

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.

1. Agency/Subagency Originating Request: U.S. Department of Housing and Urban Development Office of Single Family Housing	2. OMB Control Number: a. 2502-0494 b. <input type="checkbox"/> None
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3. Type of information collection: (check one) a. <input type="checkbox"/> New Collection b. <input checked="" type="checkbox"/> Revision of a currently approved collection c. <input type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change , of previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number For b-f, note item A2 of Supporting Statement instructions.	4. Type of review requested: (check one) a. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by c. <input type="checkbox"/> Delegated 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 6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other (specify)
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7. Title:
HUD Conditional Commitment/Direct Endorsement Statement of Appraised Value

8. Agency form number(s): (if applicable)
HUD-92800.5B

9. Keywords:
Housing; Mortgage Insurance, Finance, Conditional Commitment, Appraised Value, Direct Endorsement

10. Abstract:
 Lenders provide loan applicants either a completed copy of form **HUD-92800.5B**, or a copy of the completed appraisal report, at or before loan closing. Form HUD 92800.5B serves as the mortgagee's conditional commitment/direct endorsement statement of value of FHA mortgage insurance on the property. The form provides a section for a statement of the property's appraised value and other required FHA disclosures to the homebuyer, including specific conditions that must be met before HUD can endorse a firm commitment for mortgage insurance. HUD uses the information only to determine the eligibility of a property for mortgage insurance.

11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households e. Farms b. P Business or other for-profit f. Federal Government c. Not-for-profit institutions g. State, Local or Tribal Government	12. Obligation to respond: (mark primary with "P" and all others that apply with "X") a. Voluntary b. P Required to obtain or retain benefits c. Mandatory
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13. Annual reporting and recordkeeping hour burden: <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">a. Number of respondents</td><td style="text-align: right;">1,800</td></tr> <tr><td>b. Total annual responses</td><td style="text-align: right;">928,119</td></tr> <tr><td>Percentage of these responses collected electronically</td><td style="text-align: right;">90%</td></tr> </table> c. Total annual hours requested 111,374 d. Current OMB inventory 680 e. Difference (+,-) 110,694 f. Explanation of difference: 1. Program change: 110,694 2. Adjustment:	a. Number of respondents	1,800	b. Total annual responses	928,119	Percentage of these responses collected electronically	90%	14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) a. Total annualized capital/startup costs b. Total annual costs (O&M) c. Total annualized cost requested d. Total annual cost requested e. Current OMB inventory f. Explanation of difference: 1. Program change: 2. Adjustment:
a. Number of respondents	1,800						
b. Total annual responses	928,119						
Percentage of these responses collected electronically	90%						

15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X") a. P Application for benefits e. Program planning or management b. Program evaluation f. Research c. General purpose statistics g. X Regulatory or compliance d. Audit	16. Frequency of recordkeeping or reporting: (check all that apply) a. <input type="checkbox"/> Recordkeeping b. <input checked="" type="checkbox"/> Third party disclosure b. <input 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"/> Biannually 8. <input type="checkbox"/> Other (describe)
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17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Kwabena Owusu-Banahene Phone: (202) 402-5604
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19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, 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). Appear 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.

Signature of Program Official: X Ronald C. Clark, Deputy Director, Organizational Policy, Planning and Analysis Division, HROA	Date:
Signature of Senior Officer or Designee: X Colette Pollard, Departmental Reports Management Officer Office of the Chief Information Officer	Date:

Supporting Statement for Paperwork Reduction Act Submissions

UNDER THE PAPERWORK REDUCTION ACT

OMB Approval Number 2502-0494

HUD 92800.5B

Conditional Commitment/Direct Endorsement Statement of Appraised Value

PART A. Justification

1. Section 203 of the National Housing Act (P.L. 479, 48 Stat. 1256, 12 U.S.C. 1701 et. seq.) authorizes the Secretary of the Department of Housing and Urban Development to insure mortgages on proposed construction and existing single-family properties, when requested by FHA approved mortgagees. This request for OMB review involves an extension of a previously approved collection on Form HUD 92800.5B, Conditional Commitment/Direct Endorsement Statement of Appraised Value (OMB control number 2502-0494).
2. Lenders must provide to loan applicants either a completed copy of form **HUD-92800.5B**, or a copy of the completed appraisal report, at or before loan closing. Form HUD 92800.5B serves as the mortgagee's conditional commitment/direct endorsement statement of value of FHA mortgage insurance on the property. The form provides a section for a statement of the property's appraised value and other required FHA disclosures to the homebuyer, including specific conditions that must be met before HUD can endorse a firm commitment for mortgage insurance. HUD uses the information only to determine the eligibility of a property for mortgage insurance.

Some lenders have origination systems that will prepare Form HUD-92800.5B but Form HUD 92800.5B or a copy of the appraisal must be always prepared and handed to the borrower. Because the paper documents are still created for presentation to the borrowers, the preparation time for creating the form has not changed significantly but since federal banking law requires lenders who are supervised by federal regulatory agencies to provide a copy of the appraisal to the borrower, most lenders provide copies of the appraisal to the borrower rather than the HUD-92800.5B. HUD does not ascribe burden hours to the provision of the appraisal, as this is a standard business practice.

HUD also requires lenders to provide the Form HUD-92800.5B in case binders that are submitted to HUD for insuring. 80% of lenders use the lender endorsement option and do not submit case binders to HUD. Although they are required to provide them to HUD when asked, most lenders store the case binders electronically and have systems that produce the Form HUD-92800.5B when the file is printed to be sent to HUD. Since the lenders must include the form in the case binder if selected.

3. This collection of information is 90% electronic. Paper copies of the documents (HUD-92800.5B or a copy of the appraisal report) are required for disclosures to borrowers. HUD has Form HUD 92800.5B available in a .pdf fillable format at <http://portal.hud.gov/hudportal/documents/huddoc?id=92800-5b.pdf>. Copies of the forms are not submitted to HUD, but are retained in the lender loan files. The forms may be electronically generated, and lenders who use paperless loan binders may store the copies electronically. All case numbers created on or after June 27, 2016, FHA requires lenders to upload of appraisal in the Electronic Appraisal Delivery (EAD) platform.
4. Disclosures are unique to each individual mortgage and therefore not duplicative.
5. The reporting burdens for small business participants should not be materially affected, as the bulk of FHA insured mortgages are originated and serviced by large financial institutions and their affiliates.

6. The collection and disclosure requirements for conditional commitment/direct endorsement for FHA mortgage insurance are one-time “on occasion” types, and therefore no reduction in frequency is possible.
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 often than quarterly; No, the form is only needed once for each property required to obtain mortgage insurance.
 - * requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; The form must be completed and delivered to the borrower promptly, but not later than at the time of the borrower’s signing of the Uniform Residential Loan Application (URLA) and Addendum (form HUD-92900-A).
 - * requiring respondents to submit more than an original and two copies 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; Currently, the form require one copy for the Lender, one copy for Case Binder and one copy for Homebuyer. However, HUD proposes to to change the form to require only two copies, if approved - one Case Binder copy and one Homebuyer’s copy.
 - * 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; No
 - * requiring the use of a statistical data classification that has not been reviewed and approved by OMB; No
 - * 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 No
 - * 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. No

8. In accordance with the guidelines in 5 CFR 1320.8(d), HUD published a notice soliciting comments on the information collection for OMB #2502-0494 in the Federal Register on Monday, June 19, 2017, (Vol. 82; No. 116; page 27858.

HUD received public comments and is taking those comments into consideration. Further, HUD regularly receives comments and input on its information collection requirements from lending institutions, the home construction industry, insurance companies, appraisers, and service companies, and takes those comments into consideration in conducting business. HUD spoke with lenders who prepare the form for borrowers and none of them use the Form 92800.5B in lieu of the appraisal, the only time they provide the form to the borrower is when there is a repair requirement.

Contacted for this collection:

Valerie D. Williams, Director, P&U Division, Atlanta Homeownership Center, 678-732-2741
Christian D. Malone, P&U Branch Chief, Denver Homeownership Center, 800-225-5342, x5299
Andrew Cianci, Director, P&U Division, Philadelphia Homeownership Center, 215-861-7687
Donald D. Doan, Director, P&U Division, Santa Ana Homeownership Center, 714-796-1200, x3430
Philip Caulfield, Housing Program Policy Specialist, OSFPD, HMID, 215-861-7269
Robert L. Frazier, Housing Program Policy Specialist, OSFPD, HVPD, 202-708-2121. x5752

9. There are no gifts or other types of payments made to respondents.
10. This information collection takes into consideration the need to assure data confidentiality and provide adequate Privacy Act Notice statements where needed.
11. This information collection does not contain any questions of a sensitive nature.
12. The reporting burden on respondents is computed to reflect expected loan volumes.

Information Collection	Number of Respondents	Responses per Respondent	Total Responses	Hours Per Response	Total Annual Hours	Hourly Cost	Total Annual Cost
HUD-92800.5B	1,800	1-10,000	928,119	.12	111,374	\$30	\$3,341,228

The hourly cost is based on an estimate of lender staff at \$30.00 per hour, which includes the cost of salaries, overhead, staff support, recordkeeping, etc.

13. There are no additional costs to respondents.

14. HUD reviews approximately two percent of single family loan binders. Although a majority of loans are now insured and reviewed under the paperless case binder system, the time for review is not materially affected

Information Collection	Total Responses	Hours Per Response	Total Annual Hours	Hourly Cost	Total Annual Cost
HUD-92800.5B	18,562	.08	1,485	\$40	\$59,400

The hourly cost is based on the hourly rate for a GS-12 plus overhead, staff support, recordkeeping, etc.

15. This is a revision of a previously approved information collection. The number of respondents has been corrected to show all FHA approved lenders and allowing for stragglers and small lenders. FHA loan volume has increased, but all lenders contacted provide borrowers with appraisals in lieu of the form HUD-92800.5B. The form is required to be included in all case binders for FHA-insured mortgages. For most mortgages the form is not provided to the borrower, the form is provided to the borrower when the repairs to the home were required. Reportedly, available data do not capture the number of properties for which repairs are required, other than Section 203k.

16. This information collection does not include results that will be published.

17. We are not seeking approval to avoid displaying the expiration date of the OMB approval.

18. There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Not applicable. The collection of information does not employ statistical methods.