

Supporting Statement for Paperwork Reduction Act Submissions

Mortgagor's Certification of Actual Cost
OMB Control Number: 2502-0112
Form HUD-92330

JUSTIFICATION

1. The Office of Housing seeks to extend the OMB Clearance approval 2502-0112. Section 227 of the National Housing Act (P.L. 479, 48 Stat. 12 USC, 1701 et. seq), along with sections 200.95 and 891.545, applicable portions of which are attached for reference, requires the certification of costs upon completion of improvements and prior to final endorsement of a mortgage. Section 814 of the Housing Act of 1954 (P.L. 560, 68 Stat., 590, 647, 12 USC, 1701 et. seq) requires the mortgagor to create and maintain records for auditing project costs.
2. Form HUD-92330 is used by mortgagees to obtain data from a mortgagor relative to the actual cost of a project. The mortgagor is required to certify to HUD the project's actual cost by submitting the form. HUD uses the cost information to determine the maximum insurable mortgage for final endorsement of an insured mortgage. Actual cost is defined in section 227(c) of the National Housing Act. Form HUD-92330 must be accompanied by an audited balance sheet certified by an accountant unless the project has less than 40 units, or if it is a refinancing or a purchase of an existing project under 207/223f or 232/223f. Failure to receive and review the cost certification data could result in the Department's over insurance of a mortgage in the violation of the law.
3. The form HUD-92330 is a PDF fillable document available on HUDCLIPS. The form may be downloaded for use, or it may be completed on line and then printed and signed. The principal sponsors and the general contractor complete the form. The applicants submit the completed form to the mortgagee for its review. The lender then submits the form to HUD on the behalf of the borrower and a determination of acceptability/unacceptability is made. Field office staff enters the information into the Development Application Processing (DAP) system.
Reengineering efforts to replace the Development Application Processing (DAP) system with a modernized and simplified solution to improve the application review process are underway. The initial prototype for handling the tracking pipeline data and reporting for Multifamily) and Healthcare(MFH) and Oregon Health Plan (OHP) needs to be developed using the most feasible, flexible, and scalable technologies to build an interactive and intuitive online solution. The new system, to be called Application Underwriting Support System (AUSS) will generate staff-generated review documents, pre-populated standardized documents and offers communication capability between HUD staff reviews and Lender coordination. It will also interface with the integrated Real Estate Management System (iREMS), a lender portal, and document management system for an enterprise solution that will streamline Federal Housing Administration's (FHA's) business processes. Strategic planning, technologies evaluation, risk assessment, and security consideration are agilely reviewed at each life cycle stage to ensure realignment opportunities captured and implemented in timely manner.
4. Form HUD-92330 does not result in the duplication of information. This form is required to be submitted only once and the Department has no other form that requires this type of information.
5. By requiring this information only once upon completion of the project, the Department minimizes the burden on small businesses.

6. The data is used to verify the mortgagor’s percentage of approved costs. Failure to review the cost certification data would result in over insurance of the mortgage in violation of the law and possible claims against the FHA Insurance Fund.

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 than quarterly;
Not Applicable
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
Not Applicable
- requiring respondents to submit more than an original and two copies of any document;
Not Applicable
- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
Not Applicable
- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
Not Applicable
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
Not Applicable
- **Not Applicable** 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
Not Applicable
- requiring respondents to submit proprietary trade secret, 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.
Not Applicable

There are no special circumstances that require the collection of information to be inconsistent with the guidelines.

8. In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on, Volume 83 , No. 10 Pages 2172. (comments received) January 16, 2018. HUD is in constant contact with lenders regarding all phases of project applications. Ad hoc comments are taken into consideration in developing processing requirements. Input regarding public burden was received from HUD field staff.

9. No payments or gifts are provided to respondents.

10. No assurances of confidentiality have been provided beyond those provisions of the Privacy Act and Freedom of Information Act.

11. The collection does not contain information of a sensitive nature.

12. Annual Burden Estimate:

Information Collection	Number of Respondents	Frequency of Responses	Responses per Annum	Burden Hours per Response	Total Annual Burden Hours	Hourly Cost	Total Annual Cost
Form HUD 92330, including audited balance sheet	1,206.00	1.00	1,206.00	8.00	9,648.00	\$36.95	\$356,493.60

Estimated hourly cost is based on an estimated average annual salary for Accountant of \$76,730. (Data source: Bureau of Labor Statistics, March 2017). NOTE: The updated **Occupational** Employment Statistics data are scheduled to be released on March 30, **2018**.

13. There is no annual cost burden to respondents resulting from the collection of information.

14. Projected Annual Costs to the Federal Government

Information Collection	Number of Respondents	Frequency of Response	Total Responses	Hours per Response	Total Annual Burden	Hourly Rate	Total Annual Costs
Form HUD 92330, including audited balance sheet	1,206.00	1.00	1,206.00	8.00	9,648.00	\$44.28	\$427,213.44

The hourly rate is based on the rate of pay for a GS-12/5, \$44.28

15. This is an extension of a currently approved collection. The decrease in numbers are a direct reflection of other resources being available to the housing industry. HUD does not remain the major financial source of funding in the housing industry.

16. The collection of information is not scheduled for publication.

17. HUD will not seek approval to avoid displaying OMB expiration date.

18. There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods.

This collection does not employ statistical methods.