsement project phases. Information is collected from OHF staff, mortgagees, mortgagors, contractors and agents to manage and monitor the application, project administration and initial/final endorsement of projects undertaken by Office of Hospital Facilities.

2. How the information will be used:

The information is used in conjunction with the application, commitment, and initial/final endorsement stages of the hospital mortgage insurance process. OHF uses the information to determine the eligibility of applicant hospitals, underwrite the loans, ensure that the collateral securing each loan is adequate, and capture administrative data to be used in determining whether the Program meets its stated goals and management objectives.

This information collection is being revised to reflect the regulatory change and account for the differences in the market response and burden of those submissions as a result of the actions resulting from the 242 Federal Housing Administration (FHA) Hospital Mortgage Insurance Program—Refinancing Hospital Loans rule.

Also, the program office is currently revising the Handbook 4615.1 Rev-1, Hospital Mortgage Insurance Program Section 242 of the National Housing Act. This handbook will provide supplements to the Section 242 statute and its implementing regulations (24 CFR Part 242). It will also provide detail guidance for lenders and hospitals participating in the hospital mortgage insurance program, as well as for HUD staff and other interested parties.

3. The Department is currently working to automate this process through its current Development Application Processing System (DAP). However, this will require the implementation of a standard E-sign system. The target date of 9/30/2013 was given for implementation. This information was submitted to Congress and the approximate rollout date is 10/2013 for implementation.

OHF has already developed a number of fill-able forms in an attempt to be more responsive to needs of our external/internal clients. These improvements/updates allow much of the necessary information to be submitted electronically by the HUD client if desired.

4. Development and construction cost varies with each project. General or modified information is not acceptable. No other forms exist which can be acceptable. No other existing forms can be substituted to obtain the required information for mortgage proceeds distribution and cost certification.
5. Small Business burden consideration not applicable with this program.
6. The collection of information occurs only once for each hospital project. The Department could not comply with the provisions of the law and Federal regulations if the collection were eliminated.
7. There are no special circumstances that apply to this information collection.
8. HUD solicited comments from the public on revisions made to this collection through FR-5334-P-01, Hospital Refinancing, a proposed rule that was published in the Federal Register on January 29, 2010 (Volume 75, Number 19, page 4964). The revisions to this collection reflect changes made in response to the seven public comments received on the proposed rule. See the public comment summary in the final rule, FR-5334-F-02, Hospital Refinancing published in the Federal Register (Volume 78, Number 24, page 8330).

OHF solicited public comments from the following persons:

Ms. Nicole L. Hoffpauir, Partner, Krooth & Altman, LLP, 1850 M St, #400-Washington, DC 20036;
Ms. Mary Gavin, Mortgage Banker/Service., Tyll & Lavigne, Inc., #2 Clement Ave., Saratoga Springs, NY, 12866;
Ms. Lisa Smith, Mortgage Banker/Service., Prudential Huntoon Paige, 2100 Ross Avenue, Ste 2500, Dallas, Texas 75201.

HUD contacted several external customers when compiling information necessary to updating its current forms collection. Contemporaneous to the PRA filing there had been numerous discussions as to both the use and continued relevancy of the HUD Forms.

The Office of Hospital Facilities (OHF) had received numerous requests from Mortgagees to make the HUD Form 92013-HOSP a fill-able document in order to expedite the application process.

A number of HUD Partners/Mortgagees requested this change to the above document to wit:

- 1) Maura Davalos, AMS Healthcare
- 2) Kim Galbraith, US Bank

9. No gifts or payments, other than remuneration to contractors, are provided to respondents.

10. The Privacy Act of 1974 provides an assurance of confidentiality to the respondents. The forms are for the Departmental use only and respondents are assured that the material is held in confidentiality unless a release order is issued under the Freedom of Information Act.

11. No questions of a sensitive nature apply.

12. Estimates of the respondents' burden and costs:

Information Collection	Title	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response (Avg)	Annual Burden Hours	Hourly Cost Per Response (Avg)	Annual Cost
HUD-2	Request for Waiver of Housing Directive	20	2	40	1	40	75.00	\$3,000.00
HUD-2205A	Mortgagor's Cert	20	2	40	1	40	100.00	\$4,000.00
HUD-2434	Mortgagee's Cert	25	3	75	1	75	45.00	\$3,375.00
HUD-2466-GP	GP Reg Agreement	40	1	40	0.5	20	100.00	\$2,000.00
HUD-41901	Assurance of Compliance	55	1	55	2	110	200.00	\$22,000.00
HUD-92421	MRF Agreement	40	2	80	1.5	120	200.00	\$24,000.00
HUD-92422	Fin and Stat Data Rpt	110	5	550	1	550	100.00	\$55,000.00
HUD-92451	Financial Record of Mortgage Loan Transaction	40	1	40	1	40	50.00	\$2,000.00
HUD-92453	Commitment to Insure Upon Completion	4	1	4	30	120	200.00	\$24,000.00
HUD-92010	Equal Employment Opportunity Certification	30	3	90	1.5	135	100.00	\$13,500.00
HUD-92330A	Contractor's Certificate of Actual Cost	15	1	15	1	15	100.00	\$1,500.00
HUD-92403.1	Mortgagor's And Architect's Certificate of Payment	30	3	90	1	90	45.00	\$4,050.00
HUD-92403	Application for Insurance of Advance of Mortgage Proceeds	30	1	30	0.25	7.5	50.00	\$375.00
HUD-92432	Commitment for Insurance of Advances	16	1	16	30	480	200.00	\$96,000.00
HUD-92450-CA	Completion Assurance Agreement	10	1	10	1.5	15	100.00	\$1,500.00
HUD-92452	Performance	30	1	30	1	30	200.00	\$6,000.00

Information Collection	Title	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response (Avg)	Annual Burden Hours	Hourly Cost Per Response (Avg)	Annual Cost
	Bond-Dual Oblige							
HUD-92464	Request for Approval of Advance of Escrow Funds	7	2	14	1	14	100.00	\$1,400.00
HUD-92466	Regulatory Agreement	40	1	40	1	40	200.00	\$8,000.00
HUD-2576-HF	Certificate for Need for Health Facility and Assurance of Enforcement of State	40	4	160	1.5	240	50.00	\$12,000.00
HUD-92580	Maximum Insurable Mortgage	20	1	20	6	120	100.00	\$12,000.00
HUD-3305	Agreement and Certification	30	1	30	0.5	15	200.00	\$3,000.00
HUD-4128	Environmental Assessment and Compliance Findings	20	2	40	1	40	50.00	\$2,000.00
HUD-9250	Funds Authorizations for use of Reserve for Replacement or Residual Receipts	30	1	30	0.5	15	75.00	\$1,125.00
HUD-91725	Opinion by Counsel to the Mortgagor (FHA)	40	1	40	0.5	20	100.00	\$2,000.00
HUD-92013-Hosp	Application for Hospital Project Mortgage Insurance	20	1	20	4664	93280	100.00	\$9,328,000.00
HUD-92023	Request For Final Endorsement of Credit Instrument	20	1	20	1.5	30	100.00	\$3,000.00
HUD-92330	Mortgagor's Certificate of Actual Cost	20	2	40	1	40	50.00	\$2,000.00
HUD-92415	Request For Permission To Commence Construction Prior To Initial Endorsement For Mortgage	10	1	10	1	10	100.00	\$1,000.00

Information Collection	Title	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response (Avg)	Annual Burden Hours	Hourly Cost Per Response (Avg)	Annual Cost
	Insurance							
HUD-92441	Building Loan Agreement	45	30	1350	1.5	2025	75.00	\$151,875.00
HUD-92447	Property Insurance Requirements	40	2	80	1	80	75.00	\$6,000.00
HUD-92248	Contractor's Requisition	30	1	30	1	30	200.00	\$6,000.00
HUD-92452A	Payment Bond	30	1	30	1	30	75.00	\$2,250.00
HUD-92457	Surveyor's Report	40	1	40	1	40	200.00	\$8,000.00
HUD-92476.1	Escrow Agreement	15	1	15	1	15	100.00	\$1,500.00
HUD-2530	Previous Part. Form	400	2	800	1	800	75.00	\$60,000.00
242.35, Mortgage lien certifications	(Information is provided to HUD in a letter, not a form)	20	2	40	1	40	200.00	\$8,000.00
Totals		465		4,054.00		98,811.50		\$9,881,450.00

Note: The forms in red indicate the total annual response for 15 Section 242 loans (including Section 241 supplemental loans and Section 223(a)(7) refinancing loans) and 5 Section 223(f) refinancing or acquisition loans. The average response times for the sections of the rule are based on a review of recent program applications. Also, the resulting increases in total annual burden hours reflect the adjusted average response time and the increase in the loan volume of five additional loans due to 223(f).

The hourly cost is based on an estimate of the average annual salary of respondent staff at ...\$103.00

The previous submission estimated a total of 1105 respondents. This number was incorrect. The correct estimation for the number of respondents is 465. The respondents make up 10 potential applicants (mortgagees) incl. their agents (consultants) where the preliminary review was unsuccessful; 20 applicants (mortgagees) incl. their agents (lawyers, consultants, etc.); 20 mortgagors incl. their agents (lawyers, consultants, etc.); 15 construction managers incl. their agents (subcontractors, consultants, surveyors, etc.) and 400 individuals who must complete the previous participation form.

13. **Cost to Respondents** - There are no additional costs associated with this collection of information.

14. **Cost to the Federal Government** is based on an hourly rate of (\$45.00) per hour. There are no operational expenses. **Federal hourly rate is based on the average annual salary of a GS-13, Step 3.**

$$\$45.00 \times 5882.5 = \$264,712.50 \text{ Approximately } \$265,000.00$$

15. This is a revision of a currently approved collection. The currently approved PRA package was based on an assumed annual volume of 15 Section 242 applications. It shows 5,882.5 annual burden hours for an annual cost of \$540,000. Recently, HUD conducted a review of the paperwork burden associated with the hospital mortgage insurance program. As a result of that review, there were changes to the number of respondents, frequency of response, burden hours per response, and hourly cost per response for many data collection items affecting various aspects of the program. HUD believes that the changes lead to a much more realistic

estimate of burden hours. A modified supporting statement incorporating the results of HUD's review would show, for the same assumed annual volume of 15 Section 242 applications, 74,825 annual burden hours for an annual cost of \$7,471,875. This modified estimate of burden hours and cost becomes the new baseline against which program changes, or changes in program volume, are assessed.

On February 5, 2013, HUD published a new Section 242 final rule containing provisions that implement Section 223(f) refinancing and acquisition for hospitals. HUD expects initially to insure five Section 242/223(f) loans per year, increasing application volume from 15 to 20 and changing some forms and procedures. When the modified estimates of burden hours and cost are applied to the additional volume, the results are 98,811.50 burden hours for an annual cost of \$9,881,450.00. These are the numbers that appear in the modified Supporting Statement for OMB approval. The difference is 23,986.50 burden hours and \$2,409,575.00 in cost. This is the PRA impact of introducing Section 223(f) refinancing and acquisition loans as part of Section 242 hospital mortgage insurance and processing 5 Section 242/223(f) applications per year.

16. The results of this collection will not be published.
17. The OMB expiration dates will be displayed on the appropriate forms.
18. There are no exceptions to the Certification Statement identified in item 19 of the OMB 83-I.

B. Collection of Information Employing Statistical Methods.

This collection of information does not employ statistical methods.