

2017 SUPPORTING STATEMENT

7 CFR PART 3550, "DIRECT SINGLE FAMILY HOUSING LOAN AND GRANT PROGRAMS," HB-1-3550, "FIELD OFFICE HANDBOOK" AND HB-2-3550, "CUSTOMER SERVICE CENTER HANDBOOK" (OMB No. 0575-0172)

A. Justification.

1.Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

USDA Rural Development (RD) is committed to helping improve the economy and quality of life in rural America. RD's Rural Housing Service (RHS or Agency) offers a variety of programs to build or improve housing and essential community facilities in rural areas.

The Housing Act of 1949 provides the authority for the RHS's direct single family housing loan and grant programs. The programs provide eligible applicants with financial assistance to own adequate but modest homes in rural areas. 7 CFR Part 3550 sets forth the programs' policies and the programs' procedures can be found in its accompanying handbooks (Handbook-1-3550 and Handbook-2-3550). To originate and service direct loans and grants that comply with the programs' statute, policies and procedures, RHS must collect information from low- and very low-income applicants, third parties associated with or working on behalf of the applicants, borrowers, and third parties associated with or working on behalf of the borrowers.

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. Be specific. If this collection is a form or a questionnaire, every question needs to be justified.

Information needed for origination purposes is largely collected by RD field staff from applicants and third parties associated with or working on behalf of the applicants. Information needed for servicing purposes is largely collected by the Customer Service Center (CSC) from borrowers and third parties associated with or working on behalf of the borrowers. The party collecting the information provides the respondent with the needed form(s) and/or non-form(s) along with submission instructions. While submission instructions may vary, the Agency

utilizes secure electronic means of submission when possible (e.g. eForms and password protected emails).

The information collected is used to:

- Determine if the applicable eligibility and/or action standards are met.
 - o If they are, the appropriate processing steps are taken.
 - o If they are not and the decision is adverse to the applicant/borrower, the respondent is notified of their rights.
- Ensure that any payments (i.e. the extended financing and payment subsidies) are proper under statutory, contractual, administrative, or other legally applicable requirements.

The paperwork burden to be cleared under this notice is described below. For items with an anticipated number of 1,000 or more respondents, the number of respondents was rounded up to the nearest 100. For items of less than 1,000 but more than 11, the number of respondents was rounded up to the nearest 10.

REPORTING REQUIREMENTS - FORMS

Form RD 400-1, "Equal Opportunity Agreement"

This form, which requires the borrower's signature, informs the borrower of their responsibility to inform their contractor of the need to incorporate the equal opportunity clause into the contract. The form is needed for new construction and contracts in excess of \$10,000.

Form RD 400-6, "Compliance Statement"

This form, which requires the contractor's completion and signature, reveals the contractor's past compliance to equal employment opportunity in contracts and provides certification regarding the maintenance or use of non-segregated facilities. The form is needed for new construction and contracts in excess of \$10,000.

Form RD 410-4, "Application for Rural Assistance (NonFarm Tract), Uniform Residential Loan Application"

This form, which requires the applicant's completion and signature, gathers information on the property (if identified) and the applicant (identifying information, employment, monthly income, assets, liabilities, and more). In order for an application to be considered complete, the applicant must provide this form and all of the applicable items that must accompany the application (as described under the non-forms section).

Form RD 410-8, “Applicant Reference Letter”

This form, which requires a credit reference’s completion and signature, is used to obtain credit history information not included in the credit report.

Form RD 465-1, “Application for Partial Release, Subordination, or Consent”

This form, which requires the borrower’s completion and signature, is used by a borrower to apply for a partial release, subordination, mineral leases, and a lease of the security property. Estimated 5,100 respondents for a total of 5,100 burden hours.

Form RD 1910-5, “Request for Verification of Employment”

This form, which requires the employer’s completion and signature, is the alternative method of verifying an applicant’s or borrower’s wages. The preferred verification method is obtaining copies of current paycheck stubs from the applicant/borrower and having the RD staff orally verify basic information with the employer.

Form RD 1924-1, “Development Plan”

This form, which requires the borrower’s signature, is used to record planned development that is to be completed by the borrower.

Form RD 1924-2, “Description of Materials”

This form, which requires the contractor’s completion and signature, specifies the materials, equipment, and fixtures to be used in the construction of a home or the significant rehabilitation of a home.

Form RD 1924-4, “Documentation of Construction Complaint/Request for Compensation for Construction Defects”

This form, which requires the borrower’s completion and signature, documents and requests compensation for construction defects. Estimated 20 respondents for a total of 40 burden hours.

Form RD 1924-6, “Construction Contract”

This form, which requires the borrower’s and contractor’s signature, identifies the terms and conditions of the construction

Form RD 1924-7, "Contract Change Order"

This form, which requires the borrower's and contractor's completion and signatures, documents a change in the terms, conditions, and/or price of a construction contract.

Form RD 1924-9, "Certificate of Contractor's Release"

This form, which requires the contractor's signature, acknowledges receipt of payment in full for the work performed in accordance with the contract and certifies that there are no outstanding claims under the contract.

Form RD 1924-10, "Release by Claimants"

This form, which requires any possible claimant's signature, ensures the property is free of any claims against it by subcontractors

Form RD 1924-19, "Builder's Warranty"

This form, which requires the borrower's and contractor's completion and signatures, specifies the terms and conditions for the warranty of the labor and materials provided in the construction.

Form RD 1924-25, "Plan Certification"

This form, which requires the qualified party's (e.g. licensed architect, engineer, building official, etc.) completion and signature, certifies that the building plans meet all applicable construction standards.

Form RD 1927-5, "Affidavit Regarding Work of Improvement"

This form, which requires the closing agent's completion and signature, obtains a sworn statement regarding any construction, improvement, or repair on the home.

Form RD 1927-8, "Agreement with Prior Lienholder"

This form, which requires the senior lien lender's signature, constitutes the lender's agreement to notify the Agency if any default on their loan occurs allowing the Agency to protect its interest.

Form RD 1927-9, "Preliminary Title Opinion"

This form, which requires the closing agent's completion and signature, provides the Agency and borrower with the preliminary results of an attorney's title examination of the property to be financed.

Form RD 1927-10, "Final Title Opinion"

This form, which requires the closing agent's completion and signature, provides the Agency and borrower with the final results of an attorney's title examination on the financed property.

Form RD 1927-19, "Certification of Attorney"

This form, which requires the closing agent's completion and signature, certifies that the attorney is in good standing and is sufficiently covered by liability insurance and a fidelity bond. The form is only needed if the applicant selects an attorney that is not on the RD State Office's approved list.

Form RD 1927-20, "Certification of Title Insurance Company"

This form, which requires the closing agent's completion and signature, certifies that the title company is financially solvent and employees are sufficiently covered by a fidelity bond. The form is only needed if the applicant selects a title company that is not on the RD State Office's approved list.

Form RD 1940-16, "Promissory Note"

This form, which requires the borrower's signature, describes what the borrower is agreeing to. The form provides details on (among other things) the interest rate, payments, late charges, default, and obligations of persons under the note.

Form RD 1940-41, "Truth in Lending Statement"

This form, which requires the borrower's signature, discloses the annual percentage rate, the amount financed, the total of payments, the finance charge, and other conditions of an unsecured loan.

Form RD 1940-43, "Notice of Right to Cancel"

This form, which is issued by the Agency when the applicant is entering into a transaction that will result in a mortgage on a home they currently own, notifies the applicant of their right to cancel the transaction.

Form RD 1944-4, "Certification of Disability or Handicap"

This form is used when the applicant/borrower wants to deduct their disability assistance expenses for a household member from their annual income. This form, which is completed by a physician or medical professional, certifies to the household member's disability/handicap.

Form RD 1944-5, "Rural Development Manufactured Housing Dealer-Contractor Application"

Under the Section 502 direct loan program, manufactured homes can only be financed if the unit is new and is sold and setup by a dealer-contractor approved by the Agency. This form gathers information on a business interested in becoming an approved manufactured dealer-contractor. The information collected includes (among other things) principal information, credit references, and trade references.

Forms RD 1944-6, 1944-A6 and 1944-B6, "Interest Credit/Deferred Payment Computation" or Form RD 1944-14, "Payment Assistance/Deferred Mortgage Assistance Agreement"

These forms determine the amount of payment subsidy a borrower may receive. The actual form used depends on the type of subsidy the borrower is entitled to receive. The forms, which require the borrower's signature, provide the terms of the agreement, the household and income information used to determine the payment subsidy, the calculation of the payment subsidy, and other relevant information.

Form RD 1944-36, "Application for Conditional Commitment"

A conditional commitment is a written assurance from the Agency to a qualified builder, dealer-contractor, or seller that a dwelling to be constructed or rehabilitated will be certified as acceptable for purchase by qualified loan applicants, as long as the construction and sales price meet certain conditions. This form is used by parties to apply for a conditional commitment.

Form RD 1944-60, "Landlord's Verification"

This form, which requires the landlord's completion and signature, is used to verify the applicant's history of paying rent. The form is only requested if the applicant's credit score is unreliable and/or is less than 640

Form RD 1944-62, "Request for Verification of Deposit"

This form, which requires a bank teller's (or equivalent) completion and signature, is only used if there is reason to question the accuracy of the bank statements provided by the applicant when originating the loan/grant. In servicing, this form is only used for borrowers selected for an in-depth control review.

Form RD 1955-1, "Offer to Convey Security"

This form, which requires the borrower's completion and signature, is used when the borrower desires to convey title to their property to RD in full or partial satisfaction of their debt. The form outlines the terms of the offer and constitutes a formal agreement between RD and the borrower.

Form RD 1955-42, "Open Real Property Master Listing Agreement"

This form constitutes a nonexclusive agreement between RD and a real estate agent who may list Real Estate Owned (REO) properties for sale. This method of listing is not preferred; exclusive agreements are preferred.

Form RD 1955-45, "Standard Sales Contract - Sale of Real Property by the United States"

This form is the sales contract for a REO property entered into by the purchaser, accepted (if applicable) by RD, and certified to by the real estate agent (if applicable).

Form RD 1955-46, "Invitation, Bid, and Acceptance - Sale of Real Property by the United States"

This form is used when the property will be sold through a sealed bidding process. This process is generally used after a property is marketed under normal conditions for a specified period of time.

Form RD 3550-1, "Authorization to Release Information"

This form, which requires the applicant's or borrower's signature along with each adult member of their household, authorizes a third party to release applicable information (e.g. employment, assets, and credit) to RHS. While the authorization is valid for the life of the loan, borrowers are often asked to update the authorization in conjunction with a servicing action.

Form RD 3550-2, "Request for Verification of Gift/Gift Letter"

This form, which requires the donor's completion and signature, verifies the amount of a gift to the applicant to help with transactional costs (e.g. closing costs, down payment, etc.), their relationship to the applicant, and certifies that the gift is not subject to repayment.

Form RD 3550-4, "Employment Certification and Asset Certification"

This form must be completed by all direct single family housing applicants. Using this form, applicants provide the employment status of all adult household members and agree to notify RHS in the event of a change in employment

status. They also provide the nonretirement assets held by household members and certify whether or not they have disposed of assets for less than the fair market value in the last two years.

Form RD 3550-6, "Notice of Special Flood Hazard, Flood Insurance Purchase Requirements, and Availability of Federal Disaster Relief Assistance"

This form, which requires the applicant's signature when they wish to purchase (and/or repair) a home that is located in a special flood hazard area, provides information on the flood insurance purchase requirements and federal disaster relief assistance.

Form RD 3550-7, "Funding Commitment and Notification of Loan Closing"

This form, which requires the applicant's completion and signature, notifies the applicant of their loan approval and stipulates any conditions that must be met before loan closing.

Form RD 3550-9, "Initial Escrow Account Disclosure Statement"

This form, which requires the applicant's or borrower's signature, provides the initial disclosure to the applicant/borrower regarding their monthly escrow payment and anticipated escrow activity during the coming year.

Form RD 3550-10, "Condominium Rider"

This form, which requires the borrower's signature when they are purchasing a condominium, certifies they agree to comply with the condominium covenants.

Form RD 3550-11, "Planned Unit Development Rider"

This form, which requires the borrower's signature when they are purchasing a home in a Planned Unit Development (PUD), certifies they agree to comply with the PUD covenants.

Form RD 3550-12, "Subsidy Repayment Agreement"

This form, which requires the borrower's signature, explains recapture (i.e. the subsidy received that must be repaid to the Agency), when it's triggered, and how it is calculated.

Form RD 3550-14 (Name of State), "Real Estate Mortgage" or "Deed of Trust"

This form, which requires the borrower's signature, is an agreement between the borrower and RHS that gives RHS the right to take the property should the borrower default on the terms of their agreement. In some states, a mortgage is required; in others a deed of trust is utilized. Each State has its own form. For this reason, a copy of the form was not provided for your review.

Form RD 3550-15, "Tax Information"

This form, which requires the closing agent's completion and signature, obtains information on the property's taxing authority and status.

Form RD 3550-18, "Reamortization Agreement"

This form, which requires the borrower's signature, capitalizes a borrower's outstanding loan balance.

Form RD 3550-20, "Application for Settlement of Indebtedness"

This form, which requires the borrower's completion and signature, is used to request settlement of their debt to RHS. It is generally completed after a loan is liquidated.

Form RD 3550-21, "Payment Subsidy Renewal Certification"

This form, which requires the borrower's completion and signature, initiates the renewal of the borrower's payment subsidy.

Form RD 3550-22, "Assumption Agreement - Single Family Housing"

This form, which requires the borrower's signature when assuming a debt from an existing borrower (either on new rates and terms or on same rates and terms), documents the borrower's agreement to assume responsibility for the existing Promissory Note.

Form RD 3550-23, "Applicant Orientation Guide"

This form is required of all loan applicants after they are determined eligible for a direct single family housing loan.

Form RD 3550-24, "Grant Agreement"

This form, which requires the grantee's signature, formalizes the requirement to repay the grant if the grantee's property is sold within three years of receipt of the grant.

Form RD 3550-30, "Verification of Debt Proposed for Refinancing"

This form, which requires the bank teller's (or equivalent) completion and signature, is used in evaluating the applicant's eligibility for refinancing of existing non-Agency debt. The form requests specific account information (e.g. account number, current principal balance, current interest rate, amount of delinquency (if applicable), and specific purpose of the debt).

Form RD 3550-34, "Option to Purchase Real Property"

This form, which requires the buyer's and seller's completion and signatures, constitutes a contract to purchase a property. This form is optional and is generally limited to transactions that don't involve a real estate agent.

REPORTING REQUIREMENTS – NON FORMS

Attachment 3-J, checklist of items to accompany the uniform residential loan application

In order for a Section 502 direct loan application to be considered complete, the applicant must complete/sign the application form and provide all the applicable items to accompany the application.

Certificate of homeownership education

Applicants that are first time homebuyers are required to take a homeownership education course from an Agency-approved provider and provide a certificate of completion.

Certified packaging process: application to be an intermediary

Approved intermediaries are nonprofit organizations that are engaged in affordable housing and are in good standing in the state(s) of their operation. Approved intermediaries perform quality assurance reviews on loan application packages prepared by certified packaging bodies, recruit certified packaging bodies, and provide supplemental training, technical assistance and support to certified packaging bodies. To apply to be an Agency-approved intermediary, an interested party must furnish sufficient documentation to demonstrate to the Agency's satisfaction that they meet each of the conditions specified in 7 CFR 3550.75(b)(3).

Certified packaging process: intermediary's annual report on certified packaging bodies funneling through them

Agency-approved intermediaries must complete this report to confirm the eligibility of certified packaging bodies funneling applications through them.

Certified packaging process: items needed over and above Attachment 3-J

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In addition to helping the applicant complete the application form and gather the items in Attachment 3-J, packagers must complete the worksheet for computing income and the maximum loan amount calculator; they must provide a copy of the credit report they obtained and provide their preliminary credit analysis; and they must provide a loan application narrative which includes an eligibility analysis (income, creditworthiness, repayment ability, and payment shock (if applicable)), support of any exceptions being requested, and an overall recommendation on the loan application request.

Certified packaging process: disclosure letter

Loan application packagers are required to issue a disclosure letter to potential applicants who appear eligible for the Section 502 direct loan program. The disclosure, which requires the potential applicant's signature, informs the potential applicant that the packager does not work for the Agency; of the packaging fee; that they may work directly with the Agency and avoid the packaging fee; and the Privacy Act waiver.

Notification of continued interest

The programs' waiting list is purged periodically to ensure that the Agency's records do not include applications from individuals that are no longer interested in the programs. When an applicant on the waiting list is sent Handbook Letter 3 (3550), Waiting Period, they must return the response form attached to the letter acknowledging their continued interest within 15 days of the date of the letter or their application will be withdrawn.

Withdrawal request

An applicant can withdraw their application at any time by writing or calling their local RD office.

Do Not Pay - applicant response to delinquent Federal debt

All direct single family housing applicants are checked against the Department of Treasury's Do Not Pay (DNP) portal. If DNP indicates that the applicant has a delinquent Federal debt, their application is suspended and they're notified of the reason for the suspension and provided the telephone number DNP lists as a point of contact for resolving the delinquency. If the applicant does not notify the Agency within 15 days that the problem has been resolved, their application is rejected.

Evidence of citizenship

RD has an interagency agreement with the Department of Homeland Security, U. S. Customs and Immigration Service to allow access to the Systematic Alien Verification for Entitlements (SAVE) database. This program enables RD field staff to obtain online immigration status information to determine a non-citizen applicant's program eligibility. Applicants that are non-citizens are asked to provide their Alien Identification Number so that RD can check it against SAVE.

Request for copy of tri-merge credit report

Upon receipt of a written request from the applicant, the Agency will provide a copy of the tri-merge credit report used by the Agency to determine the applicant's eligibility.

Oral verifications of employment

In origination, oral verifications of employment are conducted by RD staff to complement copies of an applicant's paycheck stubs.

Appraisal

For origination, an appraisal is needed for initial Section 502 direct loans if the RHS loan is \$7,500 or more and the Agency's debt plus prior liens against the property will exceed \$15,000. For Section 504 loans, an appraisal is only needed if assurance is needed that the property will serve as adequate security. For servicing, an appraisal is needed in order for the Agency to subordinate its interests or to approve a partial release of security if the amount of consideration exceeds \$5,000. An appraisal is also needed to determine recapture and net recovery value

Whole house inspection

For an initial Section 502 direct loan to purchase an existing dwelling, the applicant must engage the services of a qualified inspector to perform a whole house inspection and certify that the dwelling meets the Agency's standards with respect to: (1) termites and other pests (this may be separate from the whole house inspection); (2) plumbing, water and sewage; (3) heating and cooling; (4) electrical systems; and (5) structural soundness. The inspection report must be a comprehensive document that meets the minimum standards of the professional home inspector associations.

Documentation on the construction quality of a new dwelling

For loans on new dwellings where the Agency did not monitor the construction, documentation on the construction quality is needed in order to provide 100 percent financing.

Title insurance binder

Provides the Agency and borrower with the preliminary results of the title company's title examination of the property to be financed.

Title insurance policy

Provides the Agency and borrower with the final results of the title company's title examination on the financed property.

Furnish documentation of hazard and flood insurance

Borrowers with loans against the property of more than \$15,000 are required to maintain hazard (homeowners) insurance on their property. Additionally, borrowers in flood hazard areas must maintain flood insurance. Documentation of coverage is needed before or at loan closing; and as needed during the servicing of the loan.

List of items to accompany a manufactured dealer-contractor application

Along with Form RD 1944-5, Rural Development Manufactured Housing Dealer-Contractor Application, the interested party must provide a financial statement prepared by a certified public accountant and copies of their brochures, descriptive literature, guarantees, sales contracts, and price lists.

Check of references for a manufactured dealer-contractor application

RD field staff will call the interested party's trade and bank references as part of a review of an application to be an approved manufactured dealer-contractor.

Manufacturer's certificate of origin

The manufacturer of a manufactured home unit must provide a certificate of origin at loan closing to ensure that the manufactured home is free and clear of all legal encumbrances.

Conditional commitment change in price, plans, specifications

A contractor with an approved conditional commitment may request modifications to the commitment in writing.

Loan commitment from leveraged lender

A joint closing generally will be held for Agency and leveraged lender loans. If the leveraged loan will close after the Agency loan is closed, the leveraged lender must provide the Agency with a written commitment of the financing prior to the Agency's loan closing

Required documentation from a leveraging lender

A copy of the mortgage, promissory note, evidence of title and hazard insurance, and closing documents for the non-Agency loan or grant must be provided for the borrower's case file.

Attachment 12-E, checklist of items to accompany the uniform residential loan application

In order for a Section 504 application to be considered complete, the applicant must complete/sign the application form and provide all the applicable items to accompany the application.

Missing borrower / determination of property abandonment

When the borrower is missing and/or the security property appears to have been abandoned, reasonable efforts will be made to contact people and/or companies that may have knowledge of the borrower's location and/or the occupancy of the security property.

Release of Decent, Safe, and Sanitary (DSS) restrictions

When a REO property does not meet the DSS standards, specific occupancy restrictions apply to the sale. When the owner repairs or corrects the DSS restrictions, the owner may request a release of the restrictive covenants.

Refinancing review

Section 502 direct loan borrowers are required to refinance to other credit when they are financially able to do so. When a borrower meets the criteria for this review, they are asked to refinance to other credit or document their inability to obtain other credit at reasonable rates and terms.

Documentation of inability to refinance

The Agency will continue with the borrower's loan if the borrower provides documentation that another lender denies their refinancing request or the borrower provides financial documentation that verifies their inability to obtain other credit.

Request to waive late or other fees

The Agency assesses late fees and charges for checks returned for insufficient funds. These fees may be waived if the documented circumstances were beyond the borrower's control or to encourage a borrower to agree to a delinquency workout agreement.

Final payoff request

When a borrower requests a final payoff from the Agency, they will need to provide a current appraisal or an arm's length sales contract along with other pertinent information (e.g. payoff date, added value of capital improvements, and estimated settlement statement).

Notification of insurance claim proceeds

Borrowers with insurance claims must contact CSC to establish a plan to repair or rehabilitate the security property.

Request for special servicing – delinquency workout agreements and moratoriums

A delinquency workout agreement permits a borrower to stop liquidation action by agreeing to pay, in addition to the scheduled payment, an extra amount that will bring the account current within 2 years or the remaining term of the loan, whichever is shorter.

A moratorium is an agreement between the Agency and a borrower to suspend the requirement for the borrower to make payments for up to a 2-year period. A moratorium is intended to help a borrower who is experiencing temporary financial difficulties avoid foreclosure.

To determine if a borrower qualifies for one of these special servicing options, the borrower must provide the pertinent information. If approved for the moratorium, the borrower must notify the Agency if there has been any change in their financial condition.

Offer to pay following an acceleration or a request for an extension

The foreclosure process is initiated with an acceleration notice. After acceleration of a loan, an offer to cure must be supported by the borrower's financial statement. A request for an extension of time to voluntarily liquidate must be supported by a sales contract.

Borrower's offer to repay

When RHS is considering implementing an administrative offset, the borrower receives a written notification of intent. The borrower may respond within 30 days with a written offer to pay the amount outstanding rather than have the same offset.

Borrower's request for a review regarding administrative offset

When RHS is considering implementing an administrative offset, the borrower receives a written notification of intent. The borrower may respond within 30 days with a written request for a review of the Agency's determination.

Borrower's request for records

When RHS is considering implementing an administrative offset, the borrower receives a written notification of the Agency's intent to seek an offset. The customer may respond within 30 days and request a copy of RHS records upon which the offset will be sought

Borrower's written agreement for a different repayment schedule

After the determination to implement a salary offset, the borrower may make a written request for a different repayment schedule.

Borrower's request to review IRS offset referral

Borrowers have the right to challenge the delinquency being reported to IRS for offset.

Collection efforts

The Agency contacts debtors to collect any outstanding debt after the security property has been liquidated or the debt fully matures. The debtor may be asked to provide financial information so that the Agency can determine their repayment ability.

Delinquent adjustment agreements

Debtors may enter into adjustment agreements that promise to pay a reduced debt amount over a fixed period in return for debt cancellation. In some cases, these borrowers may become delinquent on the agreed-upon payments. When this occurs, servicing officials will contact them to determine the reasons for the delinquency and request information to support the explanation for the delinquency.

Survey of borrowers regarding their loan origination experience

The Agency would like to survey new borrowers about their loan origination experience. The survey, which has yet to be developed, will consist of no more than ten questions. For the majority of the questions, the answers will be from a selected list (e.g. choose the response that most accurately describes your experience).

FORMS APPROVED UNDER OTHER OMB NUMBERS

Form HUD 935-2, "Affirmative Fair Housing Marketing Plan" (OMB Control Number 2529-0013)

Used by contractors, real estate agents, etc. to outline their marketing plan in areas (e.g. subdivisions) where they intend on being involved in 5 or more transactions.

IRS Form 4506-T, Request for Transcript of Tax Return (OMB 1545-1872)

Completed by applicants and borrower to request tax return information.

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 and specifically how this collection meets GPEA requirements.

RHS has emphasized the use of eForms to submit direct single family housing application packages electronically; intermediaries under the certified packaging process are required to submit applications to RD using this system. Using eForms is beneficial to both the submitter (e.g. the applicant) and to RD. For the submitter, eForms provides a convenient and secured way to submit a loan application package to RD that contains all the required documents with the exception of the credit report fee (which will need to be mailed or hand delivered to the RD office that will process the application). For the Agency, eForms streamlines the application process and reduces paper consumption (which is good for the environment).

Applications received via eForms can be viewed for acceptance by the Agency staff and then imported in the programs' origination system for parsing. The import and parsing feature saves RD staff time and expedites application processing. The Agency receives about 70% of the applications through eforms.

Password protected emails are commonly permitted when submitting information to the Agency.

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.

The Section 502 direct loan program went through a Lean Six Sigma process improvement project to review and improve program delivery. The project goal

was to reduce the loan application processing cycle (by in part identifying and removing any duplication of effort) and implement nationwide standards for processing direct loan applications. The project involved Agency staff at various levels and external stakeholders that represented the interests of the applicants. The project, which is almost 90 percent complete, has streamlined the program.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The direct single family housing programs have minimal impact on small businesses. When a small business is asked to provide information on/for an applicant/borrower, the information requested is generally that sought out by any public or private mortgage lender. As a result, small businesses are typically familiar with the requests and can provide the information without difficulty. About 10% of applicants are small businesses working on behalf of borrowers.

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.

The information collected under this notice is needed to avoid improper payments.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

a. requiring respondents to report information to the agency more often than quarterly; There are no information collection requirements that require specific reporting on more than a quarterly basis.

b. requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; In the past, applicants were given 30 days to provide requested information. With Procedure Notice dated April 27, 2016, the allotted time was lowered to 15 days (with a few exceptions). This change was a result of the Section 502 direct loan program's process improvement project (previously described). The shortened response time still gives applicants sufficient time to respond while ensuring that the programs' limited and fiscal year specific funds are utilized in a timely manner.

c. requiring respondents to submit more than an original and two copies of any document; There are no specific information collection requirements requiring more than an original and two copies.

d. requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years; There are no such requirements.

e. 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; There are no such requirements.

f. requiring the use of a statistical data classification that has not been reviewed and approved by OMB; There are no such requirements.

g. 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; There are no such requirements.

h. 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 are no such requirements.

8. If applicable, provide a copy and identify the date and page number of publication 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 in response to the PRA statement associated with the collection over the past three years, 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 three 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

A notice was published on November 8, 2017, (Vol. 82, No. 215, page number 51803) soliciting comments on this information collection. No comments were received.

The past notice aside, the Agency recently consulted with the following two intermediaries active in the Section 502 direct loan program's certified loan

application packaging process. The intermediaries are well aware of the information collected by RHS given their role in performing quality assurance reviews on loan application packages. Both found the information to be reasonable and necessary.

Intermediary
319 Oak Street
Berea, Kentucky 40403

Intermediary
Northwest Regional Housing Authority
114 Sisco Avenue
Harrison, Arkansas 72601

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

There is no payment or gift to respondents.

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

No assurance of confidentiality was provided 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.

There is no collection of any information that would be considered sensitive in nature or commonly considered private.

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.**

*** 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.**

This submission is for 658,860 responses and 315,570 burden hours with 106,300 respondents. See the attached spreadsheet for reporting on the estimated number of respondents, the number of reports filed annually, the total annual responses, the estimated number of hours per response, estimated total hours, wage class (per hour), and cost to the public.

For the wage class, an estimated hourly wage of \$27 was used for third parties that are licensed/qualified real estate professionals (real estate agents, loan officers, contractors, inspectors, appraisers, nonprofit housing staff, loan closing agents, etc.). This hourly wage represents an average (rounded up to the nearest dollar) of the wages earned by real estate professionals as reported by Bureau of Labor Statistics' Occupational Outlook Handbook (<https://www.bls.gov/ooh/>) and Current Employment Statistics (<https://www.bls.gov/data/>).

For other third parties involved in the information collection (such as employers, landlords, credit references, and bank representatives), an estimated hourly wage of \$20 was used with a few exceptions. This lower amount (in comparison to the amount used for licensed/qualified real estate professionals) assumes that these positions are generally paid less since they typically require less education, related work experience, and/or on-the-job training.

The wage class used for applicants and borrowers is based on the average annual income served by the direct single family housing programs in Fiscal Year 2017. For each form and non-form, the estimated hourly wage (rounded up to the near dollar) was scaled based on the item's usage among the direct single family housing programs (see table below).

Exclusively used by the Section 502 direct loan program	\$17
Largely used by the Section 502 direct loan program	\$15
Largely used by the Section 504 program(s)	\$11
Exclusively used by the Section 504 grant program	\$8

The total cost to the public is \$5,805,416.

13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)

* 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 (including filing fees paid for form processing). 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 collection 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.

- a. Total capital and startup cost component (annualized over its expected useful life).
- b. Total operation and maintenance and purchase of services component.

There are no capital/startup costs or operation/maintenance.

14. Provide estimates of annualized cost 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.

The annualized cost to the Federal Government is \$121,102,800. This figure was determined by multiplying the estimated number of Agency employees engaged in the information collection under this notice (approximately 7,000), times a national average salary factor (GS-9, step 1 - \$43,251), times a national average percentage of time the employees are involved in the information collection under this notice – requesting, analyzing, and taking pertinent next steps (40%).

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

The program experienced a decrease in funding which resulted in an overall decrease in burden. Also, in keeping with the Regulatory Reform initiative, the Agency has streamlined this application process. Streamlining resulted in a number forms and written response being deemed unnecessary and dropped from the package, thus reducing burden on the applicants. Since the last submission responses and burden hours have had a net decrease of 659,948 and 51,361 respectively. The list of forms and non-forms removed can be found below.

REPORTING REQUIREMENTS REMOVED SINCE LAST SUBMISSION

- 1944-3 “Budget and/or Financial Statement”
- 1944-12 “Rural Housing Loan Application Package”
- 1951-34 “Direct Payment Plan Change”
- 1927-11 “Warranty Deed (state) Joint Tenants”
- 1927-12 “Warranty Deed (state)”
- 1927-15 “Loan Closing Instructions and Loan Closing Statement”
- 1927-16 “Notification of Loan Closing”
- 400-4 “Assurance Agreement”
- 1924-12 “Inspection Report”
- 465-5 “Transfer of Real Estate Security”
- 443-16 “Assignment of Income from Real Estate Security”
- Written - “Certified Financial Statement”
- Written - “Supplement Information for Mobile/Manufactured Homes”
- Written - “Verification of Income- Applicant’s Income Tax Return”
- Written - “Application for Approval of Housing Innovation”
- Written - “Request for Additional Information to Support Eligibility”
- Written - “Notification of Non-active Military Duty”
- Written - “Authorization to Lease Mineral Rights”
- Written - “Request for Subordination”
- Written - “Partial Release”
- Written - “Authorization to Lease”
- Written - “Refute Refinancing Request”
- Written - “Refute Unauthorized Assistance”
- Written - “Credit Score Disclosure”

- Written - "Notification to Agency if circumstances change"
- Written - "Lease of Custodial Property- Lease, Financial, and Credit Information"
- Written - "Lease of Inventory for Transitional Housing"
- Written - "Disappeared Debtors"
- Written - "Third Party Verification of Income including other documentation"
- Written - "Verification of Child Care, Medical, or other applicable expenses"
- Written - "Evidence of Ownership"
- Written - "Assurances of Road Completion"
- Written - "Applicant cancels loan"
- Written - "Community Land Trust Documents"
- Written - "Decision to Defer Recapture"
- Written - "Information to Determine Recapture Amount, including appraisals"

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.

There is no specific collection of information requirement in this rule that will be published.

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

Some forms are used in other RD information collections; therefore, it is not practical to include an OMB expiration date because of the different expiration dates for each collection. RD is seeking approval to not display the OMB expiration date.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

There are no exceptions requested.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?

USDA Service Centers deliver the direct single family housing programs. The public burden estimated in this package includes any information that is collected

at a Service Center. Automation initiatives proposed for Service Center, if funded and implemented, have the potential to reduce information collection in the future.