

**Supporting Statement for Paperwork Reduction Act Submissions**  
**HUD-Owned Real Estate – Dollar Home Sales Program**  
**OMB Control Number 2502-0569**

**A. Justification**

1. The provisions of 12 USC 1715z-11a.(b)(3) authorizes the Secretary of Housing and Urban Development (HUD) to offer qualified single-family properties for purchase by units of local government, at a cost of \$1 each, but only to the extent that the costs of disposal at such price do not exceed the costs of disposing of property subject to the procedures established by the Secretary pursuant to authority under the last sentence of 12 USC 1710(g). The referenced last sentence of 12 USC 1710(g) simply states that “The Secretary may sell real and personal property acquired by the Secretary pursuant to the provisions of this Act 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. Section 291.90 (a) – (e) prescribes sales methods and (e) notes that HUD may select any other methods of sale, as determined by the Secretary. And HUD’s standards and requirements are found in HUD’s Handbook 4000.1, FHA Single Family Housing Policy Handbook, which is available online.

Within the general property disposition program, HUD administers special disposition programs targeting special market groups or policy goals. The information collection activity covers the Dollar Homes – Government Sales Program in which eligible Governmental Entities may purchase certain HUD-Owned Single Family Properties for \$1 each, plus closing costs.

2. The information collection is regarding the Dollar Home Sales Program where the collection is needed to implement the Dollar Homes - Government Sales Program. This is a request for an extension of a currently approved collection. Form HUD-9548, Sales Contract Property Disposition Program, will be used in the property sale transaction, however, the information collection is reported and approved under OMB number 2502-0306. The sales contracts and addenda will be used in binding contracts between a Governmental Entity purchaser of an acquired single-family asset and HUD pursuant to the Dollar Homes - Government Sales Program.

The program promotes the sale of properties that have been in inventory and available for sale for at least 180 days. The sale of these properties under this program makes it possible for local governments to rehabilitate the homes and make them available as low and moderate-income housing at a considerable savings. The newly occupied homes can then act as catalysts for neighborhood revitalization, attracting new residents and businesses to an area.

If a Property remains unsold after 180 days, HUD will remove the Property from the market and offer it exclusively to local governments for 10 Days before returning it to an extended

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listing period, if no \$1 bids are accepted. Local governments may purchase for \$1 each, plus closing costs, certain Properties meeting the following criteria:

- the Property is not under a contract for sale;
- the Property has been offered to the public and marketed for sale for at least 180 Days;
- the Property is within the jurisdiction of the local government;
- the Property is uninsured; and
- the current as-is Market Value of the Property is \$25,000 or less.

Local Governmental Entities may partner with local nonprofit agencies to purchase Properties under the Dollar Homes - Government Sales Program for local housing and community development initiatives. Nonprofit organizations are not permitted to directly purchase Properties under this sales program on their own behalf. HUD will accept a sales contract from nonprofits only if a Governmental Entity identifies in its intended disposition strategy that the nonprofit will act as its agent to purchase these properties.

Listed below are the information collections associated with the Dollar Homes- Government Sales Program and a description of their purposes.

**Certification of occupancy.** A Governmental Entity must certify that the property is not occupied.

**Written expression of interest.** A Governmental Entity will submit a written expression of interest.

**Sales contract and addendum.** Governmental Entities may only purchase eligible HUD Properties within their jurisdiction and must:

- identify to HUD the intended disposition strategy or strategies and clear public purpose goals and objectives consistent with supporting local housing or community development initiatives, including rehabilitation and resale to first time homebuyers or Low-to Moderate-Income buyers, that it will pursue with Properties purchased through this program;
- affirm that all profits from resale of these Dollar Homes will go to support local housing or community development initiatives; and
- identify what specific local housing or community development programs or uses these profits will support.

**Identification of Agent.** A local government may identify an agency of government, such as a housing authority to act as its agent to purchase Dollar Homes

**Recordkeeping** sufficient to provide HUD with the required annual report.

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**Annual Report.** Governmental Entities must provide information pertaining to the purchase and subsequent resale of Properties purchased under the Dollar Homes - Government Sales Program in its annual report to HUD's Homeownership Center Program Support Division Director via HUD's Nonprofit Data Management System. The report must include information on:

- the ultimate Owner-Occupant Buyer;
- the amount of profit realized on the final sale; and
- the specific local housing/community development programs or uses these profits were used to support.

**Annual Audit.** Organizations participating in the program are subject to an annual audit.

3. The information is collected electronically via the HUDHomestore web-based format except for the Annual Report. The Annual report is submitted to HUD's Homeownership Center via HUD's Nonprofit Data Management System. Sales contracts, addendums, Dollar Home documentation requiring original signatures will be submitted to HUD in hard copy. As of May 1, 2017, HUD started using electronic filing of signatures for the sales contracts and addendums.
4. The Dollar Homes - Government Sales Program is the only HUD program that sells single-family acquired properties to local government entities or their agents. Therefore, the information collected is unique to this 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, which includes small organization or small governmental jurisdiction. The Dollar Homes - Government Sales Program will be operated through the HUD Homes web site. Local governments will not use the services of a real estate broker to submit a bid; they will work with HUD's Management and Marketing contractor directly. Expression of interest, recordkeeping and reporting will be of minor impact.
6. The information collected and the audit requirement is the minimum needed to implement the Dollar Home Sales Program using appropriate management control tools to protect against fraud and abuse. Upon purchase, the governmental entity will execute a sales contract addendum which:
  - identifies the intended disposition strategies and public purpose goals and objectives consistent with supporting local housing or community development initiatives, including rehabilitation and resale to first time homebuyers or Low-to Moderate-Income buyers, that it will pursue with Properties purchased through this program;
  - identify the specific programs or uses that resale profits will support; and
  - requires the purchaser to provide HUD with an annual report on all properties purchased under the program.

In addition to protection against fraud and abuse, if the Dollar Home Sales Program collection of information is not conducted, then the inappropriate sale of certain properties to

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local governments for a \$1 plus closing cost may result in a consequent loss of revenue to the FHA insurance fund.

7. There are no special circumstances applicable to this information collection:
    - \* requiring respondents to report information to the agency more often than quarterly? No, we ask for Annual Report.
    - \* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it? No, does not apply
    - \* requiring more than an original and two copies of any document? No, only one copy of an electronic report.
    - \* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years? No, does not apply
    - \* 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, does not apply
    - \* requiring the use of a statistical data classification that has not been reviewed and approved by OMB? No, does not apply
    - \* 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? 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, does not apply
  8. In accordance with 5 CFR 1320.8(d), HUD published a notice soliciting public comments in the *Federal Register* on Wednesday, July 12, 2017 (Vol.: 82; No.: 132; Page.: 32194). No comments were 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.
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12. The following are the estimates of the burden hours of the collection of information.

<b>Information Collection</b>	<b>Number of Respondents</b>	<b>Frequency of Response (Averages)</b>	<b>Total Annual Responses</b>	<b>Hours per Response</b>	<b>Total Annual Hours</b>	<b>Per Hourly Rate</b>	<b>Total Annual Cost</b>
<i>Dollar Home Sales Program</i>							
Written Expression of Interest	38	2.11	80.18	0.25	20.05	\$38.20	\$765.91
Sales Contract		2.11	80.18	0.50	40.09	\$38.20	\$1,531.44
Addendum		2.11	80.18	0.50	40.09	\$38.20	\$1,531.44
Recordkeeping		2.11	80.18	1.00	80.18	\$38.20	\$3,062.88
Certification of occupancy		2.11	80.18	1.00	80.18	\$38.20	\$3,062.88
Annual Report		2.11	80.18	1.00	80.18	\$38.20	\$3,062.88
Annual Audit		2.11	80.18	0.20	16.04	\$38.20	\$612.58
<b>Totals</b>	<b>38</b>		<b>561.26</b>		<b>356.81</b>		<b>\$13,630.01</b>

The hourly rate is based on estimated GS-12 CY2017 salary of \$79,720 annually where hourly rate is rounded to nearest dollar amount at \$38.20.

**Assumptions:**

- Annual Dollar Home sales averaged 81 properties among 38 different entities during a 12-month period.

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.

<b>Information Collection</b>	<b>Total Annual Responses</b>	<b>Review / Completion by HUD Staff</b>	<b>Hours per Response</b>	<b>Total Annual Hours</b>	<b>Cost per Hour</b>	<b>Total Annual Cost</b>
<b>Dollar Home Sales Program</b>						
Required notifications / posting on web/ designation of agent	80.18	80.18	0.20	16.04	\$38.20	\$612.58
Annual Report	80.18	80.18	0.50	40.09	\$38.20	\$1,531.44
Annual Audit	80.18	80.18	0.20	16.04	\$38.20	\$612.58
<b>Totals</b>	<b>240.54</b>	<b>240.54</b>		<b>72.17</b>		<b>\$2,756.60</b>

The hourly cost is based on estimated GS12 CY2017 salary of \$79,720 annually where hourly rate is rounded to nearest dollar amount at \$38.20.

15. This is an extension of a currently approved collection. The estimates of 38 respondents, and 567 responses remain unchanged from previously approved collection. The change in the estimate in the 363 to 361 burden hours reflects a past typographical error.

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.