

Supporting Statement for Paperwork Reduction Act Submissions

Requisition for Disbursement of Sections 202 & 811 Capital Advance/Loan Funds

OMB Control Number 2502-0187
(HUD-92403-CA and HUD-92403-EH)

A. Justification

1. The Section 202 Program was first enacted as part of the Housing Act of 1959 to provide direct Federal long-term loans for the construction of housing for the elderly or handicapped. The program was intended to serve elderly persons whose income was above public housing levels but not sufficient to obtain adequate housing on the private market. The collection of this information is authorized by 24 CFR Part 891 (copy attached).

In 1973 there was an amendment to the program that extended eligibility to persons with developmental disabilities. In 1978, amendments added group homes and extended eligibility to the chronically mentally ill. The 1990 Cranston-Gonzalez National Affordable Housing Act not only replaced the loan program with a capital advance program with no debt service but it also separated the elderly from the disabled, hence the Section 811 Supportive Housing for Persons with Disabilities.

2. The requisition is completed by the Owner and submitted to HUD for processing and approval. In doing so, the Owner identifies the project, provides information about its depository, and lists the development costs for which payment is due. Upon receipt of the requisition, HUD staff reviews the information to determine the eligibility of the items listed, as well as the amounts requested. If approved, the appropriate HUD official signs the requisition and forwards it to HUD's Fort Worth Accounting Center for processing. A Treasury check is issued for payment. The check covers the first and final payments to the Owner, or is delivered to the Field Office for hand delivery to the Owner at the initial loan closing. Since FY 2009, all other payments throughout construction are made with Form 50080-CAH, LOCCS Section 202 or Section 811 Capital Advance Program Payment Voucher. Applicants are required to submit (along with the requisition form) unaltered documents with original signatures, i.e., original title updates, the Contractor's Requisition Form HUD-92448 (OMB No. 2502-0028), invoices, and receipts.

Form HUD-92403-CA, Requisition for Disbursement of Funds, is used for disbursement of capital advance funds.

Form HUD-92403-EH, Requisition for Disbursement of Section 202 Loan Funds, is required to be used by the Owner to apply for disbursements to meet bills that are due and payable to contractors for work completed. This form will remain in use until all "loan" projects have been finally closed, at which time this form will be terminated.

3. Currently, the Department is looking at several methods for automating the "back-end" stage of its housing programs. The Department has successfully implemented the automation of the Requisition for Disbursement of Funds during the construction period via the Department's Line of Credit Control System/Voice Response System (LOCCS/VRS). Recipients will complete and submit Form 50080-CAH, LOCCS Section 202 or Section 811 Capital Advance Program Payment Voucher and receive an electronically wired payment. The use of forms HUD-92403-CA and HUD-92403-EH have been significantly reduced such that Owners submit this form twice instead of monthly.
4. No duplication exists.
5. This information collection does not have a significant economic impact on a substantial number of small businesses or other small entities. However, HUD permits a reasonable fee for consultant's services to be included in the Sections 202 & 811 capital advance to assist the Owners in gathering the information needed

to complete the requisition form.

6. Owners submit the requisitions for funds based on the amount of development costs including construction work completed at initial and final closing of the project. Previously, the collection was submitted throughout the construction stage on a monthly basis. Although this collection has been reduced due to automation, it is still available to submit at both initial and final closing. The submission of the collection on these two occurrences is necessary due to the nature of real estate transactions. Often the date of closing with short notice and having a paper check reduces the risk of a wired payment being received on the wrong day or for the wrong amount.
7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
 - requiring respondents to report information to the agency more than quarterly;
Not applicable
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
Not applicable
 - requiring respondents to submit more than an original and two copies of any document;
Not applicable
 - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
Not applicable
 - in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
Not applicable
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
Not applicable
 - that includes a pledge of confidentiality that is not supported by authority established in 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
Not applicable
 - requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.
Not applicable
8. In accordance with 5 CFR 1310.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on 01/27/2016, (Vol. 81, No. 17, pages 4637). (1) Comment was received.

The Department consults with various housing professionals representing the types of Sponsors that generally participate in the Section 202 and Section 811 program, i.e., minority organizations, small organizations, and non-minority organizations prior to 1995, and has continued to consult with program participants during each annual funding cycle. HUD field staff is also consulted on their opinion and experience with this data collection as they must review and compile records. In particular, three project managers from different multifamily hubs (Shevon Smith, Elaine Chavez, and Mary Ann Diak-Stern) were questioned on their views for this collection's clarity, frequency, and formatting.

9. There will be no payment or gifts to respondents.
10. HUD does not assure confidentiality.
11. The information collection does not contain any sensitive questions.

12. Estimated Burden Hours and Costs to Respondents:

This submission also takes into consideration the total number of requisitions submitted from initial closing, through the construction period, to final closing.

Only those Owners of projects that closed as loans prior to the conversion of the program to capital advances are using the Form HUD-92403-EH and Owners of capital advance projects are using Form HUD-92403-CA (i.e., in connection with those projects that are still under construction or where construction has been completed but final closing has not been achieved). Based on a review of our records, the following numbers of projects (loans/capital advances) fall into the two categories:

Section 202: 66 projects
Section 811: 46 projects
Total: 112 projects

Requisitions Submitted	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
Section 202 Projects	66	2	132	.50	66	\$33.39	\$2204
Section 811 Projects	46	2 *	92	.50	46	\$33.39	1536
Totals	112		224		112		\$3,740

* Six months is the estimated construction time for an average-size 811 project).

Hourly cost is based on an estimate of project owner's staff with an annual salary of \$69,686.

13. There are no additional costs to the respondents.

14. Estimate of cost to the Federal Government: Inasmuch as the majority of the work involved in reviewing the requisitions is done at the HUD Program Center level, the significant costs attributable to the use of the requisition form will be the cost involved in reviewing the information on the form as submitted by the Owner. The review includes the steps taken to verify, to the maximum extent possible, the accuracy of the information submitted. Processing of the requisition involves three main principals:

(1) staff at the HUD Program Center level – receives, reviews, and recommends approval of the requisition;

(2) staff from HUD's Office of the Chief Financial Officer – performs the accounting functions, and prepares and submits the voucher to the Treasury Department for issuance of the Treasury check or direct deposits, as appropriate; and

(3) staff from the Treasury Department – handles the issuance of the check or direct deposits.

Other costs include the cost for periodic printing of the form. It should be noted that reproduction of the form also is done at the HUD Program Center level. The cost to the Federal Government is based on an average salary at the GS-12 level.

Direct Personnel	Number of Forms Submitted	Total Hours per Form	Total Staff Hours	Hourly Rate	Total
Tech Support Division	112	1.5	168	\$33.39	\$ 5,610
Ft. Worth Accounting Center	112	1.0	112	\$33.39	3,740
Treasury	112	0.5	56	\$33.39	1,870
Totals	112	3.0	336		\$11,220

Hourly is based on the base salary of a GS-12 Step 5 at \$33.39/hour.

15. This is an extension of a currently approved collection. This submission reflects the number of respondents with initial closings and the number of requisitions from initial closings through the construction period, to final closing. The burden has decreased since last year due to a bulk of projects reaching the final closing stage of development and a decrease in funding resulting in a smaller number of projects in the pipeline. It has also decreased due to the automation of monthly requisitions between initial closing and final closing.

16. The results of this information collection will not be 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 Information Employing Statistical Methods

This collection does not employ statistical methods.