

**Supporting Statement for Paperwork Reduction Act Submissions**  
**Title**  
**OMB Control Number 2502-0118**  
**(HUD-2530)**

**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.**

The regulations governing the Previous Participation Certification (HUD-2530) review and clearance procedures are set forth at 24 CFR 200.210 - 200.222, 24 CFR 200.300, and 24 CFR 200.400 – 200.430. The collection is authorized by 12 U.S.C 1702-1715z; 42 U.S.C. 3535(d). Copies of these authorities are attached. The HUD-2530 form is used to protect HUD's Multifamily Housing and Healthcare programs by comprehensively assessing industry participants' risk. It is the Department's policy that participants in its housing programs honor their legal, financial, and contractual obligations. Accordingly, uniform standards are established for approvals, disapprovals, or withholding actions on principals in projects, based upon their past performances as well as other relevant information. Respondents such as owners, management agents, master tenants, general contractors, and nursing home operators are subject to review. The information on this form needs to be collected by the Department to evaluate participants' previous performance and compliance with contracts, regulations, and directives. Changes to this submission include incorporation of the new 24 CFR part 200, subpart H regulations published in October 2016.

**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.**

HUD multifamily housing and healthcare projects usually involve millions of federal government dollars that has been obligated in subsidized mortgages, rents, grants, construction contracts, and loans. The information collected is used by HUD multifamily and healthcare staff to evaluate the risk of current/prospective participants in multifamily and healthcare projects to protect departmental interests and safeguard taxpayer dollars. Based on the information provided by participants, each participant's previous participation is evaluated based on their performance in current projects (REAC scores, MOR rating) and reviewing any non-compliance issues by checking for flags in Active Partners Performance System (APPS). Only applicants who meet departmental risk criteria are approved for participation in projects.

**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.**

The collection of this information is automated through APPS. This enables participants to send the information electronically thus saving time and money. The APPS also lets participants keep their participation information current and updated in the system. Automation eliminated the need for sending the information in paper format. The moment the applicant sends the HUD form 2530 electronically, HUD staff can review the form and take necessary action thus eliminating delay in processing the applications. The system is also automated to notify applicants of the review results. Participants also have the option to submit the information in paper. HUD is currently discussing ways to upgrade the system to new software to improve efficiency.

**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.**

No duplication exists.

**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.**

This collection will not have a significant economic impact on small businesses or 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.**

The information collected by the Form HUD-2530 is the minimum needed to achieve program objectives. The information collected and the frequency with which it is collected is necessary for the Department to manage the risk to the mortgage insurance fund. If the collection is not conducted or the frequency is reduced, it can hamper departmental interest of protecting taxpayer money. Reducing burden may result in not having sufficient information to assess risk.

**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;

- Participants can participate in multifamily and healthcare programs at will and there is no open season for participation. As such, any time industry partners decide to participate, they should submit 2530 for HUD to evaluate risk. Thus, the collection of information in a quarterly basis is not feasible.

\* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

- The information collection is mandated by 24 CFR 200.210 - 200.222 and is authorized by 12 U.S.C 1702-1715z; 42 U.S.C. 3535(d). No other

communication is provided to respondents prior to collection.

\* requiring respondents to submit more than an original and two copies of any document;

- Respondents are required to submit one copy of the document, either electronically or in paper.

\* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

- Respondents should keep the records as long as they participate in the program.

\* 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 of information does not require any statistical survey.

\* requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

- This collection of information does not require any statistical survey.

\* 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

- The collection is authorized by 12 U.S.C 1702-1715z; 42 U.S.C. 3535(d). HUD form 2530 is created to collect information as mandated by 24 CFR Part 200 and requires SSN# to be listed on the form.

\* 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.

- HUD's use of collected information, sharing and its protection is delineated in the System of Records Notice.

**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 **February 27, 2019**, Volume **84**, No. **39**, Page **6436**. (0) Comment received.

Two consulting companies and three individuals, who submit 2530 on a regular basis, were contacted 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 and received no concerns or issues with any of the relevant items listed above.

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

There will be no gifts or payments given to respondents.

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

Assurance of confidentiality is provided by respondents under the Privacy Act of 1974. In addition, the System of Records Notice provides departmental policy on information protection, sharing and use.

**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.**

No questions of a sensitive nature are part of the HUD-2530 application procedures.

**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. Request for approval contains only one form

\* 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	Frequency of Response	Responses Per Year	Average Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
1. HUD-2530 (Paper)	1500	1	1500	3	4500	\$25 *	\$112500
2. HUD-2530 (Electronic)	7,500	1	7,500	1	7500	\$25	\$187,500
<b>TOTALS</b>	<b>9,000</b>		<b>9,000</b>		<b>12,000</b>		<b>\$300,000</b>

- Number of estimated respondents based on information in HUD systems. Burden hours were estimated from information obtained from respondents who submit 2530.
- Hourly cost is based on average hourly salary obtained by google search for a paralegal. The cost per hour could vary, based on the locality of the project.

**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). N/A**

\* 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.

**Not applicable.**

**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 Response	Responses Per Year	Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
HUD-2530 (Paper)	1,500	1	1500	1.5	2,250	\$31.00	\$69,750
HUD-2530 (Electronic)	7,500	1	7,500	0.45	3,375	\$31.00	\$104,625
Review of other documentation	1500	1	1500	1	1,500	\$31.00	\$46,500
<b>TOTALS</b>	<b>10,500</b>		<b>10,500</b>		<b>7,125</b>		<b>\$220,875</b>

**15. Explain the reasons for any program changes or adjustments reported in Items 13**

**or 14 of the OMB Form 83-I.**

This is revision request of a currently approved collection. The decrease in annual cost compared to current OMB inventory is because of fewer number of respondents (9,000 versus 9,900) and more respondents submitting electronically instead of paper form 2530. Also, the burden hours for review time of e-2530 is reduced due to the implementation of new 24CFR Part 200 (published October 14, 2016) that requires respondents to streamline the information submitted. Hourly cost is adjusted to reflect current salary of a GS12.

**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.**

The results of the information collected 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 not to 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 of the OMB 83-I

**B. Collections of Information Employing Statistical Methods**

There are no statistical methods used in this collection.