

Supporting Statement for Paperwork Reduction Act Submissions

Request for Prepayment of Section 202 or 202/8 Project

OMB Control Number: 2502-0554

FORM: HUD-9808

A. Justification

1. The collection of this information is necessary to review prepayment requests for Section 202 and 202/8 direct loans. The legal authority for collecting this information is provided under Section 811 of the American Homeownership and Economic Opportunity (AHEO) Act of 2000, as amended, the Section 202 Supportive Housing for the Elderly Act of 2010 (Public Law 111-372), and by 24 CFR 891.530. 24 CFR 891.530, Prepayment Privileges, states that the prepayment (whether in whole or in part) or the assignment or transfer of physical and financial assets of any Section 202 project is prohibited, unless the Secretary gives prior written approval. The section also states that the Secretary may not grant approval unless HUD has determined that the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, until the original maturity date of the loan, in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law (Public Law 111-372 requires extension of the continued operation of the project for 20 years beyond the original maturity date of the loan).
2. The information will be gathered and submitted by the owner in support of the prepayment request. The information consists of a written request for the prepayment using the form HUD-9808 or similar format; submission of a copy of the Mortgage, Mortgage Note, Housing Assistance Payments Contract, Regulatory Agreement, Subordinate Mortgage/Loans that may be in place; list of households currently residing in Section 8 or Rent Supplement assisted units; list of any commercial renters/leases; vendors that may be in place; detailed narrative justifying the future use of the full rental assistance currently being provided to the project; copy of notice to tenants of the prepayment; if the prepayment involves a refinance, evidence that the interest rate will be lower and the debt service payment will be lower after the refinance. HUD staff will review this information to determine if approval of the prepayment request can be granted.
3. After a thorough review, there are no plans to automate this collection of information. Information collected consists of significant prior documentation. Owners submit documents to the local HUD office who in turn forward the prepayment request with their recommendation to HUD Headquarters' Office of Asset Management for review and processing. However, in an effort to automate where possible the forms used for this program are pdf fillable and available electronically on HUDclips.
4. There is no duplication of similar information currently collected.
5. The collection of this information does not impact small businesses.
6. It would be impossible to review, process, and approve prepayment requests without a written request to determine the owner's proposal for the long-term affordability of the project after mortgage prepayment. Without the information, HUD would be unable to determine whether the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, for 20 years beyond the original maturity date of the loan, in a manner that will provide rental housing for the elderly and handicapped, on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law.
7. There are no special circumstances associated with this information collection.

8. This office consulted with staff from three of HUD's Multifamily Hubs concerning the information collection. All advised that the criteria are sufficient and the document is fairly user-friendly. However, there is a need for to update the form HUD 9808 to remove references to a previous Notice and add clarification and explanation in the document that would assist in the review of the owner's request. In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on **July 11, 2014**, Volume **79**, No. **133**, Pages **40132**. No Comments received.

9. There will be no gifts or payments provided to respondents.

10. The information collected is not of a confidential nature; therefore, the Department does not assure confidentiality to respondents.

11. Respondents are not required to provide information of a sensitive nature.

12. Estimated Burden (includes both prepayments requiring HUD approval and those not requiring HUD approval.). HUD will receive approximately 190 requests from owners of Section 202 and 202/8 direct loan projects to prepay and/or refinance their direct loans.

	Number of Respondents	Annual Frequency	Total Responses	Hours per Response	Total Burden Hours	Cost per Hour	Total Cost
HUD-9808	185	1	185	2	370	\$25	\$9,250

The cost per hour is based on an estimated average annual salary of \$52,000.

13. There are no additional costs to the respondents.

14. Estimates of annualized costs to the Federal government:

Number of Responses	Hours per Response	Cost per Hour	Total Cost
185	1	\$36	\$6,660

The cost per hour is based on the salary for a GS-12, step 1.

15. This is an extension of a revision of a currently approved collection. There are no significant changes for this period. However, the decrease is due to more accurate calculations in burden for the average requests over the last three years.

16. The results of this information collection will not be published.

17. HUD is not seeking approval to avoid displaying the expiration date for this information collection.

18. There are no exceptions to the Certification Statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

There are no statistical methods used in this collection.