

Supporting Statement for Paperwork Reduction Act Submissions

Title

OMB Control Number 2502-0275

(HUD-92266)

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Include a statement regarding the changes for this submission. (Example: The changes for this submittal is as follows or the difference between this submission and the last is as follows....)

The Department of Housing and Urban Development (HUD) has both the authority and the duty to closely monitor the operation of the properties encumbered by mortgages insured or held by HUD. When the sale and conveyance by deed to an insured mortgage necessitates a substitution of mortgagors, HUD approval of the substitution is required. The duty to perform this function stems from HUD's responsibility to the taxpayers to guard the insurance fund, which includes anticipating and identify problems (e.g., physical, financial, managerial, legal) with a project prior to a potential delinquency and ultimately assignment of the mortgage. There are no changes from the previous submittal.

The authority for this function can be found in National Housing Act, 12 USC 1701 et. seq., implementing regulations at 24 CFR part 200, and in the Regulatory Agreement between HUD and the mortgagor of the multifamily housing property.

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.

The transfer of physical assets application and supporting documentation provide the Department with a vehicle for reviewing all aspects of transfers of physical assets prior to the point at which they become effective. Therefore, HUD must be intricately involved at the time of the transfer to ensure that:

- The applicant purchaser is an acceptable replacement to own and operate a project encumbered by a HUD-insured or HUD-held mortgage.
- The project is not placed in physical, financial or managerial jeopardy by the transfer.
- The changes effected at the project because of the transfer are not contrary to the interest of HUD and the tenants.

- The legal and operational terms of the transfer are not in violation of the statutes, regulations, HUD policies and binding legal contracts applicable to a project;
- The project is the recipient of its fair share of any money changing hands as consideration of the transfer;
- The project and HUD are not exploited during the vulnerable period of transfer.
- The physical and financial needs of the project are adequately addressed to minimize the risk of subsequent physical deterioration and financial damage at the project.

To ensure that HUD's interests are adequately protected, HUD staff will review and approve the new owners and management agents and the terms and conditions proposed in the transfer prior to implementation. HUD reviews each transfer of physical assets proposal for legal and administrative sufficiency. The administrative information collected pursuant to form HUD-92266 Application for Transfer of Physical Assets provides HUD with insight into the purchaser and their ability to own and operate the project effectively.

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.

This collection will not be automated due to the collection of documents necessary for this submission. The transfer of physical assets process requires submitting narrative documents to HUD in support of the transaction which are wholly outside of HUD's control.

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.

This form collection is unique and used only when a current owner applies for permission to transfer that ownership to another entity.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The collection of this information does not impact small businesses or other small entities.

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.

If this information were collected less frequently, HUD would be unable to monitor the operation of its multifamily housing portfolio, resulting in a significantly increased risk to the FHA insurance fund.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner: (PLEASE ANSWER EACH BULLET SEPARATELY)

*** requiring respondents to report information to the agency more often than quarterly;**
There is no requirement for respondents to report the information more than quarterly.

*** requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
There is no requirement for respondents to prepare a written response to a collection in fewer than 30 days.

*** requiring respondents to submit more than an original and two copies of any document;**
There is no requirement for respondents to submit more than an original and two copies of any document.

*** requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
There is no requirement for 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;**
This collection is not produced in connection with a statistical survey.

*** requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
There is no use of a statistical data classification.

*** 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**
There is no pledge of confidentiality that is not supported by authority established in statute or regulation.

*** 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 is no requirement for respondents to submit

proprietary trade secret or other confidential information.

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 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 3 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.

In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on May 3, 2019, Volume 84, No. 86, Pages 19100. Comment received: N/A.

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

No gifts or payments of any kind are provided to respondents, other than remuneration of contractors or grantees.

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 is 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 are no questions of a sensitive nature involved in this collection.

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 in Item 13 of OMB Form 83-I.

* 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. Instead, this cost should be included in Item 13.

| Information Collection | Number of Respondents ¹ | Frequency of Response ² | Responses Per Year | Average Burden Hours Per Response | Annual Burden Hours | Hourly Cost per Response ³ | Total Annual Cost |
|------------------------|------------------------------------|------------------------------------|--------------------|-----------------------------------|---------------------|---------------------------------------|-------------------|
| HUD-92266 | 27,127 | 1 | 543 | 8 | 4,340 | 35.58 | \$154,429 |
| TOTALS | 27,127 | | 543 | | 4,340 | | \$154,429 |

¹ Number of respondents is based on the current inventory of projects that are HUD-insured and HUD-Held.

²The number of annual responses is based on an estimate of 2% of potential transfer of physical assets applications received on an annual basis.

³ Hourly cost is based on an estimate of the potential owner's staff to gather, complete, and submit the required documents to HUD for review and approval. Hourly estimated costs estimate obtained from payscale.com.

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

* 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. 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 collections 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.

Data gathered by respondents for this collection consists of information and records used for business reasons, and not necessarily to provide responses to the government. The data provided constitutes customary and usual business or private practices.

14. Provide estimates of annualized costs 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. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

| Information Collection | Number of Respondents | Frequency of | Responses | Burden Hours Per | Annual Burden | Hourly Cost per | Total Annual |
|------------------------|-----------------------|--------------|-----------|------------------|---------------|-----------------|--------------|
|------------------------|-----------------------|--------------|-----------|------------------|---------------|-----------------|--------------|

| | | Response | Per Year | Response | Hours | Response | Cost |
|---------------|--------|----------|----------|----------|-------|----------|---------|
| HUD-92266 | 27,127 | 1 | 543 | 0.33 | 179 | 30.47 | \$5,455 |
| TOTALS | 27,127 | | 543 | | 179 | | \$5,455 |

¹ Estimated cost per hour for HUD staff (GS-12) to review and process the documents for this collection. Data was obtained from www.opm.gov for the 2012 general scale/hourly rates.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

This is a reinstatement, with change, of previously approved collection for which approval has expired. The change in inventory in item 13 of page 1 reflects project owners that paid or prepaid their mortgage and no longer have a regulatory requirement to report to the Department, and newly insured projects that have been added to the portfolio since last report. Burden hours reflects a correction from earlier reports which addressed every attachment needed to complete a transfer of physical assets. In fact, those attachments are separately addressed in other OMB approvals. Including them in this request amounts to double-counting those attachments and unrealistically inflates the burden hours count for use of the form HUD-92266.

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.

Collection of this information will not 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.

HUD is not seeking approval to not display the expiration date for OMB approval of the information collection.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the certification statement identified in Item #19 on form OMB 83-I, "Certification for Paperwork Reduction Act Submissions."

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

2. Describe the procedures for the collection of information including:

- * Statistical methodology for stratification and sample selection,
- * Estimation procedure,
- * Degree of accuracy needed for the purpose described in the justification,
- * Unusual problems requiring specialized sampling procedures, and
- * Any use of periodic (less frequent than annual) data collection cycles to reduce burden.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of test may be submitted for approval separately or in combination with the main collection of information.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.