

# Supporting Statement for Paperwork Reduction Act Submissions

## Local Appeals to Single-Family Mortgage Limits OMB Control Number 2502-0302

### A. JUSTIFICATION

1. Any interested party may submit a request for the mortgage limits to be increased in a particular area if they believe that the present limit does not accurately reflect the higher sales prices in that area. Any request for an increase must be accompanied by sufficient housing sales price data to justify higher limits. Typically, this data includes housing sales data extracted from multiple listing services (MLS) that includes all or nearly all one-family and condominium sales in the area for a specified period of time, deleting all non-arm's length sales and sales involving two or more family units.

These requests are usually submitted by housing industry groups, such as homebuilders, realtors, and mortgage lenders. Most often, the housing sales price data is necessary to support a request for a higher mortgage limit that may be obtained from existing local industry sources, such as the real estate multiple listing services. The request for an increase to the mortgage limit is required to obtain benefits.

2. All requests are submitted exclusively to FHA's Santa Ana Homeownership Center, located in Santa Ana, California.
3. No similar information is available.
4. This information collection will have no significant impact on small businesses or other small entities. Generally, the requests come to HUD from housing industry groups, such as homebuilders, realtors, and mortgage lenders, and not from small entities.
5. There are no special circumstances applicable in this information collection.
6. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on Thursday, December 9, 2014. (Vol. 79, No. 196, page 61093) Received no comments.

A survey among industry contacts was not deemed necessary at this time. Over the past three years, there have been only 10 requests from interested parties. None of these requests were approved.

7. There are no payments or gifts to respondents.
8. No assurances of confidentiality are provided to respondents.
9. No questions of a sensitive nature are asked of respondents.
10. Estimate of the respondent burden and cost of the collection of information:

Information Collection	Number of Respondents (Requests from 2011-2013)	Frequency of Response	Responses Per Annum	Burden Hours Per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
Local Appeals to Mortgage Limits	10	1	10	7	70	\$32.00	\$2,240

The hourly cost is based on an estimate of the average salary of homebuilders, realtors, and mortgage lenders, of approximately \$65,500 per year.

There are approximately 2,751 FHA-approved lenders. Of these lenders, only 10 requests for loan limit increases have been received since 2011. This is primarily due to the accuracy of the data and the variety of data sources provided to HUD.

11. There are no additional costs to respondents or record keepers resulting from this information collection.

12. Federal government burden and cost:

Information Collection	Responses Per Annum	Burden Hour Per Response	Annual Hours	Hourly Cost	Total Annual Cost
Local Appeals to Mortgage Limits	10	2	20	\$44.11	\$882.20

The hourly rate is based on the annual salary in the Santa Ana HOC of a GS-13/1, of \$92,052.

During the past three calendar years, the Santa Ana HOC received a total of 10 requests and none were approved.

13. This is an extension of a currently approved collection. The number of respondents is based on actual responses received by HUD.

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

15. HUD is not seeking approval to avoid displaying the expiration date.

16. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

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

This collection of information does not employ statistical methods.