

# Supporting Statement for Paperwork Reduction Act Submissions

## Technical Suitability of Products Program Section of 521 of the National Housing Act OMB #2502-0313 (HUD-92005; HUD Handbook 4950.1)

### A. Justification

1. Section 521 of the National Housing Act (12 U.S.C. 1735e), added by Section 216 of the Housing and Urban Development Act of 1965 (Public Law 89-117), requires the Department adopt uniform procedures for the acceptance of nonstandard materials and innovative products used in structures approved for mortgages or loans insured under the National Housing Act. Under the established Technical Suitability of Products (TSP) program, manufacturers (sponsors) of nonstandard housing-related materials, products, or structural housing systems must apply to HUD for a determination of technical acceptance. The two major categories of acceptance are: (1) structural building systems, subsystems, and components; and (2) structural and nonstructural materials and products.
2. Upon request, the Department provides manufacturers or sponsors of materials or products seeking HUD's acceptance the current revised edition of Handbook 4950.1, Technical Suitability of Products Program Processing Procedures. This Handbook describes the process and type of information needed to determine the acceptability of a material or product under paragraphs 2-5 (including HUD Description of Materials, Form HUD-92005 at paragraph 2-5.C.5.a) and 3-4 through 3-8. HUD technical staff uses the application and its information for evaluating the initial and continued acceptance of materials or products.

The manufacturer normally creates the technical information requested during the product or system research and development. HUD is not involved in the research and development stage. HUD uses the provided engineering data to make a determination of technical suitability for the product or system use(s) indicated by the sponsor. Organizational and production data are used to establish company authority and to determine the capability to consistently produce the material or product. This process also prevents design organizations from using the Department as a review board.

3. Information Technology is used to the extent possible. Form HUD-92005 is available electronically and can be submitted electronically. However, completion and submission of this form is only a small portion of the submission requirements outlined in Handbook 4950.1. In addition to completion of this form, a sponsor must also submit company information, engineering data that could include volumes of test data, and installation information. In most if not all instances, the sponsor does not possess or maintains an electronic copy of the engineering data, making it nearly impossible to create an entirely electronic submission. The sponsor, because the electronic form (HUD-92005) is only a small portion of a total submission, typically desires to submit the whole submission package at one time rather than submit some portions electronically and some in hard copy format. The only way to create a fully electronic submission would be for the sponsor to scan and image all engineering data and other information, which is not the most efficient use of the sponsor's time or resources.
4. A review of the Handbook requirements indicates that there is no duplication within the program nor is similar information requested by HUD for other reasons. Further, the communications required are not easily accessible to the public.

5. The methods used to minimize the burden of collecting information from small business or other small entities will be limited by the collection of information to one submission regardless of business or entity size. This required product information is basic in nature and is information relevant to the use for which the business or entity is seeking acceptance. The collection of this information is only required once, no matter how many subsequent properties are submitted by the original party or other parties utilizing the same material. The burden of collecting updated basic information will be minimized in the same way.
6. Currently, the Department requests the information only when new applicants desire review and acceptance. Without the information, the technical suitability of the products and materials for the intended use in home construction cannot be determined. This program also helps to promote the use of innovative and new materials/products in homes with mortgages insured under the National Housing Act while assuring safe, decent, and sanitary housing.
7. The information collection does not require nor provide for special circumstances. In addition, the collection is not statistically related nor of a confidential nature.
8. The agency notice soliciting comments on the information collection for OMB #2502-0313 was published in the Federal Register on Friday, May 2, 2014 (Vol. 79, No. 85, page 25144).
9. The Department provides no payment or gifts to the respondents.
10. The communications required are not of a confidential matter.
11. The communications required are not of a sensitive nature.
12. Burden Hours – The burden was estimated by assigning an estimated time for completion of applications for determination of technical suitability. The estimated time of 44 hours per respondent is an average and can vary. If the application is for a revision of an existing manufacturer’s acceptance document to add a new plant for example, the time would result in less than one hour. However, a more complex application for acceptance of a new structural system or factory built modular dwelling could take up to 80 hours. The estimated number of hours to complete an application is an average number based on discussions with several product manufacturers and recent applications. The type of information requested is generally a result of research and development of the product/material.

<u>Information Collections</u>	<u>Number of Respondents</u>	<u>Frequenc y of Response</u>	<u>Responses Per Annum</u>	<u>Burden Hour Per Response</u>	<u>Annual Burden Hours</u>	<u>Hourly Cost Per Response</u>	<u>Annual Cost</u>
Application*	50	1	50	41	2,050	\$42.13	\$77,900
Recordkeeping	50	1	0	3	150	\$42.13	\$ 6,300
	50		50		2,200		\$84,200

\*One-time application (includes HUD-92005, which takes approximately 30 minutes)

The \$42.13(this 3% of previous figure) per hour rate is blended based on the estimated hourly rate for clericals, engineers, and supervisors.

13. There are no additional costs to the respondents.
14. There is no cost to the Federal Government.

15. This a reinstatement without change of a currently approved information collection. There are no program changes or adjustments to this collection. A review of the information collected indicates that the number of respondents, number of responses, and annual burden hours are approximately the same.
16. The collection of information ultimately results in an issuance of technical acceptance documents. The information provided by manufacturers of building products and systems is used for eligibility under HUD mortgage insurance programs. The results of the information collection are not published.
17. HUD is not seeking approval to avoid displaying the expiration date.
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**

The collection of information does not employ statistical methods.