

# Supporting Statement for Paperwork Reduction Act Submissions

## SUBTERRANEAN TERMITE TREATMENT BUILDER'S CERTIFICATION AND GUARANTEE, AND THE NEW CONSTRUCTION SUBTERRANEAN TERMITE SOIL TREATMENT RECORD OMB Control Number 2502-0525 (HUD-NPCA-99-A & HUD-NPCA-99-B)

### A. JUSTIFICATION

1. HUD regulations at 24 CFR 200.926d(b)(3) require that the sites for HUD insured structures must be free of termite hazards. The HUD-NPCA-99-A requires the builder to certify that all required treatment for termites was performed by an authorized pest control company and further that the builder guarantees the treated area against infestation for one year. The form HUD-NPCA-99-B requires a licensed pest control company to provide to the builder a record of specific treatment information in those cases when the soil treatment method is used for prevention of subterranean termite infestation. When applicable the HUD-NPCA-99-B must accompany the HUD-NPCA-99-A.
2. Builders, pest control companies, mortgage lenders and homebuyers are the respondents, and HUD as a record of treatment for specific homes, will use the information collected. Home Builders are continuing to sell or build more homes than in previous years. In 2016, 77,490 new homes were insured. Since then, the number of new homes insured are continuing to increase. FHA expects that borrowers will continue to select FHA insured financing to purchase new homes and the burden hours are based on those expectations.
3. The collection of the requested information does not involve the use of automated, electronic, mechanical or other forms of information technology. The form requires the signature of the builder and must be submitted as part of the case binder for FHA endorsement. The forms are available on the HUD website in a .pdf fillable format that can be saved and submitted electronically.
4. The collected information is not duplicative.
5. A number of builders and pest inspectors operate as small businesses, however due to the very limited amount of time required in the collection the impact on small business is deemed minimal.
6. If the requested data is not collected, new home purchasers and HUD are subject to the risk of purchasing or insuring a home that could be immediately infested by termites and would have no recourse against the builder.
7. No special circumstances are envisioned that would cause the information collection to be conducted in any of the enumerated manners.

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

- requiring respondents to report information to the agency more than quarterly; required by set policy for Single Family Housing to report information quarterly.
  - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; not required by set policy, must be included in all new construction case binders.
  - requiring respondents to submit more than an original and two copies of any document; documents are only required to be placed in case binders.
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- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; records are maintained for the life of loan.
  - in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study; study was completed through HOCs based on number of new construction loans completed in a specific time period.
  - requiring the use of a statistical data classification that has not been reviewed and approved by OMB; statistical data pulled from data were use based on the number of new construction loans for a specific time.
  - 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; data is not shared, for HUD 's use only.
- or
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law. not requiring submission of trade secrets. This policy is required in the Single Family Handbook 4000.1.

8. Information collected is conducted in a manner consistent with the guidelines of 5 CFR 1320.8 (d). The Notice announcing this collection of information appeared in the Federal Register on Wednesday, April 18, 2018; Vol. 83, No. 75, Page 17185). No Comments were received.

There were consultations with HUD staff in HUD Homeownership Centers.

- Processing and Underwriting Director Donald Doan of the Santa Ana, CA Homeownership Center (714) 955-0705
- Chris Figueroa of the National Pest Management Association (703) 352-6762

The above HUD staff stated that on post endorsement technical reviews, termite treatment forms are reviewed in each endorsed case binder for new construction loans. NPMA verified that the forms are industry standards and are necessary for new construction.

- No payments or gifts are to be provided to respondents.
- Confidentiality is not assured for the data involved.
- There are no sensitive questions involved in this collection.
- Respondent burden & costs:

<u>Information Collection</u>	<u>Number of Respondents</u>	<u>Frequency of Response</u>	<u>Responses Per Annum</u>	<u>Burden Hour Per Response</u>	<u>Annual Burden Hours</u>	<u>Hourly Cost Per Response</u>	<u>Annual Cost</u>
HUD-NPCA-99-A	78,000	1	78,000	.083	6474	\$24.00	\$155,376
HUD-NPCA-99-B	<u>78,000</u>	1	78,000	.083	6474	\$24.00	<u>\$155,376</u>
<b>Totals</b>	<b>156,000</b>		<b>156,000</b>		<b>12,948</b>		<b>\$310,752</b>

13. There are no additional costs to the respondents.

14. Annual Cost to the Federal Government:

Information Collection	Number of Responses	Hours per Response	Total Annual Hours	Hourly Cost	Total Annual Cost
HUD-NPCA-99-A	78,000	.083	6474	\$34.34	\$222,317
HUD-NPCA-99-B	78,000	.083	6474	\$34.34	\$222,317

Estimated hourly cost is based on the annual salary of a GS-13 Project Manager for reviewing the information for approximately 10% of all FHA insured loans per year.

15. This is a Reinstatement of a currently approved collection. The collection burden hours are estimated to remain the same because although new home construction industry had experienced significant losses in the past the industry has rebounded and the number of burden hours are based on the rebound numbers.

16. The information collected will not be published.

17. HUD is not seeking approval to avoid displaying the expiration date for this OMB approval.

18. 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 information collection does not employ statistical methods.