

Supporting Statement for Paperwork Reduction Act Submissions

FHA Stakeholder Feedback for the new FHA Single Family Policy Handbook

OMB Control Number 2502-New

A. Justification

1. HUD's Federal Housing Administration (FHA) program is authorized under Section 203, National Housing Act (12. U.S.C. 1709 (b), (i). Program regulations are in 24 CFR part 203.

2. FHA is developing a new *FHA Single Family Policy Handbook (SF Handbook)*. The handbook is a single, consolidated and authoritative source for FHA Single family Housing Policy. The handbook will make it easier to do business with FHA Single Family by:

- Consolidating policy into one Handbook
- Using simple, more directive language
- Aligning the flow of the handbook to the lender/mortgage process.

FHA will complete the handbook in phases over the next two years. The plan is to post sections of the draft handbook on HUD's website and have stakeholders, primarily lenders and appraisers, voluntarily provide feedback. There are six sections to the Handbook and the first draft section, *Application Through Endorsement*, will be posted in October, 2013. The other five draft sections will be posted for feedback over the next two years. Those sections include:

- Eligibility to Insure with FHA, Quality Control and Compliance
- Servicing FHA loans
- REO and FHA Claims
- Title I Mortgages
- And Home equity Conversion Mortgages (HECM)

Each draft Handbook section will be posted on the website for feedback for a period of one-month. Lenders, Appraisers/203K Consultants and other stakeholders who wish to provide feedback will use a web-based template to submit feedback to FHA. The process of posting a draft for feedback may be deployed throughout the year to address potential changes to the Handbook on an ongoing basis. Feedback will always be voluntary and will typically not take place more than 8-10 times per year. Year 1 will be the largest review because the handbook is being reissued in its entirety in phases (as described above) with each phased section completed being successively smaller than the first 2-3 phases. Table 12 estimates the public burden for reporting feedback.

3. Stakeholders will use an on-line Excel feedback template to record their feedback. Once completed, they will submit the excel form electronically. FHA chose this on-line reporting method because it is easier for persons to complete, thus keeping burden to a minimal level.

4. The draft sections of the Handbook are newly developed. No feedback exists that can be used or modified.
5. Not applicable.
6. Without feedback, FHA's final Handbook would lack critical revisions or changes that would improve its usefulness. In particular, obtaining feedback permits FHA to have a handbook that helps lenders and appraisers quickly find needed information and reduces the need for them to obtain clarification and direction on existing and changing policy.
7. There are no special circumstances in the collection of this feedback information. Lenders and appraisers are not required to submit feedback. Rather, their participation is completely voluntary. They may choose the frequency with which they submit feedback, but we are requesting only one submission per company. We are asking that they submit feedback within one month of publishing each draft section of the handbook.
8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* April 29, 2014 (Volume 79, Number 82, Page 24002). No comments were received.
9. No gifts are paid.
10. No assurance of confidentiality is provided.
11. There are no areas of a sensitive nature.
12. The table below indicates the number of voluntary respondents (lenders and appraisers/203K Consultants), frequency of response, annual hour burden, and an explanation of how the burden was estimated. Because the hour burden on lender respondents is expected to vary widely because of differences in activity, size, or complexity, the range of estimated hour burden is broken into large and small/mid-size lenders.

Voluntary FHA Stakeholder Feedback for the new FHA Single Family Policy Handbook

Voluntary Feedback Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Total Annual Burden Hours	Hourly Rate	Total Annual Cost
Large FHA Lenders	20	Varies	200	.5	100	\$40.00	\$4,000
Small and Mid-size FHA lenders	2000	Varies	6,000	.5	3000	\$40.00	\$120,000
FHA Appraisers/203K Consultants	2000	Varies	3,000	.5	1500	\$40.00	\$60,000
Totals	4,020		9,200	1.5	4600		\$184,000

The \$40.00 estimated hourly rate is similar to the mid-range rate of a GS 13 employee. This is level/hourly rate is comparable to lenders and appraisers.

13. There are no additional costs to respondents or record keepers resulting from the collection of

14 There are no annual costs to the Federal government.

15. This is a new collection.

16. The results of this feedback information collection will not be published.

17. Not applicable.

18. There are no exceptions to the certification statement.