

Supporting Statement for Paperwork Reduction Act Submissions

Title: Housing Counseling Program

OMB Control Number: 2502-0261

**Forms: HUD-9902, HUD-9906 (P and L), SF-424, HUD-424CB, SF-425
SF-LLL, HUD-2880**

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.

One of HUD's major goals is to increase homeownership rates nationwide, particularly for low- and moderate-income and minority households. Homeownership education and counseling plays a central role in the achievement of this objective. Housing Counseling will significantly contribute to the goals of expanding homeownership and helping homeowners remain in their homes through foreclosure prevention strategies. Housing Counseling also supports innovative and aggressive efforts to combat predatory lending, another key priority.

The Office of Housing Counseling (OHC) is responsible for administration of the Department's Housing Counseling Program, authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701w and 1701x). HUD implemented the Housing Counseling Program by publishing a final rule in the Federal Register in September 2007 and is codified at 24 CFR Part 214. The Housing Counseling Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and the homeless. The primary objectives of the program are to expand homeownership opportunities and improve access to affordable housing. Counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership. Counselors also help borrowers avoid predatory lending practices, such as inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and foreclosure.

To participate in HUD's Housing Counseling Program, a housing counseling agency must first be approved by HUD. Approval entails meeting various requirements relating to the agency's experience and capacity, including nonprofit status, a minimum of one year of housing counseling experience in the target community, and sufficient resources to implement a housing counseling plan. Eligible organizations include community-based non-profit organizations, national and regional intermediaries, and state housing finance agencies. The application for approval is found at www.hudexchange.info/programs/housing-counseling/agency-application/.

Approximately 1900 active HUD-approved agencies provide housing counseling services nation-wide currently. HUD maintains a list of these agencies so that individuals in need of assistance can easily access the nearest HUD-approved housing counseling agency, via HUD's website - <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> or an

automated toll-free Hotline number - (800) 569-4287. HUD-approved housing counseling agencies are required to annually submit form HUD-9902 (OMB Approval No.: 2502-0261), the data collection instrument for the program, electronically through HUD's Housing Counseling System (HCS).

Authority to collect information

24 CFR Part 214

The difference between this submission and the last is as follows: The HUD form 9906 (NOFA Charts) have been added. And, the HUD form 9900 (OMB Approval No. 2502-0573, Exp 01/31/2021) and 9910 (OMB Approval No. 2502-0574 Exp.3/31/2021) have been removed. Those two forms are under separate collections.

a. Client Level Data and Agency Profile Data

HUD is seeking approval for the collection of client level and agency profile data through an automated interface between HUD's databases and client management systems (CMS) agencies utilize in order to build electronic files and transfer required agency, activity and client information into HCS. A CMS is an existing online tool that housing counselors are currently using that automates much of the housing counseling process, including client intake, file maintenance, financial and credit analysis, outreach and client notification, and reporting. The list of required client level and agency profile data fields is located on HUD's website at the following link: <https://www.hudexchange.info/resources/documents/HUD-Certified-CMS-Products-for-HUD-HCA-Use.pdf>

HUD-approved housing counseling agencies already use one of the several CMSs that are available through the private sector. The Housing Counseling Program requires all HUD-approved counseling agencies to utilize a CMS but gives them the flexibility to choose from competing products in the market. HUD issue specifications, including required data and other requirements, which a CMS vendor must meet to successfully interface with HCS.

Improve Counseling Quality

Universal CMS use will improve the quality of counseling offered by HUD-approved agencies by giving counselors immediate access to powerful tools, information and other resources. For example, CMS must provide financial and credit analysis tools to help counselors analyze a client's unique financial situation, for example, to evaluate readiness for homeownership. HUD's Housing Program requires that counselors must review and prepare budgets for their clients for pre-purchase, rental, delinquency and default prevention, and Home Equity Conversion Mortgage (HECM) counseling

For all those counseling types, with the exception of HECM, agencies typically use their CMS system's financial and credit analysis functionality. Since the HECM product is unique and is only available to seniors age 62 years and older HUD requires that counselors use the most current technology tool for financial and credit analysis that HUD has awarded a federal contract to a vendor. The past tool that counselors were required to use was the National Council on

Aging's (NCOA) Financial Interview Tool ("FIT"). The federal contract has recently expired and OHC is in the process of a procurement of a replacement online tool (also known as Client Budget and Resource Identity Tool (CBRIT)). Among other data reporting requirements, HUD-approved counseling agencies have to report how many client budgets they prepare quarterly via the HUD-9902 client data reporting. The table in Section 12 includes respondents and burden hours include information required by HUD that is collected by our HCAs. While NCOA's Fit Tool is no longer available there is no reduction in respondents and burden hours since counselors still perform a credit and financial analysis on clients receiving HECM counseling.

CMSs must also be able to produce side-by-side comparisons of several mortgage products, including an FHA-insured mortgage, so that potential homebuyers can compare the costs and benefits of the loan products. Also CMSs are also programmable to recommend down payment, closing costs, and other assistance programs if they meet a client's needs.

Increase Efficiency

Universal CMS use improves the efficiency which counseling and education is provided by HUD-approved agencies and with which HUD administers the Program. For example, record keeping is greatly simplified for counseling agencies by the automated intake and file creation possible through universal CMS. Counselors simply create and update client files through the CMS. Electronic files should take a fraction of the time it currently takes to create and maintain paper files, in addition to saving space.

Electronic files and the collection of client level data will also make HUD more efficient by reducing the cost of agency monitoring. HUD will have access to electronic client files, including client information, purpose of visit, counseling activity, and a record of the action plan agreed to by the counselor and client. This will allow desk reviews, minimizing the need for Housing staff to travel as frequently to visit counseling agencies on-site to fulfill monitoring requirements. Currently, HUD staff travel biennially to the counseling agency to sample files, among other activities. HUD staff will continue to conduct biennial reviews, either onsite or remotely, unless an agency's risk assessment determines that reviews should be conducted earlier (higher risk) or extended (lower risk).

Universal CMS use greatly expands and improves the quality and types of data available to HUD without increasing the reporting burden for counseling agencies. Counselors simply create and update client files through the CMS and required data is submitted to HUD. CMSs collect, and submit to HUD, required data fields.

Data Sharing

Counseling agencies and HUD will benefit from the data sharing facilitated by CMS use and the reporting of client level data. For example, CMS use and client level data reporting will eventually eliminate the need for counseling agencies to manually complete and submit the form HUD-9902 (OMB Approval Number 2502-0261), the data collection instrument for the program, reducing the time burden associated with reporting. Counseling agencies will

submit to standardized reporting, such as the form HUD-9902, electronically in quarterly intervals. Program managers and grant administrators benefit from having accurate data available during the year, for example, to compare grantee progress against the benchmark outputs and outcomes projected in the HUD 9902, submitted with the grant application.

Improve Data Quality

HCS has functionality that automatically converts client level data populating form HUD-9902 as the housing counselor electronically builds and maintains a client's file. This automation minimizes the chance for human error and subjective interpretation of the form instructions by the counseling agencies, vastly improving data quality.

New Data

HUD will continue to have access to client level data, facilitating a more effective evaluation of the program and the impact of counseling. The lack of client-level data has long been a barrier to effective program evaluation and performance measurement. The form HUD-9902, which collects aggregate data, lacks sufficient detail to permit analysis of counseling results by subgroups or demographic characteristics. By contrast, client level data will allow HUD to finally be able to sort, by demographic characteristics, results data such as the number of clients receiving pre-purchase counseling that actually purchase a home. This represents a fundamental improvement in the quality of data available to program managers and evaluators, allowing for new and improved performance goals, enhanced agency monitoring, and more effective targeting of outreach, training and other resources. Because clients will be uniquely identified by a portion of their social security number, HUD will be able to link to FHA, Fannie Mae, and Freddie Mac databases to track clients long-term.

CMS and Client Level Data Responsive to Mandates

The collection of client level data and universal CMS use for the Housing Counseling Program are intended to be responsive to mandates from the Congress and the Office of Management and Budget (OMB) that HUD improve upon Housing Counseling Program data collection, performance measurement, and to automate reporting and other requirements. For example, in response to OMB's Program Assessment Rating Tool (PART) review on the Housing Counseling Program in 2005, FHA committed to adopting standards for housing counseling programs and establishing efficiency measures to show cost effectiveness in achieving program goals. The client level data is critical to achieving these goals. Moreover, OMB found that the Housing Counseling Program's lack of independent evaluations make it difficult to assess the program's full impact. In response to this finding, the OHC and the Office of Policy Development and Research (PD&R) agreed to jointly fund a study to evaluate the program's impact, performance, and ability to achieve established goals. The client level data will facilitate this research. The Baseline Report, published in January 2017, demonstrates that HUD has successfully implemented the first large-scale national experiment of homebuyer education and counseling.

CMS use and client level data collection are also responsive to the Government Paperwork Elimination Act (GPEA), which requires Federal agencies to allow the option of submitting information or transacting business with an agency electronically. OMB has made similar requests to HUD to improve management of reporting processes, including a more paperless environment, and to streamline data collection for the Housing Counseling Program.

b. Form HUD-9902

In conjunction with client level data collection, the existing Form HUD-9902, the traditional performance data collection instrument for the Program, will continue to be collected and can be automatically populated by HCS based on submitted client level data.

OHC has simplified Form HUD-9902 to improve data quality, lessen reporting burdens on housing counseling agencies, and to focus on key program outcomes. The performance data collection instrument for the Program will continue to be collected and can be automatically populated by HCS based on submitted client level data.

The Form HUD-9902 remains unchanged for this renewal. OHC is presently reviewing this form for revisions and plans to submit as a separate new collection and will request a new OMB control number at that time. Once revisions are completed the Form HUD-9902 will no longer be part of the OMB Approval number 2502-0261.

c. Housing Counseling NOFAs/Form 9906

Annually, OHC issues its Notice of Funding Availability (NOFAs), grant competitions making available the majority of appropriated funds for the purpose of supporting the direct provision of Housing counseling services. The Housing Counseling NOFA requires that applicants submit their responses using the Forms 9906 P (parent/intermediary agency) or the Form 9906 L (local agency). These forms are attached to the NOFA as charts to be complete. The Form 9906 information is collected from NOFA grant applicants and is needed to ensure that applicants meet specific eligibility criteria and possess the capability to deliver effective and efficient services through the Housing Counseling grant program. The information collected from the Form 9906 include applicant capacity, compliance factors, housing counseling work plan (types of services), housing counseling needs for the targeted community, approach/scope of housing counseling services, leverage resources, and program evaluation plans. This is critical since HUD refers individuals and households in need of assistance to these HUD approved counseling agencies. The information will be used by the OHC staff to evaluate the NOFA applicant and determine eligibility to receive award funds.

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.

This information is collected in connection with HUD's Housing Counseling Program and will be used by HUD to determine that the Housing Counseling grant applicant meets the requirements of the Comprehensive Housing Counseling (Housing Counseling Comprehensive). Information collected is also used to assign points for awarding grant funds on a competitive and equitable basis. OHC will use the information to provide housing counseling services through private or public organizations with special competence and knowledge in counseling low and moderate-income families.

The information is collected from housing counseling agencies that participate in the HUD Housing Counseling Program. The information is collected via the HUD Form 9902 (grant activity report) and the Form 9906 (grant application chart).

Information collected through the HUD Form 9902 is also critical because it is with this data that HUD demonstrates to Congress and OMB the impact of the program. HUD uses these numbers to justify proposed appropriations, to develop performance indicators, and report on the accomplishment of performance goals. The data collected from form HUD-9902 Form also plays a role in scoring the NOFA).

The HUD-9906 Form collection is needed to ensure applicants meet specific eligibility criteria and possess the capability to deliver effective and efficient services through the housing counseling grant program. The information collected From the HUD 9906 include applicant capacity, compliance factors, housing counseling work plan (types of services), housing counseling needs for the targeted community, approach/scope of housing counseling services, leverage resources, and program evaluation plans. This is critical since HUD refer individuals and households in need of assistance to these HUD approved counseling agencies.

Failure to collect the information described in this submission would prevent HUD from screening potential housing counseling agencies through which HUD depends solely to provide critical housing counseling services to clients. The collection is needed to ensure applicants meet particular eligibility criteria and possess the capability to deliver effective and efficient services. This is critical since HUD refer individuals and households in need of assistance to these HUD approved counseling agencies. If the collection is not conducted, HUD would not approve any new agencies as part of the program.

Data Collection

a. Client Level Data and Agency Profile Data

Agency profile information will include the standard contact information. HUD will use this information to update the web list of HUD-approved housing counseling agencies and corresponding interactive voice response system. The interface will allow for corrections and changes to the contact data to ensure the accuracy and currency of information. It will also include budget information regarding an agency's housing counseling program to help HUD determine what percentage of an agency's counseling and education activities should be attributed to HUD's housing counseling grants, and to verify leveraged resources claimed in a grant application. Agency profile data will also include counselor profile information, including experience and training.

Client level data is used so the counseling recipient can be uniquely identified. Additionally, contact information, ethnicity, race, income, gender, family size, language, and other characteristics will be captured. The type and duration of assistance will also be recorded, as is how the client was referred to the agency. Mortgage transaction information will also be recorded, such as interest rate, closing costs, and whether a sales contract has been signed.

b. HUD-9902 Report

Form HUD-9902, Housing Counseling Agency Fiscal Year Activity Report. OMB Approval No:2502-0261, Exp. 07/31/2019. Renewal pending. This form is submitted by all agencies participating in the program (1900 HCAs) 4 times per year. In conjunction with client level data collection, the existing Form HUD-9902, the traditional performance data collection instrument for the Program, will continue to be collected and can be automatically populated by HCS based on submitted client level data. For purposes of OMB Approval No. 2502-0261, the HUD-9902 Form remains unchanged from the last renewal, however, revisions are currently being discussed. Once revisions are completed and approved by management, it is the intention of the Office of Housing Counseling (OHC) to submit Form HUD-9902 as a “new collection” so that OMB can review, approve, and issue a separate control number. OHC is providing early notice to OMB that in the first quarter of Calendar Year 2019, our program office will request to remove Form HUD-9902 from this collection since the Comprehensive Housing Counseling Grant charts (Form HUD-9906) require annual approval whereas the Form HUD-9902 does not. This will help simplify the renewal process for our program office for OMB 2502-0261.

The Form HUD-9902 can be automatically completed by HCS based on client level data, effectively minimizing the chance for human error, and reducing the reporting burden for the agencies. Counselors simply create and update client files through the CMS. The benefit to HUD is that the form’s instruction will only need to be correctly applied by HUD’s HCS system, instead of all 1900 HUD-approved agencies.

c. Housing Counseling Notice of Funding Availability (NOFAs) – 9906 Charts – Grant applications

HUD averages 300 grant applicants per year for the Housing Counseling and Housing Counseling Training NOFAs. Applicants may apply as Local Housing Counseling Agencies (LHCAs), National and Regional Intermediaries (Intermediaries), Multi-state Organizations (MSOs) or State Housing Finance Agencies (SHFAs).

Each agency submits a detailed proposal, which includes the following forms, Excel Spreadsheets (charts), and narrative statements, addressed below:

Form HUD-2880, Applicant/Recipient Disclosure Update Report. Once a year submission for agencies requesting grant funding (OMB Approval No. 2510-0011) Expiration Date: 01/31/2020. A separate collection is being submitted by the Grants Management Office for the renewal of this form. An emergency extension for PRA approval has been initiated by the HUD’s Grants Management Office.

Form HUD 424 CB, Grant Application Detailed Budget Worksheet. Once a year submission for agencies requesting grant funding (OMB Approval No. 2501-0017). Expiration Date: 03/31/2019.

Form HUD-9902, Housing Counseling Agency Fiscal Year Activity Report. OMB Approval No:2502-0261, Expiration Date: 07/31/2019 .Renewal pending. This form is submitted by all agencies participating in the program (1900 HCAs) 4 times per year. The existing Form HUD-9902 will continue to be collected. In conjunction with client level data collection, the existing Form HUD-9902, the traditional performance data collection instrument for the Program, will continue to be collected and can be automatically populated by HCS based on submitted client level data. For purposes of OMB 2502-0261, the HUD-9902 Form remains unchanged from the last renewal, however, revisions are currently being discussed. Once revisions are completed and approved by management it is the intention of OHC to submit Form HUD-9902 as a “new collection” so that OMB can review, approve, and issue a separate control number. OHC is providing early notice to OMB that in the first quarter of calendar year 2019, our program office will request to remove Form HUD-9902 from this collection since the Comprehensive Housing Counseling Grant charts (Form HUD-9906) require annual approval whereas the form HUD-9902 does not. This will help simplify the renewal process for our program office for OMB 2502-0261.

Form SF-424, Application for Federal Assistance. OMB Approval No.: 4040-0004 Expiration Date: 12/31/2022. Submitted once a year with the grant application package by agencies requesting grant funding.

Form SF 425, Federal Financial Report OMB Approval: 4040-0014 Expiration Date: 02/28/2022.

Form SF-LLL, Disclosure of Lobbying Activities. An emergency extension for PRA approval of this form has been initiated by the HUD Grants Management Office OMB Number: 4040-0013. Expiration 02/28/2022. Once a year submission for agencies requesting grant funding

Form HUD 9906 – NOFA Charts used to score NOFA applications

In addition to the Housing Counseling NOFA charts 9906 P and L requirements listed below, the Housing Counseling NOFA requires a quantitative response which would require inputting key data points into the attached Excel spreadsheets (charts). The application for this NOFA includes a reduced emphasis on narrative responses. Additionally, OHC will use pre-existing internal data sources for certain scored items, thereby reducing the overall data collection burden. These changes aim to reduce the time required to complete and score each application.

Rating Factor 1 – Capacity of the Applicant and Relevant Organizational Staff

Rating Factor 2 – Need / Extent of the Problem

Rating Factor 3 – Soundness of Approach / Scope of Housing Counseling Services

Rating Factor 4 – Leveraging Resources

Rating Factor 5 – Achieving Results and Program Evaluation

Post Award Submission

HUD awards approximately 300 Housing Counseling grants per year. The following information is collected:

- Updated budget, if actual award differs from requested amount.
- Code of Conduct is submitted only by new grantees, and there are approximately 20 of these per year.
- A-133 Audit for agencies that expend over \$750,000
- Negotiated Indirect Cost Rate (NICRA)
- Sub-allocation list
- HUD-9902 Housing Counseling Projections
- Certification for Client Management Systems

Grant Management

Quarterly Reports: grantees must file quarterly invoices, mid-term performance reports, and a final report.

Housing Counseling agencies will submit HUD-9906 Form grant charts with their Housing Counseling Program grant application. The grant charts limit the number of narrative writing responses for applicants, thereby reducing the administrative burden for grant applicants and HUD staff. HUD has made the following edits:

1. Previously, local agencies and intermediaries had to complete different portions of the 9906 charts. Due to the confusion this caused, the charts were decoupled into two versions, each containing only the questions relevant to the given applicant.
2. Previously, in order to receive a bonus point, applicants needed to submit a narrative describing their counseling activities pertaining to green buildings and healthy homes. This narrative has been refined such that applicants must now address healthy homes vis-à-vis the hazards of lead.
3. HUD seeks to extend the previous authorization for collection of data on default counseling (HUD-9902) to cover use of such data for grant application and scoring.

Note: The FY19 Comprehensive Housing Counseling NOFA Charts are also included. There are two charts, one designated for Intermediary Housing Counseling Agencies, State Housing Finance Agencies (SHFA) and Multi-State Organizations (MSO) (HUD-9906- P) and one for local housing counseling agencies (LHCA) (HUD-9906-L). A draft of the FY19 NOFA is included in the package.

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.

a. Client Level Data and Agency Profile Data Collection

Universal CMS use automates client intake and file maintenance, capturing essential data on clients and counseling activities. The nature of this information collection is such that the use of improved information technology will reduce the burden on

agencies while HUD collects better quality data. In 2008, all agencies were required to utilize an automated counseling application of their choice. The purpose of the CMS is to automate counseling services, store client data, and interface with the HCS Agency Reporting Module to submit required data to HUD. A HUD-approved CMS can submit agency data in XML format directly from the agencies' internal systems to HCS. Agencies can develop or select any CMS of choice so long as the CMS is approved by HUD.

Please visit the CMS Requirement Guidance for more information and for a list of HUD-compatible CMS products.

When submitting data from a CMS to HCS, agencies must follow a specific procedure to ensure their data submissions are transmitted successfully. CMS have been instructed to allow transmitting data in four (4) separate sets to allow flexibility and reliability in the submission of data. The data sets agencies can send to HCS are: Agency Profile, Counselor Profile, HUD-9902 Performance Reports (Form 9902), and Client Profile. Agencies must submit the data sets in the following order:

1. Submit agency profile data. Once successfully submitted, the agency profile data is only required to be submitted when updates to the data are available. Submitting agency data is the step that sets the agency's CMS designation in HCS. This allows HUD to identify that the agency is in compliance.
2. Submit counselor profile data. Counselor data must be successfully submitted to HCS prior to submitting Form 9902 and Client data. Once successfully submitted, the Counselor Profile data is only required to be submitted when updates to the data are available.
3. Submit Form 9902 and Client Profile data quarterly. The Form 9902 and Client Profile submissions should always be submitted by the quarterly reporting due date. HUD will compare the Client data with the Form 9902 report to validate reporting accuracy.
4. Confirm data successfully submitted. Agencies are required to manually access HCS to confirm the data transmitted is correct and complete. Agencies should mark the validation on the quarterly Form 9902 in HCS to show proof of verification.

b. HUD-9902 Report

HCS can build the Form HUD-9902 report automatically based on client level data submitted, reducing the need for agencies to actually input data or to aggregate at the end of the year. Many CMSs have similar functionality to build form HUD-9902 From client level data. HUD estimates that this reduces, perhaps by half, the workload associated with the form.

c. Housing Counseling NOFA and Charts

Beginning with the FY 2005 NOFA, all applicants were required to submit their applications electronically through Grants.gov. Electronic submission eliminates the burden on applicants to print, organize and ship multiple copies of their application. Additionally, the Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once.

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. There is no duplication.

a. Client Level Data and Agency Profile Data

HCS is the only system at HUD designed specifically to interface with CMSs, and to collect client level housing counseling activity data. Information collected will be unique and is not duplicated by other systems

b. HUD-9902 Report

This form is the only instrument to collect performance activity reports from HUD-approved housing counseling agencies.

c. Housing Counseling NOFAs/9906

The NOFAs are designed to avoid duplication of information. For example, performance data from the HUD-9902 factors into the scoring. However, agencies that have already submitted the form to HUD are instructed not to re-submit with the NOFA application.

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 information collection is the same for all entities, regardless of size, but is considered to be the minimal information needed for HUD to effectively administer this program. The electronic grant application process eliminates the burden on all applicants to print, organize, and mail multiple copies of their application. Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once. CMS use automates client intake and file maintenance, capturing essential data on clients and counseling activities. CMS use will reduce the burden on all agencies while HUD collects more and better quality, data.

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.

a. Client Level Data and Agency Profile Data

Failure to collect the information described in this submission would leave HUD without the client level data and quality aggregate data necessary to adequately and convincingly demonstrate the positive impact of housing counseling. It would also make it very difficult to create more meaningful performance indicators, and to effectively evaluate the program, goals that HUD and OMB share. In failing to automate Form HUD-9902 completion through CMS use and CARS, an excellent opportunity would be missed to standardize and improve the quality of aggregate data available to HUD, and to make corresponding analysis much more meaningful.

b. HUD-9902 Report

Failure to collect data on the Form HUD-9902 would force HUD to not collect critical data justifying the benefits and impact of the counseling program.

c. Housing Counseling NOFAs

The narratives and forms requested through the NOFAs are the means through which HUD ranks and rates applicants, in order to competitively distribute awards. Failure to collect this information would prevent HUD from distributing approximately \$50 million a year in support of critical housing counseling services.

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 are no special circumstances that would require respondents to report 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 are no special circumstances that would require respondents to provide a written response to a collection of information in fewer than 30 days after receipt of it.

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

There are no special circumstances that would require 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 are no special circumstances that would require 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;

There are no special circumstances 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;

There are no special circumstances 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;

There are no special circumstances 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.

* 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 are no special circumstances requiring respondents to submit proprietary trade secrets, but other confidential information may be collected. Agencies are required to use privacy disclosures and authorizations to demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The client level information provided is subject to the Privacy Act and may be made available only to the appropriate Federal, State, and local agencies. This collection of information is in accordance with the requirements of 5 CFR 1320.8(d) and was announced in the Federal Register on January 12, 2009 (Vol. 74, No. 7, pages 1227).

Client files must be kept confidential, in accordance with § 214.315. This system must meet the requirements of 24 CFR 1.6, 24 CFR 84.21, and 24 CFR 121 and can be easily accessible to HUD for all monitoring and audit purposes.

HUD will secure and protect the electronic transfer of sensitive information by using firewall protection, encryptions, and restricted access security.

8. If applicable, provide a copy and identify the date and page number of publications 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.

A 60-day Federal Register Notice inviting public comments was published on July 16, 2019, 84 FR 33960. HUD received one public comment requesting a copy of the documents that was submitted to OMB. HUD provided the link (Reginfo.gov) to the commenter (Mr. Philip Tegeler) to access the forms he was requesting. A copy of HUD's response has been uploaded in ROCIS.

A 30-day Federal Register Notice inviting public comments was published on December 2, 2019, Volume 84, Pages 65995. There were no comments received.

HUD solicited input from Housing Counseling agencies via Housing Counseling Stakeholder meetings on how to improve the NOFA application process and data collection. These respondents are consulted with at least twice annually: at the annual Intermediary meeting and

during the annual NOFA debriefing meetings. Comments are also sent annually via the OHC mailbox – Housing.Counseling@hud.gov. The agencies reported the following:

- The charts reduce the amount of time it takes to complete the application. Based on feedback, HUD will continue to streamline the application process using the HUD 9906 charts.
- Some agencies agreed that it was better to have a two-year NOFA application to avoid having to reapply every year but want the CMS process to align with the 2 Year NOFA. Based on the feedback, the FY19 NOFA will be a 2-year NOFA.
- The period of performance is helpful, but the overlap is confusing especially with previous quarters duplicate. It is difficult to open other quarters that the agency closed and then find it in the period of the new fiscal year. Need instructions on the new HUD-9902 guide/webinar. As stated above, revisions are currently being discussed for the HUD-9902.
- The development of the OHC streamlined process has helped our agency perform at a higher more efficient level.

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

There are no payments or gifts to respondents with respect to this collection.

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

A Privacy Threshold Analysis (PTA) Form was completed and adjudicated by the HUD Privacy Office on March 20, 2019.

The HUD Privacy Office finds that this is a privacy-sensitive collection that collects PII from members of the public (Not-for-profit institutions).

This collection is covered by an existing Privacy Impact Assessment (PIA), Housing Counseling System (HCS/ F11), approved by HUD September 2018. The System of Records Notice (SORN) coverage is the Housing Counseling System Client Activity Reporting System, which was approved and published on October 21, 2008, 73 FR 62522.

There are no assurances of confidentiality provided to the respondents for this information collection.

Client files must be kept confidential, in accordance with 24 CFR 214.315. This system must meet the requirements of 24 CFR 1.6, 24 CFR84.21, and 24 CFR 121 and can be easily accessible to HUD for all monitoring and audit purposes.

HUD will secure and protect the electronic transfer of sensitive information by using firewall protection, encryptions, and restricted access security.

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.

Sensitive Information:

a. Client Level Data and Agency Profile Data

Client level data will allow HUD to finally be able to sort, by demographic characteristics, results data such as the number of clients receiving pre-purchase counseling that actually purchase a home. This represents a fundamental improvement in the quality of data available to program managers and evaluators, allowing for new and improved performance goals, enhanced agency monitoring, and more effective targeting of outreach, training and other resources. Because clients will be uniquely identified by a portion of their Social Security Number, HUD will be able to link to FHA, Fannie Mae, and Freddie Mac databases to track clients long-term.

Failure to collect the information described in this submission would leave HUD without the client level data and quality aggregate data necessary to adequately and convincingly demonstrate the positive impact of housing counseling. It would also make it very difficult to create more meaningful performance indicators, and to effectively evaluate the program, goals that HUD and OMB share. In failing to automate Form HUD-9902 completion through CMS use and CARS, an excellent opportunity would be missed to standardize and improve the quality of aggregate data available to HUD, and to make corresponding analysis much more meaningful.

HUD will secure and protect the electronic transfer of sensitive information such as client level data, by using firewall protection, encryptions, and restricted access security. The protections to be implemented will be fully compliant with all federal requirements and NIST guidance.

b. HUD-9902 Report

Information collected is aggregate data that does not contain sensitive information.

c. Housing Counseling NOFAs

Some sensitive information may be submitted with the application, for example resume type information. HUD and Grants.gov, which is administered by the Department of Health and Human Services, are taking the standard precautions regarding the electronic transfer of information, including firewall protection, encryptions, and access security. Additionally, the information provided is subject to the Privacy Act and may be made available only to the appropriate Federal, State, and local agencies.

Clients are requested to sign privacy disclosures.

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.

a. Housing Counseling NOFAs

In order to collect sufficient information to meaningfully rate and rank applicants, a significant amount of information, is requested through the NOFAs. However, the NOFA has been significantly streamlined over the last three years, using the NOFA 9906 Form - Charts to collect the needed data. Applicants will no longer have to write lengthy narratives to justify their responses. Applicants are able to simply enter responses in data fields using the NOFA charts. Prior calculations performed by the applicant are now automatically calculated within the NOFA chart system based on field entries from the applicant. Consequently, we believe that the **5 hours per factor estimated in the table below is very conservative, and that the actual amount, which varies by agency, could be significantly lower.**

b. Client Level Data and Agency Profile Data

HUD proposes that client level data be submitted on a quarterly basis, which should take **two minutes per submission**. No additional burden exists as counselors simply perform standard intake and maintain client files online through the CMS.

c. HUD-9902 Report

HUD proposes that form HUD-9902 continue to be submitted to HCS on a quarterly basis. **It is estimated to take .03 hours to complete.** No additional burden exists as counselors simply perform standard intake and maintain client files online through the CMS, which in many cases will build their Form HUD-9902 reports automatically, eliminating the need for agencies to actually input data, or to aggregate at the end of the year.

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
Standard Forms							

Summary Proposal	300	1	300	1.17	351.00	32.20	11302.20
SF-424 (OMB 4040-0004)	300	1	300	0	0	0	0
SF-LLL (OMB 4040-0013)	300	1	300	0	0	0	0
SF-425 (OMB 4040-0014)	300	1	300	0	0	0	0
HUD Forms							
HUD 9902*	25	1	25	.50	12.50	32.20	402.50
HUD 9902/Client Level Data-Profile	1900	4	7600	.03***	228.00	32.20	7341.60
HUD-9906 (P and L)	300	1	300	40	12,000.00	32.20	386,400.00
HUD-424 CB (OMB 2502-0261)	300	1	300	2.36	708.00	32.20	22,797.60
HUD-2880 (OMB 2501-0032)	300	1	300	2.0	600.00	32.20	19,320
Post Award Submission	275	1	275	3	825.00	32.20	26,565.00
Grant Management*	275	4	1100	5	5500.00	32.20	

							177,100.00
Totals	3,375		9,900		20,224		\$651,228.90

*Same respondents as Post Award Submission but collection of quarterly reports included.

**This HUD-9902 reference applies only to those newly approved counseling agencies that are applying for a grant through the NOFA but were not required to submit an electronic HUD-9902 for the previous fiscal year.

***With universal CMS use, the HUD-9902 will be populated automatically based on electronic client files. Consequently, the estimated burden hour per response includes only the time necessary to send the document electronically (estimated time: 2 minutes). Client Level Data submission is also just a simple push of a button, as electronic files are created routinely.

Note: The total burden hours have been rounded to be consistent with OMB's system ROCIS.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (https://www.bls.gov/oes/current/oes_nat.htm) the wage rate category for Business and Financial Operations Occupations is estimated to be \$32.20 per hour including the wage rate multiplier, therefore, the estimated burden hour cost to Credit Counselors respondents is estimated to be \$651,228.90 annually.

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).

There are no recordkeeping, capital, start-up or maintenance costs associated with this information collection.

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.

a. Client Level Data and Agency Profile Data/9902

The number of hours for staff involved are as follows:

Number of Employees	Hrs per Year per employee	Number of Hrs per Year	Average Pay per Hr
2	520	1,040	\$33

Item	Cost (\$)
Contract Costs - The annual cost to HUD to maintain this application on an ongoing basis is approximately \$700,000 and includes system maintenance and staff assistance for customer service.	\$700,000
Staff Salaries* 2 GS - 12, step 3 employees spending approximately 25% of time annually reviewing quarterly reports for this data collection. 1 (GS-12, Step 3 - \$67,840.00 = \$67,840.00 x 1.46 (wage rate multiplier) =99,046.40 x .25 of time spent = \$24,761.60. (times 2 employees)	\$49,523.20

Facilities [cost for renting, overhead, etc. for data collection activity]	n/a
Computer Hardware and Software [cost of equipment annual lifecycle]	\$1,750,000
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	n/a
Travel	0
Printing [number of data collection instruments annually]	0
Postage [annual number of data collection instruments x postage]	0
Other	0
Total	\$2,499,523,20

b. Housing Counseling NOFAs – Review of NOFA Applications/9906

The number of hours for staff to review include the following:

Information Collection	Number of Applications	Hrs. per Review	Total Hrs.	Average Pay per Hr.
NOFA Applications	300	1.5	450	\$33
TOTAL	300	1.5	450	\$33

Item	Cost (\$)
Contract Costs [Describe]	n/a
Staff Salaries* 60 GS - 12, step 3 employees spending approximately 25% of time annually reviewing, scoring and awarding NOFA applications for this data collection. 60, GS-12, Step 3 - \$67,840.00 = \$4,070,400.00 x 1.46 (wage rate multiplier) = \$5,942,784 x .25 of time spent = \$1,485,696	\$1,485,696
Facilities [cost for renting, overhead, etc. for data collection activity]	n/a
Computer Hardware and Software [cost of equipment annual lifecycle]	n/a
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	n/a
Travel	\$137,340
Printing [number of data collection instruments annually]	0
Postage [annual number of data collection instruments x postage]	0
Other	0
Total	\$1,623,036

Total costs to the Federal Government is **\$4,122,559** (\$2,499,523 + \$1,623,040).

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 renewal of a currently approved collection. The change in this collection reflects the removal of the forms – HUD 9900 (Application become HUD approved) OMB Approval No. 2502-0573, Expires 1/31/2021 and HUD 9910 (Biennial Review) OMB Approval No. 2502-0574, Expires 3/31/2021. These forms are covered under a separate collection. Although the forms were removed, the HUD 9906 Form P and L, NOFA Charts have been added to collect NOFA responses; P from parent/intermediary agencies and L from local housing counseling agencies. The total annual hours increased due to the addition of the 9906 charts. Cost also increased due to staff salary increases. Other forms removed are HUD forms 2990, 2991, 2994-A, 2995. These forms are no longer used to collect information for this program.

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.

HUD will publish the names of the grantees. Additionally, HUD maintains a web site listing of all Housing Counseling agencies. The FY19 NOFA was published on May 24. Applications were collected through July 1, 2019. Awards were made on October 2, 2019.

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 avoid displaying the OMB expiration date.

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

HUD does not request an exception to the certification of this information collection.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.
