

# Supporting Statement for Paperwork Reduction Act Submissions

## Housing Counseling Program – Automated Client Management Data System

OMB No. 2502-0261

(HUD forms: HUD-2880, HUD- 2990, HUD-2991, HUD- 2994-A, HUD 2994-A, HUD-2995, HUD- 424-CB, HUD-50153, HUD-9902, HUD-9910. Standard forms: SF-424, SF-425, and SF-LLL)

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### A. Justification:

#### 1. Overview of Housing Counseling Program

One of HUD's major goals is to increase homeownership rates nationwide, particularly for low- and moderate-income and minority households. Homeownership education and counseling plays a central role in the achievement of this objective. Housing Counseling will significantly contribute to the goals of expanding homeownership and helping homeowners remain in their homes through foreclosure prevention strategies. Housing Counseling also supports innovative and aggressive efforts to combat predatory lending, another key priority.

The Office of Housing Counseling (OHC) is responsible for administration of the Department's Housing Counseling Program, authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701w and 1701x) and amended by Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). A final housing counseling rule was published in the Federal Register in September 2007 and is codified at 24 CFR Part 214. The Housing Counseling Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and the homeless. The primary objectives of the program are to expand homeownership opportunities and improve access to affordable housing. Counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership. Counselors also help borrowers avoid predatory lending practices, such as inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and foreclosure.

To participate in HUD's Housing Counseling program, a housing counseling agency must first be approved by HUD. Approval entails meeting various requirements relating to experience and capacity, including nonprofit status, a minimum of one year of housing counseling experience in the target community, and sufficient resources to implement a housing counseling plan. Eligible organizations include community-based non-profit organizations, national and regional intermediaries, and state housing finance agencies. The application for approval is found at <https://www.hudexchange.info/programs/housing-counseling/agency-application/>

Approximately 2,006 active HUD-approved agencies provide housing counseling services nation-wide currently. HUD maintains a list of these agencies so that individuals in need of assistance can easily access the nearest HUD-approved housing counseling agency, via HUD's website or an automated 1-800 Hotline. HUD-approved housing counseling agencies are required to annually submit form HUD-9902 (OMB Control number: 2502-0261), the data collection instrument for the Program, electronically through HUD's Housing Counseling System (HCS).

#### a. Housing Counseling NOFAs

Annually, HUD issues two Notices of Funding Availability (NOFAs), grant competitions making available the majority of appropriated funds for the purpose of supporting the direct provision of Housing counseling services. The Housing Counseling Program issue two specific NOFAs – Housing Counseling and Housing Counseling Training. Eligible applicants generally include HUD-approved counseling agencies and State Housing Finance Agencies (SHFAs) and agencies with extensive training experience.

#### Statutes to collect information

24 CFR Part 214

24 CFR 5.216 - Disclosure and verification of Social Security and Employer Identification Numbers.

24 CFR 5.105 (a) - Counseling agencies must comply with all applicable fair housing and civil rights requirements

HOUSING AND URBAN DEVELOPMENT ACT OF 1968  
[Public Law 90–448; 82 Stat. 484, 490; 12 U.S.C. 1701w, 1701x]  
Section 106 of the Housing and Community Development Act of 1974.

Disclosure of information is mandatory.

This information is collected in connection with HUD’s Housing Counseling Program, and will be used by HUD to determine that the grant applicant meets the requirements of the Notice of Funding Availability (NOFA) and to assign points for awarding grant funds on a competitive and equitable basis. Section 106(a)(2) of the Housing and Urban Development Act of 1968 (12 USC 1701x provides the legislative authority for HUD to provide housing counseling services directly or through private or public organizations with special competence and knowledge in counseling low and moderate income families.

Detailed information and additional requirements of the housing counseling program are provided in the Housing Counseling Program Handbook 7610.1, Rev.5.

Failure to collect the information described in this submission would prevent HUD from screening potential housing counseling agencies through which HUD depends solely to provide critical housing counseling services to clients. The collection is needed to ensure applicants meet particular eligibility criteria and possess the capability to deliver effective and efficient services. This is critical since HUD refers individuals and households in need of assistance to these HUD approved counseling agencies. If the collection is not conducted HUD would not approve any new agencies as part of the program.

### **Client Level Data and Agency Profile Data**

HUD is seeking approval for the collection of client level and agency profile data through an automated interface between HUD’s databases and client management systems (CMS) agencies utilize in order to build electronic files and transfer required agency, activity and client information into HCS. A CMS is an existing online tool that housing counselors are currently using that automates much of the housing counseling process, including client intake, file maintenance, financial and credit analysis, outreach and client notification, and reporting. The list of required client level and agency profile data fields is located on HUD’s website at the following link:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/hcc/cm](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/cm)

HUD-approved housing counseling agencies already use one of the several CMSs that are available through the private sector. A final housing counseling rule published in the Federal Register on September 2007 and codified at 24 CFR Part 214 requires all HUD-approved counseling agencies to utilize a CMS, but gives them the flexibility to choose from competing products in the market. HUD issue specifications, including required data and other requirements, which a CMS vendor must meet to successfully interface with HCS.

#### ***Improve Counseling Quality***

Universal CMS use will improve the quality of counseling offered by HUD-approved agencies by giving counselors immediate access to powerful tools, information and other resources. For example, CMSs must provide financial and credit analysis tools to help counselors analyze a client’s unique financial situation, for example, to evaluate readiness for homeownership. They must also be able to produce side-by-side comparisons of several mortgage products, including an FHA-insured mortgage, so that potential homebuyers can compare the costs and benefits of the loan products. CMSs are also programmable to recommend down payment, closing costs, and other assistance programs if they meet a client’s needs.

#### ***Increase Efficiency***

Universal CMS use improves the efficiency with which counseling and education is provided by HUD-approved agencies and with which HUD administers the Program. For example, record keeping is greatly simplified for counseling agencies by the automated intake and file creation possible through universal CMS. Counselors simply create and update client files through the CMS. Electronic files should take a fraction of the time it currently takes to create and maintain paper files, in addition to saving space.

Electronic files and the collection of client level data will also make HUD more efficient by reducing the cost of agency monitoring. HUD will have access to electronic client files, including client information, purpose of visit, counseling activity, and a record of the action plan agreed to by the counselor and client. This will allow desk

reviews, minimizing the need for Housing staff to travel as frequently to visit counseling agencies on-site to fulfill monitoring requirements. Currently, HUD staff travel biennially to the counseling agency to sample files, among other activities. HUD staff will continue to conduct biennial reviews, either onsite or remotely, unless an agency's risk assessment determines that reviews should be conducted earlier (higher risk) or extended (lower risk). Universal CMS use greatly expands and improves the quality and types of data available to HUD without increasing the reporting burden for counseling agencies. Counselors simply create and update client files through the CMS and required data is submitted to HUD. CMSs collect, and submit to HUD, required data fields.

### ***Data Sharing***

Counseling agencies and HUD will benefit from the data sharing facilitated by CMS use and the reporting of client level data. For example, CMS use and client level data reporting will eventually eliminate the need for counseling agencies to manually complete and submit the form HUD-9902 (OMB Control Number 0502-0261), the data collection instrument for the program, at the end of the fiscal year, reducing the time burden associated with reporting. Counseling agencies will submit to standardized reporting, such as the form HUD-9902, electronically in quarterly intervals. Program managers and grant administrators benefit from having accurate data available during the year, for example, to compare grantee progress against the benchmark outputs and outcomes projected in the HUD 9902, submitted with the grant application.

### ***Improve Data Quality***

HCS has functionality that automatically converts client level data populating form HUD-9902 as the housing counselor electronically builds and maintains a client's file. This automation minimizes the chance for human error and subjective interpretation of the form instructions by the counseling agencies, vastly improving data quality.

### ***New Data***

HUD will continue to have access to client level data, facilitating a more effective evaluation of the program and the impact of counseling. The lack of client-level data has long been a barrier to effective program evaluation and performance measurement. The form HUD-9902, which collects aggregate data, lacks sufficient detail to permit analysis of counseling results by subgroups or demographic characteristics. By contrast, client level data will allow HUD to finally be able to sort, by demographic characteristics, results data such as the number of clients receiving pre-purchase counseling that actually purchase a home. This represents a fundamental improvement in the quality of data available to program managers and evaluators, allowing for new and improved performance goals, enhanced agency monitoring, and more effective targeting of outreach, training and other resources. Because clients will be uniquely identified by a portion of their social security number, HUD will be able to link to FHA, Fannie Mae, and Freddie Mac databases to track clients long-term.

### ***CMS and Client Level Data Responsive to Mandates***

The collection of client level data and universal CMS use for the Housing Counseling Program are intended to be responsive to mandates from the Congress and the Office of Management and Budget (OMB) that HUD improve upon Housing Counseling Program data collection, performance measurement, and to automate reporting and other requirements. For example, in response to OMB's Program Assessment Rating Tool (PART) review on the Housing Counseling Program in 2005, FHA committed to adopting standards for housing counseling programs and establishing efficiency measures to show cost effectiveness in achieving program goals. The client level data is critical to achieving these goals. Moreover, OMB found that the Housing Counseling Program's lack of independent evaluations make it difficult to assess the program's full impact. In response to this finding, the Offices of Housing and Policy Development and Research (PD&R) agreed to jointly fund a study to evaluate the program's impact, performance, and ability to achieve established goals. The client level data will facilitate this research. The study is still pending.

CMS use and client level data collection is also responsive to the Government Paperwork Elimination Act (GPEA), which requires Federal agencies to allow the option of submitting information or transacting business with an agency electronically. The Office of Management and Budget (OMB) has made similar requests to HUD to improve management of reporting processes, including a more paperless environment, and to streamline data collection for the Housing Counseling Program.

## **b. Form HUD-9902**

In conjunction with client level data collection, the existing form HUD-9902, the traditional performance data collection instrument for the Program, will continue to be collected and can be automatically populated by HCS based on submitted client level data.

The Office of Housing Counseling has simplified form HUD-9902 to improve data quality, lessen reporting burdens on housing counseling agencies, and to focus on key program outcomes. The performance data collection instrument for the Program will continue to be collected and can be automatically populated by HCS based on submitted client level data.

The form HUD-9902 has decreased agency reporting burden from approximately 76 data elements required to be entered by the agency into its Client Management System (CMS) to approximately 33 data elements. This decrease amounts to a 56% reduction in data elements that need input by agencies. The revised reporting tool eliminates the “other” category (except for group education) and allows agencies to select multiple short- and long-term impacts applicable to each household served. Eliminating the “other” category facilitates improved data quality. Rather than capturing every possible outcome within each counseling type with the current 76 data elements, the 33 data elements hone in on key outcomes that truly demonstrate the impact of the Program.

## **2. Information Submission**

As of November 2015, HUD has 2,006 active and approved Housing Counseling Agencies (HCAs). To participate in HUD’s Housing Counseling program, a housing counseling agency must first be approved by HUD. Approval entails meeting various requirements relating to experience and capacity, including nonprofit status, a minimum of one year of housing counseling experience in the target community, and sufficient resources to implement a housing counseling plan. Eligible organizations include community-based non-profit organizations, national and regional intermediaries, and state housing finance agencies. HUD’s Field Office staff monitors the activities of the HUD-approved housing counseling agencies. Desk monitoring is accomplished by means of information available within that office. A HUD biennial performance review is required for every approved agency to determine if HUD should renew its approval of the agencies.

### **Application to Become a HUD-Approved Agency**

Form **HUD-9900** (OMB Control Number 2502-0571, expires 10/31/17), Application for Approval as a Housing Counseling Agency is a one- time document that any non-profit housing counseling agency uses when applying to join HUD’s Housing Counseling program. Approximately 25 agencies apply for HUD approval annually. This number may increase though as the Dodd Frank Certification requirements roll out over the next year, requiring other HUD programs to comply with the standards.

### **Data Collection**

Form HUD-9902, Housing Counseling Agency Fiscal Year Activity Report. This form is submitted by all agencies participating in the program (2,006 HCAs) 4 times per year.

### **a. Client Level and Agency Profile Data**

Required client level and agency profile data fields are attached.

Agency profile information will include the standard contact information HUD will use to update the web list of HUD-approved housing counseling agencies and corresponding interactive voice response system. The interface will allow for corrections and changes to the contact data to ensure the accuracy and currency of information. It will also include budget information regarding an agency’s housing counseling program to help HUD determine what percentage of an agency’s counseling and education activities should be attributed to HUD housing counseling grants, and to verify leveraged resources claimed in a grant application. Agency profile data will also include counselor profile information, including experience and training.

Client level data include individual identifying data so the counseling recipient can be uniquely identified.

Additionally, contact information, ethnicity, race, income, gender, family size, language, and other characteristics will be captured. The type and duration of assistance will also be recorded, as is how the client was referred to the agency. Mortgage transaction information will also be recorded, such as interest rate, closing costs, and whether a sales contract has been signed.

**b. HUD-9902 Report**

The existing form HUD-9902 will continue to be collected.

The form HUD-9902 can be automatically completed by HCS based on client level data, effectively minimizing the chance for human error, and reducing the reporting burden for the agencies. Counselors simply create and update client files through the CMS. The benefit to HUD is that the form's instruction will only need to be correctly applied by HUD's HCS system, instead of all 2,006 HUD-approved agencies.

**c. Housing Counseling Notice of Funding Availability (NOFAs) – Grant applications**

HUD averages 300 grant applicants per year for the Housing Counseling and Housing Counseling Training NOFAs. Applicants may apply as Local Housing Counseling Agencies (LHCAs), National and Regional Intermediaries (Intermediaries), Multi-state Organizations (MSOs) or State Housing Finance Agencies (SHFAs).

Each agency submits a summary proposal and a detailed proposal, which includes the following forms, Excel Spreadsheets (charts), and narrative statements, addressed below:

**Form HUD-2880**, Applicant/Recipient Disclosure Update Report. Once a year submission for agencies requesting grant funding (OMB 2510-0011).

**Form HUD-2990**, Certification of Consistency with the RC/EC/EZ-II Strategic Plan. Once a year submission for agencies requesting grant funding where RC/EC/EZ-II applies (OMB 2510-0013).

**Form HUD-2991**, Certification of Consistency with the consolidated plan. Once a year submission for agencies requesting grant funding where the consolidated plan applies.

**Form HUD-2995**, [Certification of Consistency with Sustainable Communities Planning and Implementation](#) (OMB 2535-0121, Expires 2/28/15). Once a year submission for agencies requesting grant funding. Agencies may use this form or HUD-50153; either form option earns the full two Bonus points on the Comprehensive Housing Counseling Grant NOFA..

**Form HUD 424 CB**, Grant Application Detailed Budget Worksheet. Once a year submission for agencies requesting grant funding (OMB 2501-0017).

**Form HUD-50153**, Certification of Consistency with Promise Zone Goals and Implementation. Once a year submission for agencies requesting grant funding. Agencies may use this form or HUD-2995; either form option earns the full two Bonus points on the Comprehensive Housing Counseling Grant NOFA.

**Form HUD-9902**, Housing Counseling Agency Fiscal Year Activity Report. This form is submitted by grant applicant if no form HUD-9902 exists for the agency in HCS system, example for a new agency. All Program participants submit 4 times per year.

**Form SF-424**, Application for Federal Assistance. Once a year submission for agencies requesting grant funding.

**Form SF 425**, Federal Financial Report

**Form SF-LLL**, Disclosure of Lobbying Activities. Once a year submission for agencies requesting grant funding

In addition to the Housing Counseling NOFA charts listed below, the Housing Counseling NOFA requires a quantitative response which would require inputting key data points into the attached Excel spreadsheets (charts). The application form for this NOFA includes a reduced emphasis on narrative responses, and an increase in quantitative responses. Although some rating factors will still require written responses, this change aims to reduce the time required to complete and score each application.

**Rating Factor 1** – Capacity of the Applicant and Relevant Organizational Staff

**Rating Factor 2** – Need / Extent of the Problem

**Rating Factor 3** – Soundness of Approach / Scope of Housing Counseling Services

**Rating Factor 4** – Leveraging Resources

**Rating Factor 5** – Achieving Results and Program Evaluation

## **Post Award Submission**

HUD awards approximately 275 Housing Counseling grants per year. The following information is collected:

- Updated budget, if actual award differs from requested amount.
- Code of Conduct is submitted only by new grantees, and there are approximately 20 of these per year.
- A-133 Audit for agencies that expend over \$750,000
- Negotiated Indirect Cost Rate (NICRA)
- Sub-allocation list
- 9902 Housing Counseling Projections
- Certification for Client Management Systems

## **Grant Management**

Quarterly Reports: grantees must file quarterly invoices, mid-term performance reports, and a final report.

## **Forms for Biennial Review**

Form HUD-9910, Biennial Performance Review, (OMB 0502-0574: expires 12/13/2017) is completed to record the findings of the on-site review. Approximately 800 reviews are conducted annually.

## **3. Automation**

### **a. Client Level Data and Agency Profile Data Collection**

Universal CMS use automates client intake and file maintenance, capturing essential data on clients and counseling activities. The nature of this information collection is such that the use of improved information technology will reduce the burden on agencies while HUD collects more and better quality data.

### **b. HUD-9902 Report**

HCS can build the form HUD-9902 report automatically based on client level data submitted, reducing the need for agencies to actually input data or to aggregate at the end of the year. Many CMSs have similar functionality to build form HUD-9902 from client level data. HUD estimates that this reduces, perhaps by half, the workload associated with the form.

### **c. Housing Counseling NOFA and Charts**

Beginning with the FY 2005 NOFA, all applicants were required to submit their applications electronically through Grants.gov. Electronic submission eliminates the burden on applicants to print, organize and ship multiple copies of their application. Additionally, the Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once.

## **4. Duplication of Information**

### **a. Client Level Data and Agency Profile Data**

HCS is the only system at HUD designed specifically to interface with CMSs, and to collect client level housing counseling activity data. Information collected will be unique and is not duplicated by other systems.

### **b. HUD-9902 Report**

This form is the only instrument to collect performance activity reports from HUD-approved housing counseling agencies.

### **c. Housing Counseling NOFAs**

The NOFAs are designed to avoid duplication of information. For example, performance data from the HUD-9902 factors into the scoring. However, agencies that have already submitted the form to HUD are instructed not to re-submit with the NOFA application.

## 5. Effects on Small Entities

The information collection is the same for all entities, regardless of size, but is considered to be the minimal information needed for HUD to effectively administer this program. The electronic grant application process eliminates the burden on all applicants to print, organize, and mail multiple copies of their application. Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once. CMS use automates client intake and file maintenance, capturing essential data on clients and counseling activities. CMS use will reduce the burden on all agencies while HUD collects more and better quality, data.

## 6. Failure to Collect Information

### a. Client Level Data and Agency Profile Data

Failure to collect the information described in this submission would leave HUD without the client level data and quality aggregate data necessary to adequately and convincingly demonstrate the positive impact of housing counseling. It would also make it very difficult to create more meaningful performance indicators, and to effectively evaluate the program, goals that HUD and OMB share. In failing to automate form HUD-9902 completion through CMS use and CARS, an excellent opportunity would be missed to standardize and improve the quality of aggregate data available to HUD, and to make corresponding analysis much more meaningful.

### b. HUD-9902 Report

Failure to collect data on the form HUD-9902 as would force HUD to not collect critical data justifying the benefits and impact of the counseling program.

### c. Housing Counseling NOFAs

The narratives and forms requested through the NOFAs are the means through which HUD ranks and rates applicants, in order to competitively distribute awards. Failure to collect this information would prevent HUD from distributing approximately \$50 million a year in support of critical housing counseling services.

## 1. 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;  
**Refer to Section 2**
- 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 in 5 CFR 1320.6.

## 8. Solicit Public Comments

### a. NOFA/Client Level Data and Agency Profile Data

This collection of information is in accordance with the requirements of 5 CFR 1320.8(d) and was announced in the *Federal Register* on April 14, 2016, volume 81, page 22103. No comments were received.

In addition, HUD solicited input from housing counseling agencies via Housing Counseling Stakeholder meetings on how to improve the NOFA application process and data collection. The agencies reported the following:

- The charts reduce the amount of time it takes to complete the application.
- Some agencies agreed that it was better to have a two year NOFA application to avoid having to reapply every year but want the CMS process to align with the 2 Year NOFA;
- The period of performance is helpful but the overlap is confusing especially with previous quarters duplicate. It is difficult to open other quarters that the agency closed and then find it in the period of the new fiscal year. Need instructions on the new 9902 guide/webinar
- The development of the OHC and the streamlined process has helped our agency perform at a higher more efficient level.

### b. HUD-9902 Report

This proposal renews the existing form. To create it, HUD relied on feedback from the national and regional intermediaries, as well as from HUD staff across the country.

### c. Housing Counseling NOFAs

The information collection requirements contained in the Housing Counseling and Housing Counseling Training grant applications will be described in each year's published NOFAs. Every year the Housing Counseling NOFAs contain Form HUD-2994, *Client Comments and Suggestions*, which is optional. Through this form, HUD receives feedback on the NOFAs that the Department carefully considers when making yearly improvements.

9. There are no payments to respondents, other than to grantees under the NOFA.

10. The client level information provided is subject to the Privacy Act and may be made available only to the appropriate Federal, State, and local agencies. This collection of information is in accordance with the requirements of 5 CFR 1320.8(d) and was announced in the *Federal Register* on January 12, 2009 (Vol. 74, No. 7, pages 1227).

Client files, both electronic and paper, must be kept confidential, in accordance with § 214.315. This system must meet the requirements of 24 CFR 1.6, 24 CFR 84.21, and 24 CFR 121 and can be easily accessible to HUD for all monitoring and audit purposes.

HUD will secure and protect the electronic transfer of sensitive information by using firewall protection, encryptions, and restricted access security.

## 11. Sensitive Information

### a. Client Level Data and Agency Profile Data

Client level data will allow HUD to finally be able to sort, by demographic characteristics, results data such as the number of clients receiving pre-purchase counseling that actually purchase a home. This represents a fundamental improvement in the quality of data available to program managers and evaluators, allowing for new and improved performance goals, enhanced agency monitoring, and more effective targeting of outreach, training and other resources. Because clients will be uniquely identified by a portion of their social security number, HUD will be able to link to FHA, Fannie Mae, and Freddie Mac databases to track clients long-term.



Failure to collect the information described in this submission would leave HUD without the client level data and quality aggregate data necessary to adequately and convincingly demonstrate the positive impact of housing counseling. It would also make it very difficult to create more meaningful performance indicators, and to effectively evaluate the program, goals that HUD and OMB share. In failing to automate form HUD-9902 completion through CMS use and CARS, an excellent opportunity would be missed to standardize and improve the quality of aggregate data available to HUD, and to make corresponding analysis much more meaningful.

The collection of client level data and universal CMS use for the Housing Counseling Program are intended to be responsive to mandates from the Congress and the Office of Management and Budget (OMB) that HUD improve upon Housing Counseling Program data collection and performance measurement, and to automate reporting and other requirements. For example, in response to OMB's Program Assessment Rating Tool (PART) review on the Housing Counseling Program in 2005, FHA committed to adopting standards for housing counseling programs and establishing efficiency measures to show cost effectiveness in achieving program goals. The client level data is critical to achieving these goals. Moreover, OMB found that the Housing Counseling Program's lack of independent evaluations make it difficult to assess the program's full impact. In response to this finding, the Offices of Housing and Policy Development and Research (PD&R) agreed to jointly fund a study to evaluate the program's impact, performance, and ability to achieve established goals. The client level data will facilitate this research.

HUD will secure and protect the electronic transfer of sensitive information such as client level data, by using firewall protection, encryptions, and restricted access security. The protections to be implemented will be fully compliant with all federal requirements and NIST guidance.

#### **b. HUD-9902 Report**

Information collected is aggregate data that does not contain sensitive information.

#### **c. Housing Counseling NOFAs**

Some sensitive information may be submitted with the application, for example resume type information. HUD and Grants.gov, which is administered by the Department of Health and Human Services, are taking the standard precautions regarding the electronic transfer of information, including firewall protection, encryptions, and access security. Additionally, the information provided is subject to the Privacy Act and may be made available only to the appropriate Federal, State, and local agencies.

## **12. Annual Reporting Burden**

#### **a. Housing Counseling NOFAs**

In order to collect sufficient information to meaningfully rate and rank applicants, a significant amount of information, is requested through the NOFAs. However, the NOFA has been significantly streamlined over the last three years, using the NOFA Charts to collect the needed data. Applicants will no longer have to write lengthy narratives to justify their responses. Applicants are able to simply enter responses in data fields using the NOFA charts. Prior calculations performed by the applicant are now automatically calculated within the NOFA chart system based on field entries from the applicant. Consequently, we believe that the 5 hours per factor estimated in the table below is very conservative, and that the actual amount, which varies by agency, could be significantly lower.

#### **b. Client Level Data and Agency Profile Data**

HUD proposes that client level data be submitted on a quarterly basis, which should take two minutes per submission. No additional burden exists as counselors simply perform standard intake and maintain client files online through the CMS.

**c. HUD-9902 Report**

HUD proposes that form HUD-9902 continue to be submitted to HCS on a quarterly basis. No additional burden exists as counselors simply perform standard intake and maintain client files online through the CMS, which in many cases will build their form HUD-9902 reports automatically, eliminating the need for agencies to actually input data, or to aggregate at the end of the year. HCS also has functionality to derive from-9902 from client level data.

The following table summarizes estimated costs to housing counseling agencies participating in the Program.

| Information Collection                             | Number of Respondents | Responses per Year | Total Annual Responses | Hours per Response | Total Hours      | Hourly Cost  | Annual Cost         |
|----------------------------------------------------|-----------------------|--------------------|------------------------|--------------------|------------------|--------------|---------------------|
| <b>Application to become a HUD-approved agency</b> |                       |                    |                        |                    |                  |              |                     |
| HUD-9900                                           | 25                    | 1                  | 25                     | 8.00               | 200              | \$29*        | \$5,800.00          |
| <b>Grant Applications</b>                          |                       |                    |                        |                    |                  |              |                     |
| Summary Proposal                                   | 300                   | 1                  | 300                    | 1.17               | 351.00           | \$29         | \$10,179.00         |
| SF-424 (OMB 4040-0004)                             | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| SF-424 Supp. (OMB 1890-0014)                       | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| HUD-424 CB (OMB 2501-0017)                         | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| SF-LLL (OMB 0348-0046)                             | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| HUD-2880 (OMB 2510-0011)                           | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| HUD-2990 (OMB 2501-0259)                           | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| HUD-2991 (OMB 2506-0112)                           | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 00                  |
| HUD-2994-A                                         | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| HUD 2995                                           | 300                   | 1                  | 300                    | 0                  | 0                | 0            | 0                   |
| HUD-50153 (OMB 2577-0279)                          |                       |                    |                        |                    |                  |              |                     |
| HUD-9902**                                         | 25                    | 1                  | 25                     | 0.50               | 12.50            | \$ 29        | 362.50              |
| <b>Total Applications</b>                          | <b>300</b>            | <b>1</b>           | <b>300</b>             | <b>30.00</b>       | <b>9,000.00</b>  | <b>\$ 29</b> | <b>\$261,000.00</b> |
| Post Award Submission                              | 272                   | 1                  | 272                    | 3.00               | 816.00           | \$ 29        | \$23,664.00         |
| Grant Management                                   | 272                   | 4                  | 1088                   | 5.00               | 5,440.00         | \$ 29        | \$157,760.00        |
| <b>Total – Grant Applications</b>                  | <b>300</b>            |                    | <b>4710</b>            | <b>47.67</b>       | <b>15,819.00</b> | <b>\$ 29</b> | <b>\$458,765.50</b> |
| <b>Data Collection</b>                             |                       |                    |                        |                    |                  |              |                     |
| HUD-9902                                           | 2,073                 | 4                  | 8,292.00               | 0.03***            | 343.00           |              | \$6,723.00          |
| Client Level Data and Agency Profile Data          | 2,073                 | 4                  | 8,292.00               | 0.03***            | 343.00           |              | \$6,723.00          |
| <b>SF425</b>                                       |                       |                    |                        |                    |                  |              |                     |
| <b>Total – Data Collection</b>                     | <b>2073</b>           |                    | <b>16,584.00</b>       |                    | <b>686.00</b>    |              | <b>\$13,446.00</b>  |
| <b>Biennial Review</b>                             |                       |                    |                        |                    |                  |              |                     |
| HUD-9910                                           | 800                   | 1                  | 800                    | 15                 | 120.00           | \$29         | \$3,480.00          |
| <b>Total</b>                                       | <b>800</b>            |                    | <b>800</b>             |                    | <b>120.00</b>    |              | <b>\$3,480.00</b>   |
| <b>Grand Totals</b>                                | <b>2,873</b>          |                    | <b>17,384</b>          |                    | <b>16,625.00</b> |              | <b>\$475,691.50</b> |

\* This hourly cost, applied when the burden cost relates to a housing counseling agency, is an average hourly salary of housing counseling agency employees.

\*\* This HUD-9902 reference applies only to those newly approved counseling agencies that are applying for a grant through the NOFA but were not required to submit an electronic HUD-9902 for the previous fiscal year.

\*\*\*With universal CMS use, the HUD-9902 will be populated automatically based on electronic client files. Consequently, the estimated burden hour per response includes only the time necessary to send the document electronically (estimated time: 2 minutes). Client Level Data submission is also just a simple push of a button, as electronic files are created routinely.

13. There are no additional costs to respondents.

**14. Cost to the Federal Government**

**a. Client Level Data and Agency Profile Data**

- The initial cost to HUD to develop HCS database cost approximately \$900,000, which included:
  - a. Purchase of application
  - b. Developmental cost to modify the Commercial Off the Shelf (COTS) application to support HUD’s unique business requirements
  - c. Initial training program
- The annual cost to HUD to maintain this application on an ongoing basis is approximately \$700,000 and includes:
  - a. System Maintenance
  - b. Staff Assistance for Customer Service
- Development Costs for the next 2 years is estimated to be \$3.5 million.
- Salary cost for Federal Employees is based on an average of GS-12 and is estimated at ¼ of an employee workload.

| Number of Employees | Hrs per Year per employee | Number of Hrs per Year | Average Pay per Hr | Annual Cost |
|---------------------|---------------------------|------------------------|--------------------|-------------|
| 2                   | 520                       | 1,040                  | \$33               | \$33,320    |

**c. Housing Counseling NOFAs – Review of Applications**

| Information Collection             | Number of Applications | Hrs per Review | Total Hrs  | Average Pay per Hr | Annual Cost     |
|------------------------------------|------------------------|----------------|------------|--------------------|-----------------|
| NOFA Applications - Intermediaries | 35                     | 4              | 140        | \$41               | \$5740          |
| NOFA Applications – All others     | 235                    | 2              | 470        | \$33               | \$15,510        |
| <b>TOTAL</b>                       | <b>270</b>             |                | <b>610</b> |                    | <b>\$21,250</b> |

HUD personnel review the NOFA applications. The hourly rate is based on GS-13 for reviews of Intermediary applications, and on GS-12 for reviews of local agencies.

**15. Currently Approved Collection**

This is a renewal of a previously approved collection. The decrease in respondents, responses and burden hours is due to a decrease in the number of NOFA applicants, and method in scoring due to use of charts and data fields rather than reviewing lengthy narratives.

The differences and total cost are explained below.

**Respondents:** This submission reports the following:

| Respondents                                                 | Number Annually |
|-------------------------------------------------------------|-----------------|
| Current HUD-approved Housing Counseling agencies            | 2006            |
| New applicants to be HUD-approved Housing Counseling Agency | 25              |
| NOFA grant applicants, 300 per year                         | 300             |
| New grantees, 270 per year                                  | 270             |
| <b>Total</b>                                                | <b>2601</b>     |

**Responses:** This submission report includes responses from the total number of forms submitted and the NOFA applications, as follows:

| Responses                                                                         | Number Annually  |
|-----------------------------------------------------------------------------------|------------------|
| Applications to be HUD-approved Housing Counseling Agency, submitted individually | 25               |
| NOFA grant applications, post award                                               | 4710             |
| All agencies, quarterly reports, HUD-9902 only 2073 x 4                           | 8292             |
| Biennial review, approximately 800 annually                                       | 800              |
| Client Level Data and Agency Profile Data                                         | 8292             |
| <b>Total</b>                                                                      | <b>22,119.00</b> |

**Percentage Collected Electronically.** All NOFA applications, form HUD-9902, client level data and agency profile data are submitted electronically. One hundred percent of information is collected electronically.

**Burden Hours:** This submission reports 16,437.50 total hours.

**Annual Cost:** The number of applications decreased this year by 300 which reduced the reporting burden hours. Several other response rates decreased and the resultant cost is \$475,691.50.

The difference in burden hours is a decrease of 21,325. This submission reports the following:

| Responses                                 | Change                               | Hour Change    | Explanation    |
|-------------------------------------------|--------------------------------------|----------------|----------------|
| All agencies, HUD-9902 4 x annually       | Decreased agencies from 2602 to 2073 | -529           | Adjustment     |
| NOFA grant applications                   | Subtracted 300 applications          | --20,580       | Adjustment     |
| Client Level Data and Agency Profile Data | New data being reported              | -126           | Program Change |
| <b>Net change</b>                         |                                      | <b>-21,235</b> |                |

The decrease in respondents, responses and burden hours is due to a significant decrease in in the number of NOFA applications since former local applicants are now aligning with larger intermediary agencies; and the number of new HUD approved housing counseling agency applicants have decreased. The HUD forms 9908 and 96010 are no longer being used in the program.

16. HUD will publish the names of the grantees. Additionally, HUD maintains a web site listing all Housing Counseling agencies.
17. HUD is not seeking approval to avoid displaying the OMB expiration date.
18. There is no exception to Item # 19 "Certification of Paperwork Reduction Act Submission."

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**B. Collections of Information Employing Statistical Methods.**

The collection of information does not employ statistical methods.