

Supporting Statement for Paperwork Reduction Act Submissions

Applications for Housing Assistance Payments OMB Control Number 2502-0182

HUD-52670: Housing Owner's Certification and Application for Housing Assistance Payments
HUD-52670-A Part 1: Schedule of Tenant Assistance Payments Due
HUD-52670-A Part 2: Special Claims Schedule
HUD-52670-A Part 3: Adjustments to Schedule of Tenant Assistance Payments Due
HUD-52670-A Part 4: Misc. Accounting Requests for Schedule of Tenant Assistance Payments Due
HUD-52670-A Part 5: Approved Special Claims for Schedule of tenant Assistance Payments Due
HUD-52670-A Part 6: Repayment Agreements for Schedule of tenant Assistance Payments Due
HUD-52671-A: Special Claims for Unpaid rent/Damages
HUD-52671-B: Special Claims for Vacancies During Rent-up
HUD-52671-C: Special Claims for Regular Vacancies
HUD-52671-D: Special Claims for Debt Service
HUD-93742: Senior Preservation Rental Assistance Contract (SPRAC I)
HUD-93742a: Senior Preservation Rental Assistance Contract (SPRAC II)

A. Justification

This revision of the currently approved 2502-0182 information collection is being requested to continue use of separate Parts to form HUD-52670-A for Adjustments to Schedule of Tenant Assistance Payments Due (HUD-52670-A Part 3), Miscellaneous Accounting Request for Schedule of Tenant Assistance Payments Due (HUD-52670-A Part 4), Approved Special Claims for Schedule of Tenant Assistance Payments Due (HUD-52670-A Part 5), and HUD-52670-A Part 6: Repayment Agreements for Schedule of tenant Assistance Payments Due. Information relative to HUD-Form 52670-A Part 6 "Repayment Agreements for Schedule of Tenant Assistance Payments Due" has been added to meet the requirements of Executive Order 13520 of November 20, 2009, The Improper Payments Elimination and Recovery Act (IPERA).

Also, the Senior Preservation Rental Assistance Contract (SPRAC) forms (HUD-93742, SPRAC I and HUD-93742a, SPRAC II) are the documents HUD will use for the purpose of specifying the total amount of SPRAC funds that HUD is awarding to a project, the total number of units that will be assisted by these funds, the unit rent limits that HUD is imposing as a condition of the owner's acceptance of the SPRAC funds, and all other terms and conditions of the award. Execution of the SPRAC forms also signifies the point of obligation of the SPRAC funds to the project.

The difference reporting burden results from collecting data on tenant repayments and involves providing each tenant its own form for reporting purposes to increase clarity. All Parts are handled by the software with no impact on the user. System enhancements to Tenant Rental Assistance Certification System (TRACS) included changes to calculation algorithms that cause reductions in overpaid rent subsidies in Multifamily Housing Rental Assistance Programs.

Information collected on the subject forms is authorized under four statutes that cover five major program areas. The statutes include:

- a. Section 101 of the Housing and Urban Development Act of 1965 for the Rent Supplement program.
- b. Section 236 of the National Housing Act for the Rental Assistance Payments (RAP) program.
- c. Section 8b of the U.S. Housing Act of 1937 for the various Section 8 programs under the Office of Housing.
- d. Section 811 of the Cranston-Gonzales National Affordable Housing Act covering both the 202/162 Project Assistance Contracts (PACs) and the 202/811 Project Rental Assistance Contracts (PRACs).

- e. Executive Order 13520 of November 20, 2009, The Improper Payments Elimination and Recovery Act (IPERA).

PACs – Created for Section 202 properties, the 162 program provide subsidies in the form of PACs to nonprofit sponsors to help make rents affordable in Section 202 projects developed for persons with disabilities. The term of a PAC is 20 years.

PRACs – The PRAC provides a rental subsidy to tenants in these properties and worked very similarly to assistance provided through Section 8 Housing Assistance Payment (HAP) contracts.

There are implementing regulations for each program area. They include:

- a. RAPs: 24 CFR 236.740
- b. Section 8 Housing programs: 24 CFR 5.506 Section 8, 202 PACs or PRACs and 202/811 PRACs: 24 CFR 880.608f, 880.611c, 880.611d, 884.106c, 884.106d, 884.115a, 886.109c, 886.309d, 886.116a, 886.309g, 886.315d, 886.445c, 891.105, 891.435c, 891.445c, 891.635, 891.650c, 891.650d, 889.790c, 891.775.
- c. Section 202 PRACs, Section 811 PRACs: 891.445b
- d. Section 811 Project Rental Assistance (PRA) Demonstration Program: Frank Melville Supportive Housing Investment Act, Public Law 111-374., 42 U.S.C 8013
- e. The Rental Assistance Demonstration (RAD), [HUD's 2012 Appropriations Act \(PL 112-55\)](#)

Each program has a rental assistance payments contract. These contracts indicate HUD will make monthly assistance payments to owners/agents on behalf of the eligible households who reside in assisted units under each contract.

Owners sign a certification on the voucher forms, which states the following:

- a. Each tenant's eligibility and assistance payments was computed in accord with HUD's regulations, administrative procedures and the Contract, and are payable under the Contract;
 - b. All required inspections have been completed;
 - c. The units for which assistance is being billed are decent, safe, sanitary, and occupied or available for occupancy;
 - d. No amount included on the bill has been previously billed or paid;
 - e. All facts and data on which the payment request is based are true and accurate; and
 - f. That no payments have been paid or will be paid from the tenant or any public or private source for units beyond that authorized by the assistance contract, or lease, unless permitted by HUD.
2. Owners/agents submit the forms to their Contract Administrator (CA) or HUD's Tenant Rental Assistance Certification System (TRACS) for payment.

The Department's initiative to have our Section 8 inventory reviewed by a third party other than HUD staff instituted the use of PBCAs. These 53 entities review certifications and authorize an amount to be paid to the owner/agent based on that review and transmit both certifications and payment vouchers to the TRACS system, which then passes the authorized payment amount to the Line of Credit Control System (LOCCS). LOCCS then sends these authorized amounts to Treasury for payment. Owners/agents of Rent Supplement, RAP, RAD, PAC and PRAC contracts transmit their data directly to TRACS, which validates the accuracy of the calculations and passes the authorized payment amount to LOCCS for payment through the Treasury.

Every month, each owner/agent transmits applications for payment, as follows.

Each owner/agent transmits a HUD-52670, a monthly recap for all units and assistance payment category, the HUD-52670A-Part 1 to account for all regular assistance payments for assisted units, and HUD-52670-

A Part 3 for adjustments required by move-ins, move-outs, terminations, unit transfers, retroactive corrections, annual recertifications, and gross rent changes that occurred since the last payment voucher.

Special claims forms (HUD-52670-A Part 2, HUD-52670-A Part 5, and forms 52671A through D) are only used for the Section 8, PAC, and PRAC programs. As special claims amounts are unit specific, there are generally multiple 52671A-Ds, which are listed on the 52670-A, Part 2, which recaps the attachments. The HUD-52670-A Part 5 provides an audit trail of the special claims and entity (CA or HUD Field Office) that approved the claim.

HUD-52670-A Part 6 “Repayment Agreements for Schedule of Tenant Assistance Payments Due” has been added to meet the requirements of Executive Order 13520 of November 20, 2009, The Improper Payments Elimination and Recovery Act (IPERA) and provide increased clarity in reporting.

The Forms listed below are transmitted to either Field Office staff or the appropriate CA (traditional or PBCA) for review and/or approval. In the instance of HUD staff, approved amounts are returned to the owner/agent for transmission as part of the following months payment voucher to TRACS for payment through LOCCS. Traditional Contract Administrators and PBCAs review, approve, and authorize approved amounts during their 30-day processing time and transmit the approved amounts to TRACS for payment to owners/agents through LOCCS.

Form HUD-52670, Housing Owner’s Certification and Application for Housing Assistance Payments – this form is submitted monthly by owners/agents to their CAs or HUD for each subsidy contract and provides basic information on the project, reports the number of contract units which are occupied by eligible tenants, and bills HUD for the housing assistance payments.

Form HUD-52670-A, Part 1, Schedule of Tenant Assistance Payments Due – this form is completed monthly by owners/agents and submitted to their CA or HUD so HUD/CA can pay owners the difference between the gross rent and the total tenant payment (housing assistance payment) according to regulations. Reasons for Adjustments, Total Adjustments and Total Misc. Accounting were removed from the form. Adjustments are on form HUD-52670-A Part 3 described below. Miscellaneous Accounting Requests are on form HUD-52670-A Part 4 described below.

Form HUD-52670-A, Part 2, Special Claims Schedule – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset unpaid rent, tenant damages, and debt service losses. This form is always filed in conjunction with one or more of the forms listed below, and is never filed alone.

Form HUD-52670-A, Part 3, Adjustments to Schedule of Tenant Assistance Payments Due – this form is completed monthly as needed by owners/agents and submitted to their CA or HUD so HUD/CA can review details of adjustments to assistance billings. Adjustments involve move-ins, move-outs, terminations, unit transfers, retroactive corrections, annual recertifications, and gross rent changes occurring since the last payment voucher.

Form HUD-52670-A, Part 4, Miscellaneous Accounting Request for Schedule of Tenant Assistance Payments Due – this form is completed monthly as needed by owners/agents and submitted to their CA or HUD so HUD/CA can review detail miscellaneous request for drug related expenses, service coordinators, field office initiated accounting adjustments, and owner/agent initiated accounting adjustments.

Form HUD-52670-A, Part 5, Approved Special Claims for Schedule of Tenant Assistance Payments Due – this form is completed monthly as needed by owners/agents and provides an audit trail of the special claims and entity (CA or HUD Field Office) that approved the claim. HUD-52670-A Part 5 provides a means (quick and easy way) for CA and HUD staff to confirm that HUD-52670-A Part 2 matches what the Owner/Agent actually is billing on the monthly voucher. Without HUD-52670-A Part 5, CA or HUD staff would have to review unformatted electronic transmissions to determine what is in the record (voucher).

Form HUD-52670-A, Part 6, Approved Repayment Agreements for Schedule of Tenant Assistance Payments Due – this form is completed monthly as needed by owners/agents and provides an audit trail of the tenant repayment agreements approved by owners.

Form HUD-52671-A, Special Claims for Unpaid Rent/Damages – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset losses due to unpaid rent and/or tenant damages.

Documentation required:

- 1) Evidence owner took steps to collect debt
 - a. Copy of certified letter
 - b. Documentation that appropriate security deposit was collected from tenant
 - c. Documentation that matter was turned over to a collection agency
- 2) Damage documentation
 - a. Owner certification that claim was not result of normal wear and tear
 - b. Copy of move-in inspection report
 - c. Copy of repair cost breakdown with at least one of following: invoices, o/a certification of determination of useful life.

Form HUD-52671-B, Special Claims for Vacancies During Rent-up – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset vacancy costs during rent-up.

Documentation required:

- 1) Provide list of leased or available for lease on date of permission to occupy. Justification for all vacant units, explaining why they remained vacant.
- 1) Documentation that marketing began 90 days prior to occupancy: copies of advertisement, copies of waiting list, and copies of letters to rejected tenants.

Form HUD-52671-C, Special Claims for Regular Vacancies – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset 60-day vacancies.

Documentation required:

- 1) Copy of owner notice when learning of vacancy
- 2) Copy of voucher adjustment page that verifies move-out and move-in
- 3) Copy of reconditioning log
- 4) Copy of advertisements
- 5) Copy of Waiting list
- 6) Copy of information that shows reason for unit transfer.

Form HUD-52671-D, Special Claims for Debt Service – this form is completed as needed by owners/agents so HUD can pay owners an amount to help the contract remain viable during lengthy vacancy periods.

Documentation required:

- 1) Copy of advertisements
 - 2) Copy of un-audited financial statement
 - 3) Written narrative explaining
 - i. Causes of vacancies
 - ii. Causes of financial problems
 - iii. Action taken to correct financial condition and prevent a reoccurrence
 - iv. Source of funds and time frame for paying off delinquent mortgage & excess accounts.
3. HUD approves the expense of software programs and hardware at project expense to permit projects to automate the certification and payment process. Smaller projects, which are unable to afford the purchase of hardware and software, are permitted to use “service bureaus” that perform both the certification and payment voucher process, passing paper back to the site for signature and filing and transmitting the electronic data to the CA or HUD’s TRACS. Using automated software, vouchers and special claims are calculated based on automated certifications. Use of automation permits more accurate calculations and reduces inaccurate payments.
4. These information collections are not collected elsewhere.
5. Many smaller sites have reduced their burden hours using the techniques discussed in #3 above. These information collections do not have a significant impact on small businesses or other small entities.
6. If these collections are not conducted or are conducted less frequently, HUD would lose millions of dollars of erroneous payments. Correctly programmed software in use at project sites has helped the industry ensure more accurate calculations that in turn permit HUD to pay correct amounts for assisted tenants.
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; *N/A*
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; *N/A*
 - requiring respondents to submit more than an original and two copies of any document; *N/A*
 - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; *N/A*
 - 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; *N/A*
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB; *N/A*
 - 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; *N/A*
 - 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. *N/A*
8. In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on April 27, 2016, Volume 81, No. 81, Pages 24865. No Comments received.

Obtain stakeholder involvement as reporting requirements are developed. During the Recovery Act, federal officials listened to the concerns of recipients and made changes to guidance in response, which helped ensure they could meet those requirements. Without similar outreach under the current initiatives, reporting challenges may not be addressed, potentially impairing the data’s accuracy and completeness, and increasing burden on those reporting.

The agency solicited stakeholder input through TRACS Industry Working Group sessions held April 7, 2016, at HUD Headquarters in Washington, DC and there were no suggested revisions to HUD-Form 2502-0182 prior to submission of forms to OMB for approval.

HUD established a working group in April 7, 2016 to identify enhancements for TRACS Release 202D Version 2. The working group consists of HUD Industry Partners (Contract Administrators, Trainers and Software Vendors) and HUD staff. The working group conducted eight work sessions to determine the requirements for TRACS Release 202D Version 2.

During these sessions, HUD partners did not provide suggestions for revising forms HUD-Forms relative to 2502-0182. On April 7, 2016, HUD held the Quarterly TRACS Industry Meeting in Washington D.C. for approximately 130 Industry Partners (Contract Administrators, Owners/Agents, Service Bureaus, Trainers and Software Vendors). During the Industry Meeting, a special session was conducted where each form relative to 2502-0182 was presented to the attendees for open discussion. On April 22, 2016, HUD held a Virtual Meeting with the TRACS Industry Working Group and HUD staff where the forms and TRACS 202D Version 2 enhancements were presented followed by a question and answer period. No comments from the Quarterly TRACS Industry Meeting (April 7, 2016), Postings or Virtual Meeting (April 22, 2016) resulted in no changes to the forms.

Software Vendor contacts incorporating the TRACS 202D Version 2 system requirements include:

| Company Name | Point of Contact | Business Telephone Number | E-Mail Address |
|---------------------------------------|--|---------------------------|--|
| Bostonpost Technology | Jed Graef | 440-409-2942 | jed.graef@mrsoftware.com |
| BP Software | Ron Barlean | 800-344-7611 | ronbarlean@gmail.com |
| CGI | Gregg Sargi | 216-416-6454 | gregg.sargi@cgifederal.com |
| Emphasys Software | Paul Maltby | 800-899-4227 EXT 1102 | pmaltby@emphasys-software.com |
| HAB | Jill Fularczyk | 608-785-4950 | jill.fularczyk@habinc.com |
| Hopewell Software | Richard Hilton | 954-353-9242 | richard@hopewellsoftwaresolutions.com |
| Housing Development Software | Charlene Vassil | 954-217-9597 EXT 218 | charlene.vassil@hdsoftware.com |
| IPM Software | Dan Dulleba | 802-985-9319 | ddulleba@ipm-software.net |
| Lindsey Software, Inc. | John Lindsey | 501-372-5324 | john_lindsey@lindseysoftware.com |
| MultiSite Systems, LLC | Brent Lawrence | 888-409-5393 | brentl@multisitesystems.com |
| PHA Web | Nathan Hoff | 608-784-0354 | nathan@pha-web.com |
| PM Services, LLC | Maura Harris | 314-496-8005 | maura.harris@att.net |
| Property Solutions | Janel Gamin | 801-375-5522 EXT 5729 | jganim@propertysolutions.com |
| RealPage Inc. | Gaye Williamson | 972-820-3265 | gaye.williamson@realpage.com |
| SACS Software | Grant Dark | 256-329-1205 | grant@sacssoftware.com |
| ShofCorp LLC | Frank Shofner | 800-824-1657 EXT 31 | frank@shofcorp.com |
| Simply Computer Software, Inc. | Craig Tinsley | 800-626-2431 EXT 3 | craig@simplycomputer.net |
| Tenmast Software | Julie Rutherford | 877-359-5492 EXT 1406 | julier@tenmast.com |
| Tracker Systems, Inc. | Stephen Vigeant | 508-485-4160 | steve@trackersys.com |
| Yardi Systems, Inc. | Jenny Dyer | 770-729-0007 EXT 6265 | jenny.dyer@yardi.com |

Input solicited from stakeholders at TRACS Industry Working Group Members and HUD staff that administer a significant number of rental assistance contracts and submit Application for Housing Assistant Payments and Special Claims on a regular basis. They are in agreement/approve no revisions to the information collections in 2502-0182 and agree with the average burden hours per response since a majority the information is already being collected by software.

9. There are no gifts or any remuneration made to respondents.
10. HUD does not promise confidentiality but will not disclose information on a specific project or tenant.
11. There are no sensitive questions.
12. Burden hours for the collections of information:

| Form Number | Estimated Number of Respondents | Estimated Number of Responses | Frequency of Response | Average Hours Per Response | Total Estimated Burden | Hourly Rate | Total Annual Cost |
|--------------------|---------------------------------|-------------------------------|-----------------------|----------------------------|------------------------|-------------|-----------------------|
| HUD-52670 | | | | 0.50 | | | |
| HUD-52670-A Part 1 | | | | 0.125 | | | |
| HUD-52670-A Part 2 | | | | 0.125 | | | |
| HUD-52670-A Part 3 | | | | 0.125 | | | |
| HUD-52670-A Part 4 | | | | 0.125 | | | |
| HUD-52670-A Part 5 | | | | 0.125 | | | |
| HUD-52670-A Part 6 | | | | 0.125 | | | |
| | 22,731 | 272,772 | Monthly | 1.125 | 340,965.50 | \$19.85 | \$6,768,155.25 |
| HUD-52671-A | 321 | 3,852 | Monthly | 1.33 | 5,123.16 | \$19.85 | \$101,694.73 |
| HUD-52671-B | 11 | 132 | Monthly | 1.33 | 175.56 | \$19.85 | \$3,484.87 |
| HUD-52671-C | 2,742 | 32,904 | Monthly | 1.33 | 43,762.32 | \$19.85 | \$868,682.05 |
| HUD-52670-D | 38 | 456 | Monthly | 1.33 | 606.48 | \$19.85 | \$12,038.63 |
| HUD-93742 | 12 | 12 | Annually | .50 | 6.00 | \$19.85 | \$119.01 |
| HUD-93742a | 12 | 12 | Annually | .25 | 3.00 | \$19.85 | \$59.55 |
| Total | 25,867 | 310,140 | | | 390,641.50 | | \$7,754,234.17 |

The hourly rate above is based on an estimated annual salary of \$38,112 for owner/agent clerical help.

For information on the documentation requirements, please see #2 above.

13. Industry Software Vendors enhance their applications used by owners/management agents whenever information collections result in form changes. Since, the applications are used by owners/management agents to create automated forms (facsimiles) and transmit data to HUD TRACS, there are no operational

costs incurred with these form changes.

HUD consulted three Industry Software Vendors to determine cost burden estimates relative to HUD TRACS Release 202D Version 2.

Cost Burden Estimates

| Vendor | Annualized Capital/Startup Cost | Annual Operation & Maintenance | Total Annualized Cost | Annual Cost Requested |
|----------------|---------------------------------|--------------------------------|-----------------------|-----------------------|
| Vendor-A | \$0 | \$255,991 | \$255,991 | \$767,973 |
| Vendor-B | \$0 | \$209,467 | \$209,467 | \$628,401 |
| Vendor-C | \$0 | \$428,475 | \$428,475 | \$1,447,425 |
| Total | \$0 | \$893,933 | \$893,933 | \$2,843,799 |
| Average | | \$297,978 | \$297,978 | \$947,933 |

Total Annualized Cost reflects existing operation and maintenance cost for TRACS Release 202D and Annual Cost Requested reflects estimated operation and maintenance costs for TRACS Release 202D Version 2.

14. Federal Government Costs. With the joint implementation of automation and PBCAs, few regular vouchers need manual review prior to payment. These will include new contracts as they come on line with occupancy, and those whose voucher amount exceeds a threshold amount already established in the Payments part of the TRACS system. We estimate these to be 10% of the 22,731 contracts or 2,273 a year. All Special Claims need Field office or CA review prior to being paid.

| Information Collection | Number of Responses | Burden Hours Per Response | Annual Burden Hours | Hourly Rate | Total Annual Cost |
|---|---------------------|---------------------------|---------------------|-------------|----------------------|
| HUD-52670-A pt 1 | 2,273 | 0.33 | 750.09 | \$28.80 | \$21,602.59 |
| Hud-52670-A, Part 2 and HUD-52671A-D | 30,456 | 0.33 | 10,050 | \$28.80 | \$289,440.00 |
| Documentation | 30,456 | 0.50 | 15,228 | \$28.80 | \$438,566.40 |
| (HUD-93742, SPRAC I and HUD-93742a, SPRAC II) | 24 | .50 | 12 | \$28.80 | \$345.60 |
| Totals | 63,209 | | 26,040 | | \$ 749,954.59 |

The hourly rate is based on the annual salary of GS-10 (effective with January 2016 GSA Schedule 1% increase) to review and approve or adjust the claims.

15. This is a revision of a currently approved collection. The number of respondents completing forms 52670, and 52670-A part 1 is 22,731. The current number of responses for 52670-A part 2, 52671-A, B, C, and D was calculated using the level of special claims submissions paid through TRACS during calendar year 2013. This equated to 29,929 claims paid plus an additional two percent (approximately 527) submitted and rejected, for a total of 30,456 claims. Two new forms (HUD-93742, SPRAC I and HUD-93742a, SPRAC II) are added for the SPRAC program.
16. The results of these collections will not be published.
17. All forms will be posted on HUD’s Website (www.hudclips.org) and will contain the OMB expiration date. However, forms produced by automated systems will not display or print the OMB expiration date.

HUD is seeking an extension not to display/print the expiration date on forms included in these information collections. To reduce this burden on Vendors, HUD is requesting an extension for Vendor software applications to reference/display the HUDCLIPS URL (www.hudclips.org). HUDCLIPS contains official HUD forms depicting the OMB expiration date and OMB control number. When OMB changes an expiration date on a form, HUD loads the form with the new expiration date onto HUDCLIPS. Allowing Vendor’s to use screens, facsimiles and reference HUDCLIPS eliminates the need for software vendors to change their existing applications to accommodate new OMB mandated expiration dates.

Whenever a HUD form changes or a new form is added, Industry Vendors must perform the software development life cycle phases (Analysis, Design, Development, Testing and Implementation, etc.) to ensure the change gets implemented at roughly 26,800 HUD Business Partner sites. With a number of HUD forms being relatively static, only the form expiration date changes over time. Vendors incur unnecessary cost when modifying their software applications to accommodate changing expiration dates. An expiration date change in vendor software adds no value.

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

B. Collections of Information Employing Statistical Methods

These information collections do not employ statistical methods.