

# Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

<p>1. Agency/Subagency Originating Request:  <b>U.S. Department of Housing and Urban Development</b>                  Office of Single Family Program Development</p>		<p>2. OMB Control Number:                  a. <b>2502- 0556</b>      b. None</p>																			
<p>3. Type of information collection: (check one)</p> <p>a. <input type="checkbox"/> New Collection</p> <p>b. <input type="checkbox"/> Revision of a currently approved collection</p> <p>c. <input checked="" type="checkbox"/> Extension of a currently approved collection</p> <p>d. <input type="checkbox"/> Reinstatement, <b>without change</b>, of previously approved collection for which approval has expired</p> <p>e. <input type="checkbox"/> Reinstatement, <b>with change</b>, of previously approved collection for which approval has expired</p> <p>f. <input type="checkbox"/> Existing collection in use without an OMB control number</p> <p>For b-f, note item A2 of Supporting Statement instructions.</p>		<p>4. Type of review requested: (check one)</p> <p>a. <input checked="" type="checkbox"/> Regular</p> <p>b. <input type="checkbox"/> Emergency - Approval requested by</p> <p>c. <input type="checkbox"/> Delegated</p> <p>5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>6. Requested expiration date:                  a. <input checked="" type="checkbox"/> Three years from approval date      b. <input type="checkbox"/> Other (specify)</p>																			
<p>7. Title:  <b>FHA TOTAL Mortgage Scorecard</b></p>																					
<p>8. Agency form number(s): (if applicable)                  None</p>																					
<p>9. Keywords:                  Housing, Mortgage Insurance, Automated Underwriting Systems; TOTAL</p>																					
<p>10. Abstract:                  The data collection requirements consist of an electronic lender certification process and requirements to provide reports and loan samples at FHA's request, and appeals in writing for loss of privilege to use the scorecard.</p>																					
<p>11. Affected public: (mark primary with "P" and all others that apply with "X")</p> <p>a. Individuals or households      e. Farms</p> <p>b. <b>P</b> Business or other for-profit      f. Federal Government</p> <p>c. Not-for-profit institutions      g. State, Local or Tribal Government</p>		<p>12. Obligation to respond: (mark primary with "P" and all others that apply with "X")</p> <p>a. Voluntary</p> <p>b. <b>P</b> Required to obtain or retain benefits</p> <p>c. Mandatory</p>																			
<p>13. Annual reporting and recordkeeping hour burden:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">a. Number of respondents</td> <td style="text-align: right;">2,709</td> </tr> <tr> <td>b. Total annual responses</td> <td style="text-align: right;">100</td> </tr> <tr> <td>    Percentage of these responses collected electronically</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>c. Total annual hours requested</td> <td style="text-align: right;">100</td> </tr> <tr> <td>d. Current OMB inventory</td> <td style="text-align: right;">908</td> </tr> <tr> <td>e. Difference (+,-)</td> <td style="text-align: right;">-808</td> </tr> <tr> <td>f. Explanation of difference: New Collection</td> <td></td> </tr> <tr> <td>    1. Program change:</td> <td></td> </tr> <tr> <td>    2. Adjustment:</td> <td style="text-align: right;">-808</td> </tr> </table>		a. Number of respondents	2,709	b. Total annual responses	100	Percentage of these responses collected electronically	100%	c. Total annual hours requested	100	d. Current OMB inventory	908	e. Difference (+,-)	-808	f. Explanation of difference: New Collection		1. Program change:		2. Adjustment:	-808	<p>14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)                  Do not include costs based on the hours in item 13.</p> <p>a. Total annualized capital/startup costs</p> <p>b. Total annual costs (O&amp;M)</p> <p>c. Total annualized cost requested</p> <p>d. Total annual cost requested</p> <p>e. Current OMB inventory</p> <p>f. Explanation of difference:                  1. Program change:                  2. Adjustment:</p>	
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<p>15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")</p> <p>a. <b>P</b> Application for benefits      e. Program planning or management</p> <p>b. <b>X</b> Program evaluation      f. Research</p> <p>c. General purpose statistics      g. <b>X</b> Regulatory or compliance</p> <p>d. Audit</p>		<p>16. Frequency of recordkeeping or reporting: (check all that apply)</p> <p>a. <input checked="" type="checkbox"/> Recordkeeping      b. <input type="checkbox"/> Third party disclosure</p> <p>c. <input checked="" type="checkbox"/> Reporting:                  1. <input checked="" type="checkbox"/> On occasion      2. <input type="checkbox"/> Weekly      3. <input type="checkbox"/> Monthly                  4. <input type="checkbox"/> Quarterly      5. <input type="checkbox"/> Semi-annually      6. <input type="checkbox"/> Annually                  7. <input type="checkbox"/> Biennially      8. <input type="checkbox"/> Other (describe)</p>																			
<p>17. Statistical methods:                  Does this information collection employ statistical methods?  <input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p>		<p>18. Agency contact: (person who can best answer questions regarding the content of this submission)                  Name: Theresa M. Herryty                  Phone: 202-402-6652</p>																			

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## 19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

**Note:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3) appears at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

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Signature of Program Official:

Date:

X  
Ronald C. Clark, Director, Organizational Policy, Planning and Analysis Division, HROA

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Signature of Senior Officer or Designee:

Date:

X  
Colette Pollard, Departmental Reports Management Officer,  
Office of the Chief Information Officer

# Supporting Statement for Paperwork Reduction Act Submissions

## OMB Control No. 2502-0556 FHA TOTAL (Technology Open to Approved Lenders) Mortgage Scorecard

### A. Justification

1. SEC. 203 of the National Housing Act (12 U.S.C. 1709) authorizes the Secretary, upon application by the mortgagee, to insure mortgages offered to him that are eligible for insurance upon such terms as the Secretary may prescribe. The regulation mandating this collection can be found in the Code of Federal Regulations at 24 CFR 203.255(b)(5). This information is necessary to assure that lenders (and automated underwriting system (AUS) vendors) are aware of their obligations regarding use of the TOTAL Mortgage Scorecard and are certifying that they will comply with all pertinent regulations.
2. Any AUS vendor that “calls” the Total Mortgage Scorecard, and any FHA-approved mortgagee that obtains a risk-assessment from the Scorecard, must abide by the requirements in 24 CFR 203.255(b). Access to the TOTAL Mortgage Scorecard by a FHA mortgagee is conditioned upon the mortgagee’s certification to comply with those requirements. Only AUSs developed, operated, owned, or used by FHA-approved Direct Endorsement mortgagees, Fannie Mae, or Freddie Mac are permitted to access the Scorecard, and only FHA-approved mortgagees are able to obtain risk assessments using the TOTAL Mortgage Scorecard. The primary use of the information is to assure that the lenders who use FHA’s TOTAL Mortgage Scorecard have certified to the terms and conditions of that use and that they will not violate the regulations at 24 CFR 203.255.
3. The information regarding the lender’s certification that it will properly use the TOTAL Mortgage Scorecard is collected electronically. Other information, such as evidence of quality control procedures, may be collected in hard copy.
4. This information does not duplicate information under any other approved HUD information collections.
5. This information will not impact small businesses and other small entities.
6. Without requiring lenders to certify to proper use of FHA’s Mortgage Scorecard, FHA would have no means of enforcing the regulations regarding use of the scorecard and employing sanctions against lenders misusing it.
7. There are no special circumstances required in the collection of information.

Explain any special circumstances requiring:

- respondents to report information more than quarterly; None Applicable
- a written response in fewer than 30; None Applicable
- more than an original and two copies of any document; None Applicable
- respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; None Applicable
- a statistical survey not designed to produce results than can be generalized to the universe of study; None Applicable
- the use of a statistical data classification that has not been reviewed and approved by OMB; None Applicable
- 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 None Applicable
- respondents to submit proprietary trade secret, or other confidential information. None Applicable

8. In accordance with 5 CFR 1320.8(d)(a), HUD is soliciting comments from the public and affected agencies concerning the proposed collection of information. The Notice announcing this collection of information appeared in the May, 18, 2016, Volume Number 81 page 31252.

The following industry professionals were consulted to provide their impression on the information collection for total number of burden hours.

**Angie Alvaro, Vice President Government Underwriting, Fairway Mortgage Corporation**

Certification: 2 minutes; Average salary of person completing certification \$72,000

**Brad DeKuiper, National Director of Credit Policy, Guaranteed Rate**

Certification: 2 minutes; Average salary of person completing certification \$72,000

9. There are no payments or gifts made to any respondents.
10. No assurances of confidentiality are provided to respondents.
11. There are no questions of a sensitive nature posed to respondents.
12. Estimated burden and costs to respondents:

The estimated public burden consists of an electronic certification process, required of all lenders wishing to use FHA’s TOTAL Mortgage Scorecard, using “click-through” procedures. The collection of FHA reports and loan samples, and the burden associated with appealing FHA’s decision to terminate a lender’s access to the scorecard are functions of HUD’s Office of Lender Activities and Program Compliance and are covered under OMB control numbers 2502-0005 and 2502-0600.

There are 2,709 Title II FHA-approved lenders. All 2,709 Title II FHA-approved lenders have certified to the terms and conditions of TOTAL. There are 8 approved Automated Underwriting System vendors. All vendors have certified to the terms and conditions of TOTAL.

The number of approved lenders has declined over the last several years. HUD no longer approves Third Party Originators resulting in a reduction in Number of Respondents. HUD is requesting burden hours to cover approximately 100 new lender certifications.

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Burden Hours	Hourly Cost	Total Annual Cost
Certification	100	One per each new lender approval	100	0.02	2.00	\$35	\$70.00
<b>Totals</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0.02</b>	<b>2.00</b>	<b>\$35</b>	<b>\$70.00</b>

The hourly cost is based on an estimate of the average annual salary of lender support staff in the range of \$72,000

13. There are no additional costs to the respondents.
14. Estimated cost to the Federal government: There are no additional costs associated with this collection.
15. This is a revision of a currently approved collection. The numbers of responses and total burden hours have decreased due to the lower than expected number of new certifications. There are no program changes or changes in the burden, forms or laws regulating this collection.
16. The results of the information collected will not be published.

17. We are 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.

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**B. Collections of Information Employing Statistical Methods**

The information collection does not employ statistical methods.