

Supporting Statement for Paperwork Reduction Act Submissions

Title

OMB Control Number 2502-0555
(HUD-9250 Funds Authorization)

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....)

This information is necessary to effectively monitor withdrawals from Reserves for Replacement funds and/or Residual Receipt Funds. Regulations 24 CFR 880.601 and 880.602 govern residual receipts accounts and replacement reserve accounts and require HUD approval and compliance with HUD guidelines (HUD Handbook 4350.1) for withdrawals from the accounts. Copies of the regulatory and administrative guidelines are attached to this submission.

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.

Currently, there are 28,412 multifamily projects. Project owners are required to submit the form HUD-9250 information when requesting a withdrawal of funds from the Reserves for Replacement or Residual Receipt escrow. HUD reviews this information to ensure that funds are withdrawn and used in accordance with regulatory and administrative policy. HUD annually receives form requests from approximately 27% of the project population.

Owners make requests in writing using form HUD-9250, Funds Authorizations, along with supporting documentation. HUD will make reasonable effort to review and act upon the mortgagor's request within thirty days and, if approved, prepare, sign, and mail the Form HUD-9250 to the mortgagee of record. Supporting documentation must be attached to the HUD-9250. Examples of supporting documentation include a detailed description of the work done or to be done; a copy of paid invoice(s); three formal or informal bids; a copy of the bid specifications; an owner's certification that funds were spent and work was done as required by HUD; and appropriate explanations.

Adjustments have been made due to Notice H 2012-14 "Use of "New Regulation" Section 8 Housing Assistance Payments (HAP) Contracts Residual Receipts to Offset Project-Based Section 8 Housing Assistance Payments". The new regulation and/or the various HAP contract forms used for new regulation projects explicitly permit HUD to use Residual Receipts to reduce housing assistance payments. (See 24 CFR §§ 880.205(e), 881.205(e), and 883.306(e)). This Notice sets forth the policy and

procedures for the Department's use of new regulation Residual Receipts to offset housing assistance payments.

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.

There are no immediate plans to automate this process. However, the form is available in a fillable format. The request must include additional supporting documentation, and no practicable automation processes are available to satisfy this requirement. The form and supporting documentation may be scanned and submitted electronically at the owner's option.

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.

The information is not available from any other source.

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.

This collection of information does not impact small businesses or other small entities, with the exception of certain nonprofit owners of multifamily housing. Nonprofit owners are required to submit the form HUD-9250 information when requesting a withdrawal of funds from the Reserves for Replacement or Residual Receipt escrow. HUD reviews this information to ensure that funds are withdrawn and used in accordance with regulatory and administrative policy.

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.

Without this collection, HUD would be unable to monitor owner/agent withdrawals from the Reserves for Replacement or Residual Receipt escrows. The Department would be unable to ensure that funds are not misused, and that sufficient funds remain available for future capital improvements or replacements at the project site.

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;

There is no requirement for respondents to report the information more than quarterly.

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

There is no requirement for respondents to prepare a written response to a collection in fewer than 30 days. The form is used by owner/managers to request funds. HUD does not require use of the form for any other purpose

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

There is no requirement for respondents to submit more than an original of any document.

- * requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

Other than for purposes of maintaining warranty information provided with work and materials provided to the project, there is no requirement for respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years.

- * 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;

This collection is not made in connection with a statistical survey.

- * requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

There is no use of a statistical data classifications with this collection.

- * 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

There is no pledge of confidentiality that is not supported by authority established in statute or regulation.

- * 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.

There is no requirement for respondents to submit proprietary trade secrets, or other confidential information.

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 2, 2016, Volume 81, No. 148, Pages 50721. No comments have been received. This form HUD-9250 is used by owners, managers, lenders and loan servicers throughout the system. There have been no complaints or suggestions for revisions from these entities since the last submission to OMB.

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

There are no payments or gifts offered to respondents.

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

There is no assurance of confidentiality provided to the respondents; however, respondents are covered by the Privacy Act of 1974.

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.

Respondents are not requested to provide information of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly 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
	28,412	Various	7,671	2.25	17,259.75	\$27	\$466,013.25
TOTALS							

*Estimated burden hours and hourly costs for respondent's staff to gather, review, and provide the requested information

* Hourly costs are based on an estimate of the owner or owner's staff (Property Manager) to review the instructions and complete the form. The hourly cost has been adjusted to \$27.00 per hour based on information gathered from payscale.com. Payscale.com is an online salary and benefit information resource which provides compensation data for various occupations. The hourly costs provide a good estimate for costs to the respondent as to this data, which was obtained in November 2009. HUD annually receives form requests from approximately 27% of the project population.

13. Provide an estimate for the total annual cost burden to respondents or record keepers 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.

Cost estimates vary based on differences in project owner/managers who choose to submit requests for draws on reserves or residual receipts more frequently than annually, such as quarterly. It is estimated that approximately 21% of respondents choose to make periodic withdrawals in an effort to stabilize project cash flow in the course of a year.

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.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Year	Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
	28,412	Various	7,671	.5	7,671	30	230,130.00
TOTALS							

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

This is an extension of a currently approved collection. The change in inventory in item 13 of page 1 reflects project owners that paid or prepaid their mortgage and no longer have a regulatory or Section 8 HAPC requirement to HUD to maintain residual receipts or reserve for replacements escrows, the change in inventory also includes newly insured projects that have been added to the portfolio since last report.

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 results of this information collection 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.

The expiration date will be displayed on the information collection instrument.

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

There are no exceptions to the certification statement identified in item 19.