

March 5, 2018

## Supporting Statement for Paperwork Reduction Act Submissions

**OMB Control Number: 1660–0040**

**Title: Standard Flood Hazard Determination Form**

**Form Number(s): FEMA Form 086-0-32**

### General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 or the OMB Form 83-I is checked “Yes”, Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

### Specific Instructions

#### 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. Provide a detailed description of the nature and source of the information to be collected.**

Section 1365 of the National Flood Insurance Act of 1968 (NFIA) (42 U.S.C. 4104b), as added by Section 528 of the National Flood Insurance Reform Act of 1994 (Public Law 103-325, title V), requires that FEMA develop a standard hazard determination form for recording the determination of whether a structure is located within an identified Special Flood Hazard Area and whether flood insurance is available. Regulated lending institutions, federal agency lenders, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association must complete this form for any loan made, increased, extended, renewed or purchased by these entities. The requirement for federally regulated lending institutions to determine whether a building or mobile home securing a loan is located in an area

having special flood hazards and whether flood insurance is available has been in effect since the enactment of the Flood Disaster Protection Act of 1973, although the use of a standard form was not required until the enactment of the Section 1365 of the NFIA. The establishment of the Standard Flood Hazard Determination form has enabled lenders to provide consistent information.

**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. Provide a detailed description of: how the information will be shared, if applicable, and for what programmatic purpose.**

**FEMA Form 086-0-32** is used to comply with Section 1365 of the National Flood Insurance Act of 1968 (NFIA) (42 U.S.C. 4104b). The Standard Flood Hazard Determination form is used by regulated lending institutions, federal agency lenders, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association. Federally regulated lending institutions complete this form when making, increasing, extending, renewing or purchasing each loan for the purpose of determining whether flood insurance is required and available. The form may also be used by property owners, insurance agents, realtors and community officials for flood insurance related activities and documentation.

**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.**

FEMA has utilized technology to reduce the burden for the Standard Flood Hazard Determination Form (SFHDF) by placing it online where users can download the form electronically at <http://www.fema.gov/media-library/assets/documents/225?id=1394>. The SFHDF may be used in a printed or electronic manner as needed by the user.

FEMA does not collect the information, but we are responsible for creating and updating the form (see response to question 2, regarding the regulatory requirements), the form is used to collect flood hazard data by federally regulated lenders outside FEMA's authority. Approximately 90% of these responses are collected electronically.

**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 information is not collected by FEMA in any form, and therefore is not duplicated elsewhere.

**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.**

This information collection does not have an impact on small businesses or other small entities.

**6. Describe the consequence to Federal/FEMA program or policy activities if the collection of information is not conducted, or is conducted less frequently as well as any technical or legal obstacles to reducing burden.**

If federally regulated lending institutions did not collect the information on the Standard Flood Hazard Determination Form (FEMA Form 086-0-32) for each loan, federally-backed loans could be inadequately insured from flood losses. This would place the risk on taxpayers instead of on the lender. Section 1365 of the NFIA (42 U.S.C. 4104b) requires the use of this form by regulated lending institutions for any loan made, increased, extended, renewed or purchased by these entities. If the form is not available it could affect millions of loans in the United States.

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

- (a) Requiring respondents to report information to the agency more often than quarterly.**
- (b) Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.**
- (c) Requiring respondents to submit more than an original and two copies of any document.**
- (d) Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years.**
- (e) 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.**
- (f) Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.**
- (g) 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.**

**(h) 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.**

FEMA does not collect his information in any of the ways described above in Section (a) through (h).

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

**8. Federal Register Notice:**

**a. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice 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.**

A 60-day Federal Register Notice inviting public comments was published on April 29, 2019, 84 FR 18069. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on December 10, 2019, 84 FR 67470. No comments were received.

**b. 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.**

FEMA has had an ongoing relationship with representatives of federally-regulated lending institutions and federal entities for lending regulation in part, which allows FEMA to obtain their views on the Standard Flood Hazard Determination form and its use. These entities include Federal Agency Lenders, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association. The federal regulatory agencies, GSEs, lender trades and the National Flood Association (NFA) attend three days of flood and compliance courses and participate on panels at a yearly National Flood Conference each year.

FEMA will continue to include the lending community in the use, changes to, and development of this form.

**c. Describe consultations with representatives of those from whom information is to be obtained or those who must compile records. Consultation**

**should occur at least once every three years, even if the collection of information activities is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

FEMA provides a forum for consultation and ongoing communications with the lending industry and third-party providers of flood hazard determination services to that lending industry. These include attendance at an annual conference and providing a liaison in FIMA's Federal Insurance Directorate to assist and respond as necessary. That Liaison is available to lenders and determination companies and their lender clients on an ongoing basis.

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

FEMA does not provide payments or gifts to respondents in exchange for a benefit sought.

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

A Privacy Threshold Analysis (PTA) was completed by FEMA and adjudicated by the DHS Privacy Office on June 18, 2018.

This is not a privacy sensitive system. FEMA does not collect, use, or maintain either completed forms or any information provided to lenders and other stakeholders when completing the form.

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

**11. Provide additional justification for any question 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.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

**a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated for each collection instrument (separately list each instrument and describe information as requested). 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 desired. 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.**

FEMA has estimated that approximately 26,616,265 business or other for-profit respondents will complete FEMA Form 086-0-32. The total annual burden is estimated to be 8,783,367 total annual burden hours (26,616,265 responses x 0.33 hours per response).

**b. 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.**

**c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. NOTE: The wage-rate category for each respondent must be multiplied by 1.46 and this total should be entered in the cell for “Avg. Hourly Wage Rate”. The cost to the respondents 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.**

Estimated Annualized Burden Hours and Costs
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Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Total No. of Responses	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rate	Total Annual Respondent Cost
Business or other for-profit	Standard Flood Hazard Determination Form (SFHDF) / FEMA Form 086-0-32	26,616,265	1	26,616,265	0.33	8,783,367	\$24.38	\$214,138,487
<b>Total</b>		<b>26,616,265</b>		<b>26,616,265</b>		<b>8,783,367</b>		<b>\$214,138,487</b>

According to the U.S. Department of Labor, Bureau of Labor Statistics, the May 2017 National Industry-Specific Occupational Employment and Wage Estimates wage rate for General Office Clerk (Standard Occupational Classification 43-9061) is estimated to be \$16.70.<sup>1</sup> Including the wage rate multiplier of 1.46, the fully-loaded wage rate is an estimated \$24.38 per hour.<sup>2</sup> Therefore, the estimated annual burden hour cost is estimated to be \$214,138,487 (\$24.38 x 8,783,367).

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. (Do not include the cost of any hour burden shown in Items 12 and 14.)**

**The cost estimates should be split into two components:**

**a. Operation and Maintenance and purchase of services component. These estimates should take into account cost associated with generating, maintaining, and disclosing or providing 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.**

<sup>1</sup> Information on the mean wage rate from the U.S. Department of Labor is available online at: [https://www.bls.gov/oes/2018/may/naics4\\_999200.htm](https://www.bls.gov/oes/2018/may/naics4_999200.htm).

<sup>2</sup> Bureau of Labor Statistics, Employer Costs for Employee Compensation, Table 1. “Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Civilian workers, by major occupational and industry group, September 2016.” Available at [http://www.bls.gov/news.release/archives/ecec\\_06182019.pdf](http://www.bls.gov/news.release/archives/ecec_06182019.pdf). Accessed June 18, 2019. The wage multiplier is calculated by dividing total compensation for all workers of \$36.77 by wages and salaries for all workers of \$25.22 per hour yielding a benefits multiplier of approximately 1.46.

**b. Capital and Start-up-Cost should include, among other items, preparations for collecting information such as purchasing computers and software, monitoring sampling, drilling and testing equipment, and record storage facilities.**

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

**14. Provide estimates of annualized cost 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 have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.**

**Annual Cost to the Federal Government**

<b>Item</b>	<b>Cost (\$)</b>
Contract Costs <b>[Describe]</b>	
Staff Salaries: GS-13 Step 7 in Washington DC. Annual Cost of <b>(20 hours per year x \$119,004 annual salary x 1.46 loaded wage factor = \$1670).</b>	\$1,670
Facilities <b>[cost for renting, overhead, etc. for data collection activity]</b>	
Computer Hardware and Software <b>[cost of equipment annual lifecycle]</b>	
Equipment Maintenance <b>[cost of annual maintenance/service agreements for equipment]</b>	\$ 0
Travel	\$0
Printing <b>[number of data collection instruments annually]</b>	
Postage <b>[annual number of data collection instruments x postage]</b>	
Other	
<b>Total</b>	<b>\$1,670</b>

Question 14 has been updated to correct a previous error. There is annual cost to the government related to this form. FEMA is responsible for creating, updating and making this form available to users. While FEMA does not collect any information from the form, it does incur costs associated with information collection and those costs are now noted on the form. The form is used by private lenders and determination companies to allow the lenders to meet their responsibility under Section 528 of the NFIRA to correctly determine the flood risk for all federally overseen loans.



**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I in a narrative form. Present the itemized changes in hour burden and cost burden according to program changes or adjustments in Table 5. Denote a program increase as a positive number, and a program decrease as a negative number.**

A "**Program increase**" is an additional burden resulting from a federal government regulatory action or directive. (e.g., an increase in sample size or coverage, amount of information, reporting frequency, or expanded use of an existing form). This also includes previously in-use and unapproved information collections discovered during the ICB process, or during the fiscal year, which will be in use during the next fiscal year.

A "**Program decrease**", is a reduction in burden because of: (1) the discontinuation of an information collection; or (2) a change in an existing information collection by a Federal agency (e.g., the use of sampling (or smaller samples), a decrease in the amount of information requested (fewer questions), or a decrease in reporting frequency).

"**Adjustment**" denotes a change in burden hours due to factors over which the government has no control, such as population growth, or in factors which do not affect what information the government collects or changes in the methods used to estimate burden or correction of errors in burden estimates.

Itemized Changes in Annual Burden Hours						
Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
Standard Flood Hazard Determination Form (SFHDF) / FEMA Form 086-0-32				15,330,632	8,783,367	6,547,265
<b>Total(s)</b>				<b>15,330,632</b>	<b>8,783,367</b>	<b>6,547,265</b>

**Explain:**

FEMA estimates the annual burden hours associated with previous information collection was 15,330,632 hours (46,456,460 respondents x 0.58 hours per respondent).

FEMA estimates the time associated with developing and updating the FEMA Flood Insurance Rate MAP decreased by 8,783,367 hours. There were 26,616,265 respondents

and each respondent estimated 0.33 hours. Because the number of respondents has changed, the expected time to revise the information is 8,783,367 hours (26,616,265 respondents x 0.33 hours). Currently, a GS 13 Step 13 employee in Washington DC with salary of \$ 119,004 reviews the forms. Cumulatively, FEMA anticipates the time to make the report available will decrease by 6,547,265 hours (15,330,632 - 8,783, 367).

**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.**

FEMA does not intend to employ the use of statistics or the publication thereof for this information collection.

**17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.**

FEMA will display the expiration date for OMB approval of this 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.**

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

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

There is no statistical methodology involved in this collection.