

**Supporting Statement for Paperwork Reduction Act Submission
HUD-Owned Real Estate Good Neighbor Next Door Sales Program**

OMB Control Number 2502-0570

HUD-9549, HUD 9549-A, HUD 9549-B, HUD 9549-C, HUD 9549-D, 9549-E

A. Justification

1. Section 204(g) of the National Housing Act (12 USC 1701) provides the Secretary of Housing and Urban Development (HUD) with the authority to sell real and personal property acquired by the Secretary on such terms and conditions as the Secretary may prescribe. HUD's implementing regulations are set forth in Title 24 of the Code of Federal Regulations (CFR) Part 291 (24 CFR Part 291), Disposition of HUD-Acquired And-Owned Single Family Property.

Within the general property disposition program, HUD administers special disposition programs targeting special market groups or policy goals. The information collection activity covers the Good Neighbor Next Door (GNND) Sales Program where the purpose is to improve the quality of life in distressed urban communities. This is to be accomplished by encouraging law enforcement officers, teachers, and firefighters/emergency medical technicians to purchase and live in homes that are located in the same communities where they perform their daily responsibilities and duties. The GNND regulations are reported at 24 CFR 291, Subpart F.

A final rule, FR-5776-F-02, Disposition of HUD-Acquired Single Family Properties; Updating HUD's Single Family Property Disposition Regulations, was published in the *Federal Register* on August 11, 2016 (Volume 81, Issue 155, pages 52998-53003) to consolidate and reorganize HUD's property disposition regulations so that they better reflect industry standards and allow HUD to conduct its Single Family Property Disposition Program more efficiently and effectively so that HUD can obtain the greatest value for its real estate owned (REO) properties in different market conditions. Within this rule, a GNND program revision is to provide that law enforcement officers, similar to teachers and firefighters, live in the areas they serve. Specifically, the GNND regulations amended were §§ 291.500, 291.505, 291.520, 291.525, and § 291.530.

2. The information collection is regarding the Good Neighbor Next Door sales program where the collection is used in binding contracts between the purchaser and HUD in implementing the GNND sales program. This information collection is submitted simultaneously with form HUD-9548, *Sales Contract Property Disposition Program*, and addendums, which are reported in information collection number 2502-0306. If the GNND sales program information was not collected, HUD would not be able to administer the Property Disposition Sales Program properly to avoid waste, mismanagement and abuse. The information will be retained by the Department as part of the transaction record for a property disposition action. The respondents are purchasers of single family HUD-owned properties, who are law enforcement officers, teachers, and firefighters/emergency medical technicians that meet the eligibility criteria under the Good Neighbor Next Door Sales program. The collection has been updated with new figures to represent the Department's current HUD REO activity.

The current activity results in slight decreases associated with respondents, responses and burden hours.

The forms HUD-9549, HUD-9549-A, HUD-9549-B, HUD-9549-C and HUD-9549-E listed in this collection are revised, where substantive changes to the language contained in the forms are aligned with the Final Rule that was published in August 2016. Other revisions may clarify guidance or change the handbook reference to HUD's FHA Single Family Housing Policy Handbook (Handbook 4000.1), which is available online. Listed below are the names and use of each GNND form in this information collection.

Form HUD 9549, *Good Neighbor Next Door Sales Program Personal Information*

Questionnaire, is collected in order to determine and document eligibility to participate in the GNND Sales Program. The information on this form will be collected electronically via a web-based format. The respondents are purchasers of single family HUD-owned properties, who are teachers, law enforcement officers and firefighters/emergency medical technicians. A substantive change was made to this form to align with the amended regulation at 24 CFR § 291.500 and HUD's Handbook 4000.1.

Form HUD 9549-A, *Good Neighbor Next Door Sales Program Law Enforcement Officer Pre-Qualification Questionnaire*, is a self-certification by a prospective participant in the GNND program representing themselves as eligible law enforcement officers. This information is collected in order to determine and document eligibility to participate in the GNND Sales Program. In addition, the information on this form will be collected electronically via a web-based format and, for those offertories selected to purchase, converted to a print document and signed by the offertory. Substantive changes were made to this form to align with the amended regulation at 24 CFR §§ 291.500, 291.505, 291.520 and HUD's Handbook 4000.1. A non-substantive edit was made that inserted *Law Enforcement* before Officer in the form's title and subtitle. Sales to law enforcement officers were approximately 25% of the total GNND program property sales.

Form HUD 9549-B, *Good Neighbor Next Door Sales Program Teacher Pre-Qualification Questionnaire*, is a self-certification by a prospective participant in the GNND program representing themselves as eligible teachers that gives direct services to students in grades pre-kindergarten through 12. This information is collected in order to determine and document eligibility to participate in the GNND Sales Program. In addition, the information on this form will be collected electronically via a web-based format and, for those offertories selected to purchase, converted to a print document and signed by the offertory. Substantive changes were made to this form to align with the amended regulation at 24 CFR §§ 291.500, 291.505, 291.525 and HUD's Handbook 4000.1. Sales to teachers were approximately 65% of the total GNND program property sales.

Form HUD 9549-C, *Good Neighbor Next Door Sales Program Firefighter/Emergency Medical Technician Pre-Qualification Questionnaire*, is a self-certification by a prospective participant in the GNND program representing themselves as eligible firefighter/emergency medical technicians. This information is collected in order to determine and document eligibility to participate in the GNND Sales Program. In addition, the information on this form will be collected electronically via a web-based format and, for those offertories selected to purchase, converted to a print document and

signed by the offertory. Substantive changes were made to this form to align with the amended regulation at 24 CFR §§ 291.500, 291.505, 291.530 and HUD's Handbook 4000.1. A revision was also made that replaced *Responder* with *Medical Technician* in the form's title and subtitle. Sales to medical technicians were approximately 10% of the total GNND program property sales.

Form HUD 9549-D, *Good Neighbor Next Door Sales Program Annual Certification of Continuing Eligibility*, is signed by the purchasers of single family HUD-owned properties, who are teachers, law enforcement officers and firefighters/emergency medical technicians as an annual self-certification of continuing eligibility under GNND program rules according to 24 CFR §291.565 and HUD's Handbook 4000.1.

Form HUD 9549-E, *Good Neighbor Next Door Sales Program Agency Certification of Employment*, is completed by employer of the purchasers of single family HUD-owned properties, who are teachers, law enforcement officers and firefighters/emergency medical technicians. This information is collected in order to determine and document eligibility to participate in the GNND Sales Program.

Participant's Request to Interrupt 36 Month Owner-Occupancy Term is collected according to 24 CFR § 291.540(c) and HUD's Handbook 4000.1. Interruptions to owner-occupancy term, permits a program participant to request by writing and authorizes HUD to grant permission to interrupt the required owner-occupancy period upon a determination of hardship.

3. Most of the information collections for the Good Neighbor Next Door sales program are collected electronically via a web-based format. Forms requiring original signatures will be submitted to HUD in hard copy. Currently, the Department is working on an *E-signature* project within HUD-Acquired And-Owned Single Family Property Disposition Program. The *E-signature* project is expected to permit electronic filing of responses, which will include collecting signatures.
4. The GNND program is a stand-alone program, and the information collected is not duplicative.
5. The information collected does not have a significant economic impact on a substantial number of small entities. With respect to the information collection for the GNND program, HUD-approved real estate brokers with active Name Address Identifiers (NAID) (identification numbers) submitting offers on behalf of prospective program participants may include small entities. Small entities serving such clients may use the same automated information submission procedure as individuals, using their (NAID) to enter the system. The equipment required to access and process the information collection tools is desk top or equivalent computers typically found in any real estate sales office. An additional burden is not imposed on the small entity. A new NAID is not required. The information collection is a customary activity performed by real estate brokers for clients whether purchasing a home through this program or from private sector sources.

6. The information collected is the minimum needed to implement the GNND Program; to dispose of single-family properties using appropriate management control tools; and to protect against fraud and abuse.
7. Each information collection is unique to the respondent who is required to complete the form and the frequency is usually on a one-time or as-needed basis. The other special circumstances are not applicable to this information collection:
 - * requiring respondents to report information to the agency more often than quarterly;
 - * requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - * requiring 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;
 - * requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 - * 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
 - * 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.
8. A final rule (FR-5776-F-02) was published in the Federal Register to streamline HUD's property disposition program by bringing its practices into conformance with industry standards and allowing HUD to administer its Single Family Property Disposition Program more efficiently and more effectively. The amendments to the Good Neighbor Next Door sales program do not create additional significant burdens to the public. After publication of that final rule, HUD had discussions through telephone conversations with the three listed real estate brokers or agents regarding the collection of information requirements in the REO Property Disposition program.
 - Dennis Gilbert, Real Estate Agent with Rozanne S. Kurman, PC in Illinois.
 - Steve Silva, Real Estate Broker with California Real Estate Group in California
 - Michael Phillips, Real Estate Broker with Phillips Michael R in Missouri

In accordance with 5 CFR 1320.8(d), HUD published a notice soliciting public comments in the Federal Register on date in 2016 (Volume, Number , Pages). Comments XX received

9. Other than remuneration of contractors and sales commission payments to brokers submitting selected offers, no gift or other type payments are made to the respondents.

10. These information collections take 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 following are the estimates of the burden hours of the collection of information.

Information Collection	Number of Respondents	Frequency of Response	Annual Responses	Average Burden Hours per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
GNND Forms							
HUD-9549		1	1,540	0.03	46.20	\$31	\$1,432.20
HUD-9549-A		1	388	0.03	11.64	\$31	\$360.84
HUD-9549-B		1	996	0.03	29.88	\$31	\$926.28
HUD-9549-C		1	156	0.03	4.68	\$31	\$145.08
HUD-9549-D		1	1,540				
HUD-9549-E		1	385	0.08	30.80	\$31	\$954.80
Request to Interrupt 36 Mo. Occupancy Term		1	100	0.50	50	\$31	\$1,550.00
Totals rounded	5,105		0		173		\$5,369

The hourly rate is based on a Real estate listing agent national mean annual salary of \$65,270, where hourly rate is rounded to nearest dollar amount at \$31.

Assumptions:

- An average of 385 annual sales of HUD properties acquired and sold under the GNND Sales Program from 1/1/2013 through 12/31/2016 with approximately 4 offers submitted for each sale.
- HUD estimates that 100 participants in each calendar year will submit a written request by letter or email for permission to interrupt the required occupancy period. HUD will review each request as a loan servicing issue and make a determination.

13. The total cost above includes the costs related to the reported burden hours. There are no additional costs to respondents for start-up or capital due to the information collection.

14. Cost to the Federal Government.

Information Collection	Annual Responses	Review / Completion by HUD Staff	Average Burden Hours per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
HUD-9549	1,540	1,540	0.02	30.80	\$38	\$1,170.40
HUD-9549-A	388	388	0.02	7.76	\$38	\$294.88
HUD-9549-B	996	996	0.02	19.92	\$38	\$756.96
HUD-9549-C	156	156	0.02	3.12	\$38	\$118.56
HUD-9549-D	1,540	1,540	0.02	30.80	\$38	\$1,170.40
HUD-9549-E	385	385	0.02	7.70	\$38	\$292.60
Request to Interrupt 36 Mo. Occupancy Term	100	100	.50	50	\$38	\$1,900.00
Totals rounded	0	0		150		\$5,703

The hourly cost is based on estimated GS12 CY2017 salary of \$79,720 annually where hourly rate is rounded to nearest dollar amount at \$38.

15. This is a revision of a currently approved information collection. The collection has been updated with new figures to represent the Department's current HUD REO activity. The current activity results in slight decreases associated with respondents, responses and burden hours.

The forms HUD-9549, HUD-9549-A, HUD-9549-B, HUD-9549-C and HUD-9549-E listed in this collection are revised, where substantive changes to the language contained in the forms are aligned with the Final Rule that was published in August 2016. Other revisions may clarify guidance or change the handbook reference to HUD's FHA Single Family Housing Policy Handbook (Handbook 4000.1), which is available online.

16. These collections of information do not include results that will be published.

17. HUD is not seeking to display the expiration date for OMB approval of this information collection.

18. There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed in the collection of information.