

Supporting Statement for Paperwork Reduction Act Submissions

Title Management Reviews of Multifamily Housing Program

OMB Control Number 2502-0178

(HUD-9834)

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 collection is used by HUD, by Mortgagees, and by Contract Administrators (CAs) to evaluate the quality of project management; determine the causes of project problems; devise corrective actions to stabilize projects and prevent defaults; and to ensure that fraud, waste and mismanagement are not problems for the community. The information collected also supports enforcement actions when owners fail to implement corrective actions. The term Contract Administrators includes Performance-Based Contract Administrators and Traditional Contract Administrators.

Regulatory Authority

24 CFR 880.612, states that “. . . the contract administrator will inspect the project and review its operation at least annually . . .”

24 CFR 884.224, 24 CFR 886.130 and 24 CFR 886.335, provide that “. . . HUD will review project operations at such intervals as it deems necessary . . .”

24 CFR 891.450 states that “HUD shall conduct periodic on-site management reviews . . .”

Administrative Requirements

HUD Handbook 4350.1, REV-1, Chapter 6, provides guidance and procedures for conducting and evaluating on-site management reviews.

HUD Handbook 4566.2, Chapter 6 governs the mortgagee on-site management review responsibilities.

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.

The form HUD-9834 will be collected by the reviewer (HUD staff, Mortgagees, or CAs depending on the type of review) to gather and record information during on-site reviews of

project operations. HUD staff and Mortgagees collect information from portions of the form for unsubsidized projects. CAs collect information using the entire form except where noted “This section applies only to HUD Staff and Mortgagees.”

The form HUD-9834 provides a checklist of items to be reviewed, and owners/agents are evaluated in the following areas:

General Appearance and Security;
Follow-up and Monitoring of Inspections;
Maintenance and Standard Operating Procedures;
Financial Management/Procurement;
Leasing and Occupancy;
Tenant/Management Relations; and,
General Management Practices.

The desk review information portion of the form is collected prior to the on-site review using HUD systems and project file information. The desk review is used to reduce public reporting burden and prepare the reviewer for conducting the on-site review.

The Reviewer conducts the on-site review while program participants, i.e., resident managers, management agent representatives and/or project owners, are required to provide the information used by HUD to assess management operations.

Upon completion of the on-site review, the reviewer is required to complete the HUD-9834, Management Review Summary Report - Findings portion, which is used to:

Summarize the information gathered on the questionnaire;
Assign an evaluation rating for each of the 7 areas of project management listed above;
Formulate an overall rating;
Report specific problems; and
Describe required corrective actions and set target completion dates.

The reviewer will mail the HUD-9834, Management Review Summary Report and findings to the owner/agent.

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.

Currently, there are no plans to automate this process as it requires reviewers to conduct on-site reviews of project policies, manuals, written procedures, and a sample of units and project facilities. Automating this process is not feasible as it will not allow HUD staff to adequately conduct on-site management reviews of the management and project operations and to ensure compliance with HUD regulations and guidelines as required.

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.

There is no duplication of the information collected. In areas where duplication could occur, reviewers collect that information prior to an on-site visit from data stored in project files and various HUD databases, which is then applied to the Management and Occupancy Review form.

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.

Owners and Management Agents of insured and HUD-held projects could include small businesses and other small entities; however, this collection does not pose an additional burden.

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.

HUD collects this information to determine management's competence, and the causes of management problems. The information is used to design corrective actions, to stabilize projects, and to prevent mortgage defaults. If this information were not collected or collected less frequently, there would pose a significant risk of defaults on insured loans and consequently losses to HUD's insurance fund. Additionally, HUD could not ensure that tenants were provided with decent, safe, and sanitary housing in compliance with applicable regulations.

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.

* 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 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;

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 performed 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 classification.

* 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 secret, or other confidential information.

8. If applicable, provide a copy and identify the date and page number of publications 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 **April 24, 2018**, Volume **83**, No. **79**, Pages **17836**. (3) Comments received HUD policy and procedure since its last revision date.

Comments concerning frequency of reviews ranged from “annually” to ‘less than’ three years for strong projects. Negotiations are currently under way with Performance Based Contract Administrators (PBCAs) to determine the frequency that will best serve HUD’s needs.

Scoring method is under review and will be addressed and improved with a future publication on the subject.

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

There are no gifts or payments of any kind given to respondents.

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

Assurance of confidentiality is neither provided nor needed for any of these information collections. The Privacy Act of 1974 provided privacy protection to respondents.

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.

This collection does not solicit personally identifiable information and does not contain questions of a sensitive nature.

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-9834	27,127.00	1.00	27,127.00	0.33	8,951.91	\$32.60	\$291,832.27
TOTALS	27,127.00		27,127.00		8,951.91		\$291,832.27

- Number of owners/agents is based on data obtained from HUD systems.
- Hourly cost for owners/agents is based on data obtained from www.payscale.com for the owner or owner’s staff to gather and provide the necessary information. Note that the cost per hour may vary depending on locality.
- Total number of responses is based on annual on-site reviews performed by CAs, HUD staff, and lenders,
- The frequency of reviews is estimated at one per year per project based on the portfolio size.

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.

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.

There are no additional capital or start-up costs. There are no total operation and maintenance purchase of services components required for the collection of this information.

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
HUD-9834	27,127.00	1.00	27,127.00	0.33	8,951.91	\$32.60	\$291,832.27
TOTALS	27,127.00		27,127.00		8,951.91		\$291,832.27

*The estimated number of respondents is based on the number of insured projects in HUD systems that are reviewed by HUD staff and must comply with the on-site management review requirements.

**The hourly cost for HUD staff is based on the hourly pay from www.opm.gov for a GS-11 to conduct the on-site review.

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 reinstatement with change. 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 provide management reviews to the Department, and newly insured projects that have been added to the portfolio since last report. HUD has contracted for management reviews to be conducted on all projects that have not experienced a review for at least three years. This represents an increase of reviews from previous years as most PBCAs have been without a contract for several years, thus Management Occupancy Reviews (MORs) have not been conducted. Also, the HUD-9834, has been revised to include Anti-Deficiency Act (ADA) language and PRA burden statement.

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. Results constitute a report shared with the project owner only and are not provided in any publication.

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 OMB approval expiration date will be displayed within the form HUD-9834.

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.

B. Collections of Information Employing 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 tests 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.

There are no statistical methods used in this collection.