

# Supporting Statement for Paperwork Reduction Act Submissions

**Mortgagor's Certification of Actual Cost**  
**OMB Control Number: 2502-0112**  
**Form HUD-92330**

## **JUSTIFICATION**

1. The Office of Housing seeks to extend the OMB Clearance approval 2502-0112. Section 227 of the National Housing Act (P.L. 479, 48 Stat. 12 USC, 1701 et. seq), along with sections 200.95 and 891.545, applicable portions of which are attached for reference, requires the certification of costs upon completion of improvements and prior to final endorsement of a mortgage. Section 814 of the Housing Act of 1954 (P.L. 560, 68 Stat., 590, 647, 12 USC, 1701 et. seq) requires the mortgagor to create and maintain records for auditing project costs.
2. Form HUD-92330 is used by mortgagees to obtain data from a mortgagor relative to the actual cost of a project. The mortgagor is required to certify to HUD the project's actual cost by submitting the form. HUD uses the cost information to determine the maximum insurable mortgage for final endorsement of an insured mortgage. Actual cost is defined in section 227(c) of the National Housing Act. Form HUD-92330 must be accompanied by an audited balance sheet certified by an accountant unless the project has less than 40 units, or if it is a refinancing or a purchase of an existing project under 207/223f or 232/223f. Failure to receive and review the cost certification data could result in the Department's over insurance of a mortgage in the violation of the law.
3. The form HUD-92330 is a PDF fillable document available on HUDCLIPS. The form may be downloaded for use, or it may be completed on line and then printed and signed. The principal sponsors and the general contractor complete the form. The applicants submit the completed form to the mortgagee for its review. The lender then submits the form to HUD on the behalf of the borrower and a determination of acceptability/unacceptability is made. Field office staff enters the information into the Development Application Processing (DAP) system.

The Department and MFHD are undergoing a transformation of the IT infrastructure which will dictate the type of the automated system developed adequately address concerns for confidentiality (due to the nature of data reported) and the need and ability to capture electronic-signatures. The target date of 9/30/2016 was given for implementation. The information was based on the 2009 FHA Multifamily IT Strategy Plan, modernization of IT. This information was submitted to Congress. Procurements are involved so the projected date is 9/30/2016 for implementation assuming all goes well with procurements.

4. Form HUD-92330 does not result in the duplication of information. This form is required to be submitted only once and the Department has no other form that requires this type of information.
5. By requiring this information only once upon completion of the project, the Department minimizes the burden on small businesses.
6. The data is used to verify the mortgagor's percentage of approved costs. Failure to review the cost certification data would result in over insurance of the mortgage in violation of the law and possible claims against the FHA Insurance Fund.
7. There are no special circumstances involved in this collection.
8. In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on **July 2, 2014**, Volume **79**, No. **127**, Pages **37765**. No Comments received.

HUD is in constant contact with lenders regarding all phases of project applications. Ad hoc comments are taken into consideration in developing processing requirements. Input regarding public burden was received from HUD field staff.

9. No payments or gifts are provided to respondents.
10. No assurances of confidentiality have been provided beyond those provisions of the Privacy Act and Freedom of Information Act.
11. The collection does not contain information of a sensitive nature.
12. **Based on an assessment of the number of projects endorsed under various sections of the Act over the last three years, HUD estimates there will be approximately 1950 respondents required to submit form HUD-92330 once the project is completed. This large increase is a reflection of the economic tides over the last years in which HUD played a major financial source of funding in the housing industry.**

	Number of Respondents	Frequency of Response	Total Responses	Hours per Response	Total Annual Burden	Hourly Rate	Total Annual Costs
Form HUD 92330, including audited balance sheet	2151	1	2151	8	17,208	\$31.00	\$137,700

The hourly rate is based on an estimated average annual salary for managers of \$64,300.

13. There is no annual cost burden to respondents resulting from the collection of information.
14. Projected Annual Costs to the Federal Government

	Number of Respondents	Frequency of Response	Total Responses	Hours per Response	Total Annual Burden	Hourly Rate	Total Annual Costs
Form HUD 92330, including audited balance sheet	2151	1	2151	8	17,208	\$42.00	\$722,700

The hourly rate is based on the rate of pay for a GS-12/5.

15. This is an extension of a currently approved collection. The large increase is a reflection of the economic tides over the last years in which HUD played a major financial source of funding in the housing industry.
16. The collection of information is not scheduled for publication.
17. HUD will not seek approval to avoid displaying OMB expiration date.
18. There are no exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods.**

This collection does not employ statistical methods.