

## Supporting Statement for Paperwork Reduction Act Submissions

### A. Justification

#### 1. Why is the information necessary?

Identify the legal or administrative requirements that necessitate the collection.

Attach a copy of the appropriate section of each statute and regulation mandating/authorizing the collection of information.

This request for OMB approval seeks clearance for information collections related to HUD's "Loan Guarantee Recovery Fund," a rule that implements Section 4 of the "Church Arson Prevention Act of 1996" (Pub. L. 104-155, approved July 3, 1996) (the Act) at 24 CFR part 573. Section 4 of the Act authorizes the Secretary of HUD to guarantee loans made by financial institutions to assist certain nonprofit organizations (organizations described in Section 501 c (3) of the Internal Revenue Code of 1996) that have had property damaged as a result of acts of arson, or terrorism.

The circumstances that make the information collection necessary:

#### Financial Institution Reporting

Financial records are required to be kept and maintained for the duration of the loan. Records pertaining to the loans made by financial institutions shall be held for the life of the loan guarantee. A lender with a Section 4 Guaranteed Loan shall allow HUD, the Comptroller General of the United States, and their authorized representative access from time to time to any documents, papers, or files which are pertinent to the guaranteed loan, and to inspect and make copies of such records which relate to any Section 4 Loan. Examples of records include Loan Guarantee application, copy of promissory notes, loan guarantee agreement, HUD-158 forms, HUD-718 forms.

#### 2. What information is to be collected?

From whom?

How is it collected?

How will the information be used; for what purpose and by whom.

How has it been used in the past?

The recordkeeping requirements for financial institutions include providing monthly loan repayment reports. These reports track how effectively and consistently the borrowers (houses of worship) repay their loans.

#### 3. Is the information submitted electronically? If not, why?

Will it ultimately be managed in an automated system? Identify the system.

Describe whether, and to what extent, the collection of information is automated (item 13b1 of OMB form 83-i).

Under the Government Paperwork Elimination Act (GPEA), the public must be provided with the option of responding electronically. If that is not feasible, explain why. This must be addressed.

The Church Arson Loan Guarantee program does not have an on-line electronic data reporting system. As a note, data is collected monthly. Data from lending institutions are received through e-mail. Public has the option of responding through e-mail.

4. Is this information collected elsewhere? Review current information collection packages for potential consolidation.

No, this information is not collected elsewhere.

5. Does the collection of information impact small businesses or other small entities (item 5 of OMB form 83-i)? Describe any methods used to minimize burden.

Information collected does not impact small businesses.

6. Why can't the information be collected less frequently – or not at all?  
Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

In the event of a default, additional data would be required to facilitate the default process.

7. Explain any special circumstances requiring:
  - response more than quarterly;
  - response in fewer than 30 days;
  - more than an original and two copies of any document;
  - retain records for more than three years (*other than health, medical, government contract, grant-in-aid, or tax records*);
  - statistical surveys not designed to produce results than can be generalized to the universe of study;
  - statistical data classification not been approved by OMB;
  - a pledge of confidentiality that is not supported by statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
  - respondents to submit proprietary trade secret, or other confidential information.

Data are collected on a monthly basis as a requirement of HUD's CFO. Records and files are collected and managed throughout the loan guarantee period (up to twenty years).

8. Date and page number of the *Federal Register* notice (provide a copy) soliciting comments and public input Summarize any public comments and describe response to comments. Describe all efforts to consult with persons outside the agency to obtain their input.

9. Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.

No payment or gifts will be given to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

Information provided by financial institutions will be confidential to the extent permitted under the rules of the Freedom of Information Act.

11. Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private

No questions of a sensitive nature are required.

12. Estimate public burden:

- number of respondents,
- frequency of response (*if a respondent provides multiple documents at one time, consider that a single response*),
- average total responses annually
- average annual hour burden.

Read the complete instructions on the form 83i. **Explain how the burden was estimated.** Generally estimates should not include burden hours for customary and usual business practices;

- if this collection uses more than one form, provide **separate estimates for each form** and aggregate the hour burdens in item 13 of OMB Form 83i; and
- provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.
- The cost of contracting out or paying outside parties for information collection activities should **not be included here**. Instead this cost should be included in Item 13.

Total burden hours: 864 Estimation of Burden hours were determined by the following formula:

Total response Hours x Hours per response = Total Burden Hours

$$432 \quad \times \quad 2 \quad = \quad 864 \text{ Burden Hours}$$

	Number of Respondents	Response Frequency	Total Responses	Hours per Response	Annual Burden	Hourly Rate	Annual Costs
Reports	18	12	216	2	432	\$25	\$10,800
Recordkeeping	18	12	216	2	432	\$25	\$10,800
<b>Totals</b>	<b>36</b>	<b>24</b>	<b>432</b>		<b>864</b>		<b>\$21,600</b>

13. Estimate of the average, annual cost beyond the cost of hour burden shown in Items 12. Read the complete instructions on the form 83i.

No capital or start-up costs are anticipated.

14. Estimate annualized costs to HUD of collecting the information, including processing the information.

**Estimated Annualized Cost to the Federal Government**

Stages	Monthly Reports	Total Cost
# of Cases	216	
Hours	1	
Cost Per Hour	\$30	
Cost		<b>\$6,480</b>

15. Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i. Also explain any other changes/revisions to the information collection.

This is an extension of a currently approved collection.

16. If the information will be published, outline plans for tabulation and publication.

Information will not be published.

17. Explain any request to not display the expiration date.

The expiration date will be displayed.

18. Explain each exception to the certification statement identified in item 83i-19. This includes, specifically, providing the required information to respondents:

- The OMB control number and expiration date;
- Why the information is being collected;
- Use of the information;
- Burden estimate;
- Nature of response (voluntary, required for a benefit, or mandatory);
- Nature and extent of confidentiality; and
- The requirement to display currently valid OMB control number.

Even if no forms are used to collect the information, respondents must be provided this information. Be prepared to explain how this requirement is met.

No exceptions to the Certification are sought.