

**PAPERWORK REDUCTION ACT
CHANGE WORKSHEET**

Agency/Subagency U.S. Department of Housing and Urban Development Office of Housing, Office of Single Family Housing, Office of Lender Activities and Program Compliance	OMB Control Number 2502-0005	
<i>Enter only items that change</i>		
Agency form number(s)	Current record	New record
Annual reporting and recordkeeping hour burden		
Number of respondents	3,851	2,991
Total annual responses	14,739	13,127
Percent of these responses collected electronically	98%	99.9%
Total annual hours	13,155	11,740
Difference		(1,415)
Explanation of difference		Implementation of LEAP
Program change		(1,415)
Adjustment		(1,415)
Annual reporting and recordkeeping cost burden (in thousands of dollars)		
Total annualized Capital/Startup costs		
Total annual costs (O&M)		
Total annualized cost requested		
Difference		
Explanation of difference		
Program change		
Adjustment		

Other changes:**

Explanation of changes:

This is a change request for OMB Control Number 2502-0005, which covers FHA Lender Approval, Annual Renewal, Periodic Updates and Required Reports from FHA Approved Lenders. The change stems from the deployment of FHA's Lender Electronic Assessment Portal (LEAP). LEAP consolidates all FHA lender approval and recertification business processes and replaces the Lender Assessment Subsystem (LASS). LEAP is scheduled to deploy beginning May 9, 2014.

This collection covers the same environment, has the same functions and purpose, uses the same or similar forms, and collects the same information as previously stated.

FHA lenders completing their annual recertification package will now do so using LEAP rather than LASS. This affects the following responses and burden hours:

1. **Online Annual Financial Statements and Reports:** Each lender must submit its required financial statements and reports via LEAP to renew its FHA lender approval. FHA has consolidated the FHA ID numbers of lenders that share the same Tax Identification Number. Whereas previously lenders that held both Title I and Title II authority for participation in FHA programs had to file individual recertification packages for each authority, lenders with dual authority will now file a single recertification package. This reduces the number of respondents filing annual recertification packages.
2. **Online Annual Certification Report/Unable to Certify Report:** Each lender must submit its annual online certification via LEAP. Whereas the online certification was previously a single paragraph which lenders must certify to, FHA has now broken the paragraph down into individual clauses. There are 10 such clauses for supervised and nonsupervised lenders to certify to. There are 3 such clauses for investing and government mortgagees to certify to. If a lender cannot certify compliance with all of with all the requirements in the certification, the lender must submit an explanation of the reasons why it cannot certify. LEAP provides lenders the option to attach supporting documentation to the lender's unable to certify explanation. Previously this documentation was sent to FHA via individual emails. This may slightly increase the number of burden hours required to submit such reports.
3. **Online Payment of Annual Renewal Fee:** Each lender must submit an electronic payment for its annual renewal fee via LEAP. Whereas previously lenders that held both Title I and Title II authority for participation in FHA programs had to pay two separate fees (one for each authority), lenders with dual authority will now pay a single combined fee. This reduces the number of respondents paying online renewal fees.

LEAP also affects the way lenders execute post-approval updates and business change requests. This affects the following responses and burden hours:

4. **Online Business Changes of a Lender:** LEAP allows lenders to self-update their institution and branch profile information, including updates to addresses, phone numbers, fax numbers, email addresses, NMLS ID, and dba (doing business as) name of the lender's home office or any registered branches. LEAP also automates the process for requesting business changes and notifications required by Chapter 6 of HUD Handbook 4060.1 and Mortgagee Letters 2009-31, 2010-38, and 2011-34. These changes, which include corporate officer changes, voluntary withdrawal, notification of material events, adding branches, mergers, and branch bulk transfers and acquisitions, were previously submitted manually to FHA. This increases the number of responses for online business changes.
5. **Non-online Business Changes of a Lender:** Because LEAP automates the change request processes noted above, the number of lenders submitting non-online business change requests is eliminated.

Additionally, LEAP allows for branch office registration and Credit Watch Termination Reinstatement requests to be made online. This affects the following responses and burden hours:

6. **Online Branch Registration:** Lenders must electronically submit Form HUD 92001-B via LEAP to register branch offices; this is now the only way to register a branch office with FHA.
7. **Non-online Branch Registration:** Lenders previously submitted Form HUD-92001-B in hard copy to register branch offices as a back-up to the online registration process. LEAP has eliminated the need for hard copy submission.

- 8. **Non-online Credit Watch Termination Reinstatement Requests:** A Title II lender who lost part of the geographic area of its approval to originate Title II loans via HUD's Credit Watch Termination Initiative may request reinstatement of the lost area. Whereas this request was previously required to be submitted in hard copy, LEAP requires the request be made online. This eliminates the responses for non-online requests.
- 9. **Online Credit Watch Termination Reinstatement Requests:** Because LEAP now requires Credit Watch Termination Reinstatement requests to be made online, rather than in hard copy, FHA is creating a new line item under this PRA. Online submission substantially reduces the amount of burden hours necessary to submit a request.

Finally, FHA would like to use this change request as an opportunity to update the estimated number of burden hours for submission of FHA's online lender approval application.

- 10. **Online Application for Lender Approval:** The online application for FHA lender approval was implemented on June 20, 2012. Since that time, FHA has had the opportunity to collect more accurate data on the estimated number of burden hours to complete the application.

Signature of Senior Official or designee:

Date:

For OIRA Use

**This form cannot be used to extend an expiration date.
OMB FORM 83-C