

Supporting Statement for Paperwork Reduction Act Submissions HUD-Owned Real Estate Sales Contract and Addendums

OMB Control Number 2502-0306

HUD-9544, HUD-9548, HUD-9548-B, HUD-9548-C, HUD-9548-G, HUD-9548-H,
HUD-9545-Y, HUD-9545-Z,
SAMS-1101, SAMS-1103, SAMS-1108, SAMS-1110, SAMS-1111, SAMS-1111-A,
SAMS-1117, SAMS-1120, SAMS-1204, SAMS-1205

A. Justification

1. Section 204(g) of the National Housing Act (12 USC 1701) provides the Secretary of Housing and Urban Development (HUD) with the authority to sell real and personal property acquired by the Secretary on such terms and conditions as the Secretary may prescribe. HUD's implementing regulations are set forth in Title 24 of the Code of Federal Regulations (CFR) Part 291 (24 CFR Part 291), Disposition of HUD-Acquired Single Family Property.

A final rule, FR-5776-F-02, Disposition of HUD-Acquired Single Family Properties; Updating HUD's Single Family Property Disposition Regulations, was published in the *Federal Register* on August 11, 2016 (Volume 81, Issue 155, pages 52998-53003) to consolidate and reorganize HUD's property disposition regulations so that they better reflect industry standards and allow HUD to conduct its Single Family Property Disposition Program more efficiently and effectively so that HUD can obtain the greatest value for its real estate owned (REO) properties in different market conditions.

Title X of the Housing and Community Development Act of 1992, Pub. L. 102-550, established the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852d). Section 1018 of that Act directs the Environmental Protection Agency (EPA) and HUD to jointly issue regulations requiring disclosure of known lead-based paint and/or lead-based paint hazards by persons selling or leasing properties built before the phase out of residential lead-based paint use in 1978. Under that authority, EPA and HUD established requirements so that consumers can make more informed decisions concerning home purchase, lease, and maintenance to protect their families from lead hazard exposure (24 CFR part 35, subpart A) (the Lead Disclosure Rule). The REO disposition activities are conducted according to 24 CFR part 35, subpart F, HUD-Owned Single Family Property.

2. The information collections are submitted primarily by real estate brokers or one of its agents and occasionally by purchasers of HUD-homes, who are involved with the program of sales of HUD-acquired properties that excludes special programs. The HUD forms previously listed on this collection have been updated with new figures to represent the Department's current HUD REO activity. The current activity results in overall decreases associated with responses, burden hours and costs.

The information collection is required in order to provide a binding contract between the property purchaser and HUD. Listed are the names and use of each REO Property Disposition form in this collection of information.

Form HUD-9544, Bulk Sale Contract (All Cash) is a sales contract specifically for the purpose of selling more than one property to a single purchaser. This form is completed by a real estate broker or one of its agents. The authority is 24 CFR 291.90 (d), 24 CFR 291.210 (d) and Handbook 4000.1. There is only one bulk sale per year.

Form HUD-9548, Sales Contract Property Disposition Program, is a contract between the purchaser of a single property and HUD. The authority is 24 CFR 291.90 (b), 24 CFR 291.205 and Handbook 4000.1. This form is used in all sales of HUD-acquired single family assets except as specifically provided otherwise by Handbook 4000.1. Real estate brokers and individuals complete these sales contracts.

Form HUD-9548-B, Discount Sales Addendum is required with the Form HUD-9548 if a discounted sale of a HUD home is made to a HUD-approved nonprofit organization or participating local governmental entity. This addendum assists in assuring the program participants understand and fulfill their obligation to rehabilitate properties and resell or rent them according to HUD's mission and policy. OMB Control Number 2502-0540 covers the reporting requirements contained in this form. Purchases made by nonprofits and government entities represent less than 1% of total HUD-owned property sales.

Form HUD-9548-C, Assignment of Sales Contract Property Disposition Program Officer Next Door Sales Program, is an addendum to the Form HUD-9548. It is used when a local government or nonprofit organization is the purchaser of an acquired asset through the Officer Next Door Sales program and the Teacher Next Door Sales and must be assigned in accordance with HUD's regulations. Transactions requiring this form have not occurred, and none are anticipated, at this time.

Form HUD-9548-G, Property Disposition Program 203(k) Rehabilitation Financing Lead Agreement is an addendum to the Form HUD-9548. This form provides information necessary to administer the HUD Lead Safe Housing Rule (24 CFR Part 35 subpart F). Lenders providing 203(k) rehabilitation financing for HUD Homes sold with deteriorated lead-based paint and built before 1978 should complete the form. The form requires the signature of the Lender, Purchaser, and Selling Broker.

Form HUD-9548-H, Property Disposition Program 203(k) Rehabilitation Financing Lead Agreement Completion of 203(k) Rehabilitation Financing Lead-Based Paint Stabilization and Clearance, is an addendum to the Form HUD-9548. This form provides information necessary to insure compliance with the Lead Safe Housing Rule at 24 CFR Part 35, Subpart F and requires the signature of the Lender.

Form HUD-9545-Y, Property Disposition Program Lead-Based Paint Disclosure Addendum to Sales Contract Seller Has Pertinent Records, is an addendum to the

Form HUD-9548. This form is used by HUD's Management and Marketing (M&M) contractor to disclose to the Selling Broker and the Purchaser that Seller Has Records Or Reports Pertaining To Lead-Based Paint and/or Lead-Based Paint Hazards on a HUD home built before 1978 and listed for sale. The form is signed by the M&M contractor, the Selling Broker, and the Purchaser. Because the M&M contractor is acting as an agent of HUD, no information collection is ascribed to the M&M contractor's time to complete the form.

Form HUD-9545-Z, Property Disposition Program Lead-Based Paint Disclosure Addendum to Sales Contract Seller Has No Pertinent Records, is an addendum to the Form HUD-9548. This form is used by HUD's M&M contractor to disclose to the Selling Broker and the Purchaser that Seller Has No Records Or Reports Pertaining To Lead-Based Paint and/or Lead-Based Paint Hazards on a HUD home built before 1978 and listed for sale. The form is signed by the M&M contractor, the Selling Broker, and the Purchaser. Because the M&M contractor is acting as an agent of HUD, no information collection is ascribed to the M&M contractor's time to complete the form.

The following forms enables HUD to record and process financial transactions in its automated Single Family Acquired Asset Management System (SAMS) to dispose of acquired single-family properties. HUD reimburses M&M contractors for their services in maintaining, marketing, and selling HUD homes, and HUD collects funds associated with the sale of these properties. The information collected in the SAMS forms enables HUD to create and maintain sound financial management practices and effective internal controls over the property disposition program. The response is required to obtain or maintain a benefit. Listed are the names and use of each SAMS form in this collection of information.

Form SAMS-1101, Define Lessees/Lease, is used for reporting on a real estate owned property when the acquired single-family property is under lease with occupants known as occupied conveyance.

Form SAMS-1103, Request to Wire Transfer Funds, is used for the wire transfer of funds on a real estate owned property when the acquired single-family property has been sold and settlement has occurred.

Form SAMS-1108, Eviction Status, is used for the reporting of eviction status from the initial eviction beginning, through the process and the final eviction of a real estate owned property by the M&M contractor, known as eviction from occupied conveyance program.

Form SAMS-1110, Taxing Authority Profile, is used for reporting the taxing authority associated with a real estate owned property by the M&M contractor.

Form SAMS-1111, Payee Name and Address, is used for setting up and modifying information on companies that conduct business with the M&M contractors. It is also used for listing/selling brokers, non-profits and local governments on real estate owned property.

Form SAMS-1111-A, Real Estate Broker Certification, is used for certify selling broker's that conduct business with the M&M contractors on behalf of HUD. It is also used for listing brokers involved with HUD REO transactions. They are to abide by HUD's standard of ethical practices and requirements.

Form SAMS-1117, Payee Deactivation Request, is used for deactivating any payee previously set up to conduct business with the M&M contractors and HUD.

Form SAMS-1120, Funds Reclassification, is used for reclassifying/changing any funds that have been transmitted to HUD in error with an incorrect designation. The form is completed by the M&M contractor or HUD. Transactions requiring the M&M contractor have not occurred, and none are anticipated, at this time.

Form SAMS-1204, Authorized Signature(s) for Payee File Maintenance, is used for the purpose of establishing authority to HUD staff by the HOC Director to perform file maintenance on SAMS.

Form SAMS-1205, Authorized Signature(s) for Funds Reclassification, is used for the purpose of establishing authority to HUD staff by the REO Director to perform reclassification of funds on SAMS.

3. The information collected by these forms is collected electronically and submitted by email from contractors to the M&M agent, and then to HUD. Sales contracts and addendums requiring original signatures will be submitted to HUD in hard copy.
4. The Single Family Property Disposition Sales Program is the only HUD program that disposes of single-family acquired properties. Therefore, the information collection forms are unique to this program, and the information collected is not duplicative.
5. The information collected does not have a significant economic impact on a substantial number of small entities. HUD-approved real estate brokers with active Name Address Identifiers (NAID) (identification numbers) submitting offers on behalf of prospective program participants may include small entities. The equipment required to access and process the information collection is desk top or equivalent computers typically found in any real estate sales office.
6. The information collected is the minimum needed to acquire and dispose of single-family properties using appropriate management control tools to protect against fraud and abuse.

7. Each information collection is unique to the respondent who is required to complete the form and the frequency is usually on a one-time or as-needed basis. Form HUD-9548 (with addenda) requires original and 3 copies each, giving the authorization to act on the sales contract. Only one copy is retained by HUD. The other three copies go to the real estate broker, the closing agent, and the purchaser. The other special circumstances are not applicable to this information collection:
 - * requiring respondents to report information to the agency more often than quarterly;
 - * requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - * requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
 - * in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
 - * requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 - * 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
 - * 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.
8. In accordance with 5 CFR 1320.8(d), HUD published a notice soliciting public comments in the *Federal Register* on Tuesday, August 9, 2016 (Volume 81, Number 153, Page 52708). No comments received.

HUD had discussions through telephone conversations with the three listed real estate brokers or agents regarding the current collection of information requirements in the REO Property Disposition program.

- Dennis Gilbert, Real Estate Agent with Rozanne S Kurman PC in Illinois.
 - Steve Silva, Real Estate Broker with California Real Estate Group in California
 - Michael Phillips, Real Estate Broker with Phillips Michael R in Missouri
9. Other than remuneration of contractors and sales commission payments to brokers submitting selected offers, no gift or other type payments are made to the respondents.
 10. These information collections take into consideration the need to assure data confidentiality and provide adequate Privacy Act Notice statements where needed.

11. This information collection does not contain requests for information of a sensitive nature, with the exception of Forms SAMS 1101, 1108, 1111 and 1111-A. The forms enable HUD to record and process financial transactions in the automated SAMS system to dispose of acquired single-family properties. HUD reimburses M&M contractors for their services in maintaining, marketing, and selling HUD homes, and HUD collects funds associated with the sale of these properties. The information collected in the SAMS forms enables HUD to create and maintain sound financial management practices and effective internal controls over the property disposition program. The response is required to obtain or maintain a benefit. In addition, specifically:
- Form SAMS 1101 information collection by the M&M contractor to indicate changes in the rental status of the HUD home and to track tenant payment responsibility.
 - Form SAMS 1108 information collection by the M&M contractor to track eviction processing and/or leasehold workout agreement of the HUD home.
 - Form SAMS 1111 information collection as the Payee reference information, IRS form 1099 applicability, minority data collection information, payment remittance instructions and proof of business viability.
 - Form SAMS 1111-A information collection as the Vendor reference information, minority data collection information, payment remittance instructions and proof of business viability.

12. The following are the estimates of the burden hours of the collection of information.
The annual response for each collection is the average for fiscal years 2014 and 2015.

Information Collection	Number of Respondents	Frequency of Response (Averages)	Total Annual Responses	Hours per Response	Total Annual Hours	Per Hourly Rate	Total Annual Cost
HUD-9544	1	1.0	1	.25	.25	\$31	\$7.75
HUD-9548	14,063	6.0	84,378	0.5	42,189	\$31	\$1,307,859.00
HUD-9548-B		Varies*	656	0.08	52	\$31	\$1,612.00
HUD-9548-G		Varies*	2,249	0.2	449.80	\$31	\$13943.80
HUD-9548-H		Varies*	50	0.17	9	\$31	279.00
HUD-9545-Y		Varies*	980	0.4	392	\$31	\$12,152.00
HUD-9545-Z		Varies*	1,629	0.2	325.80	\$31	\$10,099.80
SAMS-1101	18	Varies*	8	0.3	2	\$31	\$62.00
SAMS-1103		Varies*	33,536	0.1	3,353.60	\$31	\$103,961.60
SAMS-1108		Varies*	5	0.5	3	\$31	\$93
SAMS-1110		Varies*	45	0.2	9	\$31	\$279
SAMS-1111		Varies*	7,303	0.2	1,460.60	\$31	\$45,278.60
SAMS-1111-A		Varies*	10,019	0.2	2,003.80	\$31	\$62,117.80
SAMS-1117		Varies*	132	0.2	26.40	\$31	\$818.40
SAMS-1120**		0	0	0	0	0	0
SAMS-1204**	0	0	0	0	0	0	0
SAMS-1205**	0	0	0	0	0	0	0
Totals	14,082		140,991		50,276.25		\$1,558,563.75

The hourly rate is based on a Real estate listing agent national mean annual salary of \$65,270 where hourly rate is rounded to nearest dollar amount at \$31.

*Based on actual amounts received from periodic reports received in SAMS.

**SAMS-1120, 1204 and 1205 are for internal HUD usage in designating authority.

13. The total cost above includes the costs related to the reported burden hours. There are no additional costs to respondents for start-up or capital due to the information collection.

14. Cost to the Federal Government.

Information Collection	Total Annual Responses	Hours per Response	Total Annual Hours	Cost per Hour	Total Annual Cost
HUD-9544	1	.25	.25	\$38	\$9.50
HUD-9548	84,378	0.5	42,189	\$38	\$1,603,182
HUD-9548-B	656	0.08	52.48	\$38	\$1,994.24
HUD-9548-G	2,249	0.2	449.80	\$38	\$17,092.40
HUD-9548-H	50	0.17	8.50	\$38	\$323.00
HUD-9545-Y	980	0.4	392.00	\$38	\$14,896.00
HUD-9545-Z	1,629	0.2	325.80	\$38	\$12,380.40
SAMS-1101	8	0.3	2.40	\$38	\$91.20
SAMS-1103	33,536	0.1	3,353.60	\$38	\$127,436.80
SAMS-1108	5	0.5	2.50	\$38	\$95.00
SAMS-1110	45	0.2	9.00	\$38	\$342.00
SAMS-1111	7,303	0.2	1,460.60	\$38	\$55,502.80
SAMS-1111-A	10,019	0.2	2,003.80	\$38	\$76,144.40
SAMS-1117	132	0.2	26.40	\$38	\$1003.20
SAMS-1120	0	0	0	0	0
SAMS-1204	0	0	0	0	0
SAMS-1205	0	0	0	0	0
Totals	140,990		50276.13		\$1,910,492.94

The hourly cost is based on estimated GS12 CY2017 salary of \$79,720 annually where hourly rate is rounded to nearest dollar amount at \$38.

15. This is a revision of a currently approved information collection. The HUD forms previously listed on this collection have been updated with new figures to represent the Department's current HUD REO activity. The current activity results in overall decreases associated with responses, burden hours and costs. The information collections do not have substantive changes to the language contained in the form; however, a non-substantive edit is made to some of the forms to reflect a handbook reference change to HUD's new FHA Single Family Housing Policy Handbook (Handbook 4000.1). In addition, a non-substantive edit that replaced the name of the form SAMS 1111-A from "Selling Broker Certification" to "Real Estate Broker Certification" to better reflect the actual users of the form (listing or selling brokers)
16. These collections of information do not include results that will be published.
17. HUD is not seeking to display the expiration date for OMB approval of this information collection.
18. There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed in the collection of information.