

Paperwork Reduction Act Submission

Supporting Statement for Paperwork Reduction Act Submissions

Local Appeals to Single-Family Mortgage Limits OMB Control Number 2502-0302

A. JUSTIFICATION

1. Section 203(b)(s) of the National Housing Act (P.L.479, 48 Stat. 1246, 12 U.S.C. 1702 et seq.) authorizes the Secretary of HUD to insure mortgages offered to him and sets eligibility parameters. The parameters include limits to the mortgage amounts that FHA may insure, which is governed by section 203(b)(2) of the National Housing Act and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)).

The parameters for mortgage limits are tied to median home prices, as reflected in the sales price data for home sales across the country. The statutes are codified at 24 CFR Sec. 203.18b and include an appeal process from the public. Any interested party may submit a request for the mortgage limits to be increased in a particular area if they believe that the present limit does not accurately reflect the median house prices in that area. Any request for an increase must be accompanied by sufficient housing sales price data to justify higher limits. Typically, this data includes housing sales data extracted from multiple listing services (MLS) that includes all or nearly all one-family and condominium sales in the area for a specified period of time, deleting all non-arm's length sales and sales involving two or more family units.

2. Local Appeal requests are usually submitted by housing industry groups, such as homebuilders, real estate professionals, and mortgage lenders. Most often, the housing sales price data is necessary to support a request for a higher mortgage limit that may be obtained from existing local industry sources, such as the MLS.
3. All requests are submitted by mail exclusively to FHA's Santa Ana Homeownership Center (HOC), located in Santa Ana, California, and is maintain in the office files. None of the requests for this information involve the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Because these requests are local appeals to FHA to change the limits to the mortgage amounts that FHA may insure in a given area, based on information which is unique to the local area, it is not necessary to use information technology to reduce the burden of collection.
4. No similar information is available. Each request for appeal of FHA's loan limits contains supporting documentation for a specific jurisdiction, county, township, etc.
5. This information collection will have no significant impact on small businesses or other small entities. Generally, the requests come to HUD from housing industry groups, such as homebuilders, real estate professionals, and mortgage lenders, and not from small entities.
6. This information is collected only when a housing industry group submits an appeal to the current year's loan limit, so the consequence of not collecting the information would be that FHA could not evaluate the appeal properly. There are no technical or legal obstacles to reducing the burden.
7. Special circumstances:
 - respondents are not required to report information more than quarter;
 - respondents are not required to prepare a written response in less than 30 days;

- respondents are not required to submit more than an original and two copies of any document and are not required to retain records more than three years;
 - respondents are not required to provide a statistical survey;
 - respondents are not required to use statistical data not approved by OMB;
 - respondents are not required to submit proprietary trade secrets or other confidential information.
 - respondents are not required to submit information that includes a pledge of confidentiality that is not supported by authority established in a 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
 - respondents are not required 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), the agency's notice soliciting public comments was announced in the Federal Register on Tuesday, January 16, 2018 (Vol. 83, No.10, page 2174). no comments.
 9. There are no payments or gifts to respondents.
 10. This information can be obtained by the Freedom of Information Act, US code Title 5 UCS 552. (FOIA), or the public Information Act of July 1966.
 11. No questions of a sensitive nature are asked of respondents.
 12. Estimate of the respondent burden and cost of the collection of information:

Information Collection	Number of Respondents (Requests from 2015-2017)	Frequency of Response	Responses Per Annum	Burden Hours Per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
Local Appeals to Mortgage Limits	14	1	14	7	98	\$32.00	\$3,136

The hourly cost is based on an estimate of the average salary of homebuilders, real estate professionals, and mortgage lenders, of approximately \$65,500 per year.

There are 3,234 counties and areas, each with its loan limit that could be appealed. Members of the public that would likely submit an appeal request include FHA-approved lenders (approximately 3,076) and an unknown number of real estate professionals and advocacy groups.

HUD received 14 requests for loan limit increases during years 2015 through 2017. Of these, four appeals were received and analyzed during the calendar year 2017. The total volume of appeal requests has remained low, primarily due to the accuracy of the data and the variety of data sources, allowing HUD efficient and accurate compliance with the legal framework on calculating the limits.

Based on its most recent volume of appeal requests, HUD estimates that it could receive 14 appeals to increase local loan limits. HUD will seek a reduction in regulatory costs and burden and consider a public benefit for allowing any person or entity an opportunity to request an increase to the loan limits based on additional data that may be available.

13. There are no additional costs to respondents or record keepers resulting from this information collection.

14. Federal government burden and cost:

Information Collection	Responses Per Annum 2017-2017	Burden Hour Per Response	Annual Hours	Hourly Cost	Total Annual Cost
Local Appeals to Mortgage Limits	14	2	28	\$46.49	\$1,301

The hourly cost is based on the annual salary of a GS-13/1 employee in the Santa Ana HOC, of \$96,698.

During the years 2015 through 2017, HUD received 14 appeal requests, which were evaluated by the HOCs. This count was recently verified by the HOCs.

15. This is a Reinstatement with change. Adjustment to line 13 of 83-I: Due to the accuracy and variety of the data HUD uses to set Single Family loan limits, the number of appeals HUD received was low during calendar years 2015 through 2017.

16. The results of this information collection will not be published.

17. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods.

This collection of information does not employ statistical methods.