

**Supporting Statement for Paperwork Reduction Act Submissions**  
**Multifamily Mortgagee's Application for Insurance Benefits**  
**OMB Control Number 2502-0419**  
**Form HUD- 2747**

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Include a statement regarding the changes for this submission. (Example: The changes for this submittal is as follows or the difference between this submission and the last is as follows....)**

A lender with an insured multifamily mortgage pays an annual insurance premium to the Department. When and if the mortgage goes into default, the lender may elect to file a claim for insurance benefits with the Department. A requirement of the claims process is the submission of an application for insurance benefits, via the form HUD-2747. Regulation 12 USC 1713 (g) and Title II, Section 207(g) of the National Housing Act provides that, "Notwithstanding any other provision of this chapter, upon receipt, after September 2, 1964, of an application for insurance benefits of a mortgage insured under this chapter, the Secretary may terminate the lender's obligation to pay premium charges on the mortgage." This provision is further spelled out under 24 CFR Part 207 - Subpart B - Contract Rights and Obligations at 207.252(d) and 207.258(c)(6). Form HUD 2747, Mortgagee's Application for Insurance Benefits (Multifamily Mortgage), satisfies this requirement

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

In addition to satisfying the law, this information is used by HUD to establish the date for cancellation of the insurance contract, which ends the lender's obligation to pay mortgage insurance premiums (MIP's). The lender is responsible for the MIP's up to the date the application is received by the Department (Commissioner). Delinquent premiums prior to the Commissioner's receipt date can be deducted from insurance benefits payable to the lender.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The form requires a very limited amount of information and the number of respondents is small. The form is posted on [www.hud.gov](http://www.hud.gov) in electronic format and can be downloaded easily by the mortgagee. The form HUD-2747 only requires seven data fields which are readily available to the lender. There are no plans to further automate the submission of this

particular form. The minimal amount of data required would not be decreased by further automation and the burden on the lender would not be reduced. The cost to enable electronic submission of the form would far outweigh any benefits to the lender.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

Duplication is identified and prevented by the uniqueness of the project number and name. No similar information is being collected.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

Multifamily lenders are not small business or small entities.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

If the information were not provided, the Commissioner and the lender would incur unnecessary expenses. HUD and the lender would spend countless hours determining and agreeing on the actual date the mortgage insurance contract was terminated. This could delay the payment of insurance benefits. Consequently, there would be an increase in the number of accrued interest days added to the claim settlement.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner: (PLEASE ANSWER EACH BULLET SEPARATELY)**

\* requiring respondents to report information to the agency more often than quarterly;

The lender is required to prepare a written response to the collection information requirement within 30 days after receiving an application from the Commissioner.

\* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

If the mortgagee elects to assign the mortgage to the Commissioner, it shall at any time within 30 days after the date of the notice of election, file its application for insurance benefits.”

\* requiring respondents to submit more than an original and two copies of any document;

Mortgagee is required to submit an original and one copy of forms (only one copy is required if delivery by fax or e-mail, with an original and one copy to follow to: HUD, Multifamily Claims Branch.)

\* 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 that 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 secrets, 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. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on August 29, 2016, Volume 81, No. 167, Pages 59237. No Comments received.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There is no decision to provide any payment or gifts to the lender except the payment of insurance benefits. This payment is the Department's contractual obligation.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

HUD's policy for providing confidentiality is to ensure that any information released to the public does not contain identifying information such as social security numbers or Employer Identification Numbers in the case of a lender. Such identification is deleted from the requested information prior to being released.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

The information gathered using the subject form is not of a sensitive nature, such as sexual behavior and attitude, religious beliefs, and other matters considered private.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

\* Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

\* If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

\* Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Year	Average Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
HUD-2747	110	1	110	9	990	19.23	19,038
<b>TOTALS</b>	110		110		990		19,038

**13. Provide an estimate for the total annual cost burden to respondents or recordkeepers**

**resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

\* The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

\* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collections services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

\* Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional costs associated with this information collection.

**14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

14. The following expenses are estimates of annualized costs incurred by HUD to obtained and to process the requested information.

Copying forms	\$67.00
Processing submissions:	
(GS-12/5@\$42.22/hr) 110 x 1 ¼ hrs. x \$42.22	\$5, 805.00
Overhead (\$5,805 x 20%)	\$ <u>1, 161.00</u>
Total	\$6 ,966.00

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

This is a request for revision of a currently approved collection. There is a correction to the number of burden hours from the previously approved OMB information collection. The total number of hours previously approved were 9. The correct number of hours have been 990 based on 110 respondents per annually.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The information collected will not be published.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

No approval is being sought to avoid displaying the expiration date on the OMB approval of the Application for Insurance Benefits Form.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

Not applicable. We certify that our submission complies with the Paperwork Reduction Act.

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

This information collection does not employ statistical methods.

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

2. Describe the procedures for the collection of information including:

- \* Statistical methodology for stratification and sample selection,
- \* Estimation procedure,
- \* Degree of accuracy needed for the purpose described in the justification,
- \* Unusual problems requiring specialized sampling procedures, and
- \* Any use of periodic (less frequent than annual) data collection cycles to reduce burden.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of test may be submitted for approval separately or in combination with the main collection of information.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.