

Supporting Statement for Paperwork Reduction Act Submissions

(Project Approval for Single-Family Condominiums)

OMB Control Number 2502-0610

(HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire and Instructions; HUD-9992, FHA Condominium Project Approval Questionnaire and Instructions; HUD-92544, Warranty of Completion of Construction; HUD-92541, Builder's Certification of Plans, Specifications, & Site; HUD-96029, Condominium Rider)

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.

This Information Collection is needed to conform with the Paperwork Reduction Act of 1995 as 5 CFR 1320 and with the provisions and requirements associated with the Department of Housing and Urban Development's (HUD) authority under the single-family mortgage insurance provisions of the National Housing Act to insure one-family units in a multifamily project, including a project in which the dwelling units are attached, or are manufactured housing units, semi-detached, or detached, and an undivided interest in the common areas and facilities which serve the project (24 CFR Parts 203). The regulations for Condominium Project Approval and Single-Unit approval are codified in 24 CFR 203, 206 and 234 and detail the parameters regarding the types of condominium projects that are eligible for approval by the HUD and the approval of individual units that are not in approved projects provided the project meets a set of standards (Single-Unit Approval).

This collection package seeks to renew and revise two collection forms, HUD-9992, *FHA Condominium Project Approval Questionnaire*, which is used to process condominium project approval applications and HUD-9991, *FHA Condominium Loan Level/Single-Unit Approval Questionnaire*, which is used to process single-unit approvals for forward mortgages and Home Equity Conversion (HECM) mortgages.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The HUD-9992, *FHA Condominium Project Approval Questionnaire* and HUD-9991, *FHA Condominium Loan Level/Single-Unit Approval Questionnaire* were published in August 2019 with the *Condominium Project Approval Final Rule* and approved for use in September 2019. Users were given the option to use the Forms HUD-9991 for Single-Unit Approvals and HUD-

9992 for project approval on the original effective date of October 15, 2019 and were required to use them starting on January 2, 2020. The forms were used less 3 months prior to the publication of the 60-day Notice to revise the OMB Information Collection #2502-0610 on January 31, 2020. The other forms have not been changed and are used as part of the eligibility determination for FHA insurance.

Form HUD-9992, FHA Condominium Project Approval Questionnaire

Project approval can be processed by HUD staff through the HUD Review and Approval Process (HRAP) or by approved lenders through the Direct Endorsement Lender Review and Approval Process (DELRAP). Application packages for approval can be submitted by an “Eligible Submission Source,” which may include a Mortgagee; Builder, Developer, Condominium Association, Management Company, Project Consultant, or Attorney acting as an agent for the developer/builder, Condominium Association or Management Company. The *HUD-9992, FHA Condominium Project Approval Questionnaire* is a part of the project approval application packages under these two review processes. The submitter or Eligible Submission Source is responsible for completing the Form HUD-9992 with information obtained within the last 90 days from verifiable sources, including a condominium association, public records, independent third parties, or other data sources. To be approvable, the condominium project must meet the eligibility requirements of §203.43b(d) of the regulation. Requirements for approval of a project include concentration of FHA-insured units, owner-occupied units, the amount of commercial/non-residential space, project financials, insurance, quality of management and other factors. The information collected on the form and the required documentation are used to determine if the condominium project meets the eligibility requirements for HUD approval. An approved condominium project will be placed in the FHA-approved condominium list for three years unless removal is warranted during that time. Units in FHA-approved condominium projects are eligible for FHA-insured financing.

Form HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire

Direct Endorsement (DE) lenders in good standing use the *HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire* to collect project information at the time the forward or HECM condominium loan is being originated. Under § 203.43b(i), a process has been established to allow approvals on individual units that are not in approved projects and not in projects that have been subject to adverse determination for significant issues that affect the viability of the project. A subset of the project approval requirements is needed to process single-unit approvals. Under single-unit approval, a project is considered as part of the underwriting review of a condominium loan. In addition, loan level verifications on units located in approved projects are performed at the time a condominium loan is being made. Because both loan level verifications and single-unit approvals are underwriting functions, the *HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire* will be used by DE lenders to obtain the information needed to conduct the required verifications for making an underwriting decision on the condominium loan.

New Construction or Gut Rehab. The Condominium Project, or Legal Phase, as applicable, must be either a Complete Condominium Project or a Complete Legal Phase. The following documentation is required for New Construction and Gut Rehab under the guidance in New Construction (see the New Construction Product Sheet in the Origination through Post-Closing/Endorsement section of the SF Handbook II.A.8.i.iii — Required Documentation for Maximum Financing). The Mortgagee must obtain and include the following documents in the case binder:

- *form HUD-92541*, Builder’s Certification of Plans, Specifications, and Site;
- *form HUD-92544*, Warranty of Completion of Construction is used in new construction cases only and is an “additional condition” before FHA can insure the mortgage;
- evidence that the Property was pre-approved, with an Early Start Letter or copy of building permit issued by local authority prior to start of construction; *form HUD-96029*, *Form HUD-96029, Condominium Rider*. The Condominium Rider is a required document that contains standard language that is incorporated into, and amends and supplements, the Mortgage, Deed of Trust or Security Deed (Security Instrument). This document is a required document for each condominium loan submitted for insurance endorsement.

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 information collection forms were set up to collect the data and perform the analysis in a standardized format so that they can be easily converted into a scalable system to collect data electronically.

Condominium Project Approval. Under HRAP, the condominium approval package must be submitted to the Jurisdictional Homeownership Center (HOC) as a single Portable Document Format (PDF) file on a CD-ROM or USB flash drive. The application package is submitted to the Jurisdictional HOC, which is determined by the project’s location and can be found at https://www.hud.gov/program_offices/housing/sfh/sfhhoc. As part of the response to current health situation, Submitters are required to submit a single PDF document by email to the FHA Resource Center, which will forward it the appropriate HOC. The HUD-9992 form will be converted to a fillable PDF.

Under DELRAP, FHAC is the system used to record, list, and track all data for Condominium Projects that have been processed. FHAC is used for data entry, processing, and reporting. Mortgagees must use FHAC to: determine the existing approval status of a Condominium Project; enter the Condominium Project information; assign the approval status after the Condominium Project has been reviewed; and upload required Condominium Project documents in a PDF.

Single-Unit Approval. FHA plans to make the necessary changes to fully automate single-unit approvals and is developing a staged approach. Mortgagees will be required to use FHAC to

determine the existing approval status of a Condominium Project in FHA systems and order an FHA case number. The questionnaire will be in a fillable format and lenders will be able to submit it by e-mail to the FHA Resource Center for processing.

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 in the collection of information for condominium project approval, loan level approval and Single-Unit Approval exists. Each condominium project and its units have their own combination of features and are distinctive. In addition, the financial and operational data are dynamic. For approved projects with a condo ID number, the basic information will already be populated in FHAC and will just need to be verified. Extending the approval of condominium projects from two to three years reduces the collection burden.

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 rule associated with this collection codified requirements for DELRAP lenders, many of which are small entities. However, it is worth noting that many of these lenders are likely affiliated with much larger financial institutions, based on the names associated with the IDs. Of the few thousand unique originating mortgagee IDs in each year from 2001 to 2018, the median number of mortgagees is always under 100. Additionally, for originating mortgages from 2012 through 2018, the median number of condo mortgages is exactly 1 in each year. While this data may seem to make a strong case for the prevalence of small entities, these entities likely have resources at their disposal that are not available to a typical small entity in other industries.

Other elements of the rule lift collection burdens. First, allowing Single-Unit Approval enables small lenders business opportunities without the collection burden of seeking approval for an entire condominium project. Second, by providing that only completed projects may be approved, this rule eliminates the need for HUD to require collection items with proposed construction and under construction.

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.

For condominium project approval, collection of this information is critical to assess the legal structure, financial strength, and operational viability of a condominium project, and to allow exceptions to the standards for owner occupancy, commercial space and other factors.

For loan level approvals and Single-Unit Approvals, the reporting burden is loan-specific and, thus, cannot be conducted less frequently than on every single loan submitted to FHA for insurance endorsement. FHA considers this information to be critical to determine eligibility of single condominium units within FHA-approved projects and non-FHA-approved projects for insurance endorsement and to manage risk to the MMI fund. Without sufficient information

about individual condominium projects and the total number of FHA-insured units in a project, FHA will be unable to determine the risk that FHA insured units within the project might pose to the MMI insurance fund.

FHA would not be able to properly examine the risk of individual units to the insurance fund and would not be able to continue insuring loans for borrowers who wish to purchase or refinance condominium units.

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

* requiring respondents to report information to the agency more often than quarterly;

- This collection requires the lender to make a one-time certification for each loan on a condominium unit submitted to FHA for insurance endorsement. The application package preparer is required to make a one-time certification for the approval or every three years for renewal of a condominium project approval.

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

- This collection does not request a written response to a collection of information in fewer than 30 days.

* requiring 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;

- This collection does not require respondents to submit more than an original and two copies of any document.

* 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 does not require a statistical survey.

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

- This collection does not require the use of a statistical data classification.

* that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

- This collection does not include a pledge of confidentiality that is not supported by authority established in a statute or regulation.

* requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

- This collection does not require respondents to submit proprietary trade secrets or other confidential information.

Some of the documents required for this collection are time sensitive and typically will need to be updated every 30 (thirty) days. At a minimum, the information submitted will need to be updated within 90 (ninety) days of the signature date on the Form HUD-9991 or Form HUD-9992. A report of delinquent association fees is required to be updated every 30 days because these fees are collected monthly. Income and expense statements, balance sheets, and percentage of units that are owner occupied also change with enough frequency to warrant their collection more often than once a quarter. The viability of a condominium project is based on the financial stability of the project and that information changes monthly based on dues collected, expenses incurred and the resolution or commencement of legal activities. The volatility of condominium projects makes it prudent for FHA to require the most up-to-date information when issuing an approval that will make units in the project eligible for FHA insurance for three years.

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 5 CFR 1320.8(d), a 60-day Federal Register Notice soliciting public comments on the information collection was published in the Federal Register on Friday, January 31, 2020 (Volume 85, Number 21, Page 5686). HUD received 140 comments from 13 commenters, which included individuals, mortgage companies, banks, trade associations, condominium association representatives, and mortgage brokers. The comments on format, length, condominium association requirements, certification, owner occupancy, individual owner concentration, automation and burden hour estimates pertained to both Forms HUD-9991 and HUD-9992. There were also content specific comments that applied to forms individually. HUD greatly appreciated the feedback and is responding to the comments in a summary format in the 30-Day Notice. In response to the public comments, HUD revised both forms to reduce the length, streamlined the information collection process and developed instructions to explain

how the questions should be answered. HUD used a combination of the suggestions to revise the content, eliminate and consolidate questions, and restructure the forms to be more user-friendly and less burdensome.

Many commenters noted that the estimated burden for the HUD-9991 was too low and identified the requirement for the condominium association to complete the form and certify; the lack of instructions; and questions needing clarification. HUD shortened the HUD-9991 from five to four pages and increased the estimated burden hours by 15 minutes for a total of one hour. The Form HUD-9991 revisions included: streamlining the form; developing instructions to explain how the questions should be answered; removing the requirement for the condominium association to complete the form and certify; and making the mortgagee solely responsible for completion of the form. HUD assumes that many of the sources of information are typically used in the operation of a condominium project and are accessible to mortgagees. The amount of time to complete the Form HUD-9991 for a unit in an approved condominium project is significantly less than the amount of time it takes to complete the form for a Unit in a non-FHA-approved project (Single-Unit Approval). FHA will allow data collected on the questionnaire to be no more than 90 days old prior to the questionnaire being signed. This will permit the information to be used again, and allow for a more efficient use of time, both for the staff of the condominium association and mortgagee by reducing burden hours. HUD expects the mortgagee to collect the information from reliable and verifiable sources.

Several commenters also indicated that the estimated reporting burden to complete HUD Form-9992 is too low. They noted that during the estimated 60 minutes, a respondent is expected to read and comprehend form instructions, conduct research to gather and document required information, complete the form, and review the form for submission accuracy. Commenters also noted that the certification was causing the condominium associations to delay providing the information. The mortgagees and submitters wanted to be able to complete the questionnaire without having to rely on the condominium association. HUD understands from the comments that the certification has an impact on the cost and completion time for condominium associations. The Form HUD-9992 has been shortened from 13 to 8 pages and the requirement for the condominium association to complete a portion of the questionnaire has been removed. Many questions were eliminated through the consolidation of the data collection and eligibility determination sections. The burden estimate for condominium project approval includes 1 hour for condominium package preparation and 1 hour to complete Form HUD-9992. The new burden estimate for the Form HUD-9992 is 1.5 hours. The burden hour estimate assumes that most of the information required to complete the form is used while operating the condominium project. The application approval package submitter is responsible for collecting information from verifiable sources and confirming the Condominium Project complies with FHA Condominium Project Approval requirements. To reduce the number of questions that must be answered, the first question of each section has been structured to determine if more information is needed and to direct the respondent to the next question to answer. In addition, "Not Applicable" (N/A) checkboxes have been added throughout the Form HUD-9992 where appropriate and help address concerns about the recertification requirements.

There were other issues noted that require HUD to consider policy updates or to conduct further research. Once the content of the forms has been finalized, the forms will be formatted and converted to a PDF fillable format that will allow corrections. HUD concurs with the commenters that electronic submission and the automation of the information process would be advantageous and cost-effective for our stakeholders.

Since the publication of the forms in August 2019, FHA has received a significant amount of feedback about the forms, condominium guidance and approval process through a variety of channels from the Mortgage Bankers Association, Community Associations Institute, condominium associations, project consultants, lenders such as Quicken and builders such as Pulte. In addition, HUD Homeownership Center (HOC) staff continue to relay feedback received on Single-Unit Approval and Condominium Project Approval.

Prior to the publication of the final FHA Condominium Project Approval Rule and the 30-day Notice for the addition of the forms HUD-9991 and HUD-9992 to OMB# 2502-0610 on August 15, 2019, FHA was prohibited from discussing the specifics of the condominium policy and gained insight into the views on condominium data availability, collection and reporting by consulting with various industry stakeholders including lenders, condominium associations, management companies, builders, developers, project consultants and the respective industry groups on the data elements necessary to approve: condominium projects, units in approved projects and units in non-FHA-approved projects. FHA also consulted with Fannie Mae and Freddie Mac on the requirements for condominium project and loan level approval and used their long and short form condominium questionnaires, as a baseline for the development of forms HUD-9991 and HUD-9992.

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

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

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

No assurances of confidentiality are provided to respondents.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

Table 1: FHA Condominium Project Approval Questionnaire and FHA Condominium Loan Level/Single-Unit Approval Questionnaire

Information Collection	Number of respondents	Frequency of Response	Responses per Annum	Burden Hour per Response	Annual Burden Hours	Hourly Cost per Response	Annual Cost
Project Approval: -- Package Preparation	5,000	1	5,000	1.00	5,000	\$53.10	\$265,500.00
Project Approval -- Package Review	5,000	1	5,000	1.00	5,000	\$53.07	\$265,350.00
Form HUD-92541 (OMB 2502-0496) Builders Certification of Plans, Specifications	2,500	1	2,500	0.25	625	\$53.10	\$33,187.50
Form HUD-92544 (OMB 2502-0059) Warranty of Completion of Construction	2,500	1	2,500	0.05	125	\$53.10	\$6,637.50
Form HUD-9992, FHA Condominium Project Approval Questionnaire	5,000	1	5,000	1.50	7,500	\$40.95	\$307,125.00
Subtotal for Condominium Project Approvals				3.80	18,250.00		\$877,800.00
Loan Level/Single-Unit Approval -- Package Preparation	40,000	1	40,000	0.50	20,000	\$53.10	\$1,062,000.00
Loan Level/Single-Unit Approval -- Package Review	40,000	1	40,000	0.25	10,000	\$53.07	\$530,700.00
Form HUD-96029, Condominium Rider	40,000	1	40,000	0.10	4,000	\$53.10	\$212,400.00
Form HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire	40,000	1	40,000	1.00	40,000	\$40.95	\$1,638,000.00
Subtotal for Loan Level/Single-Unit Approvals				1.85	74,000.00		\$3,443,100.00
TOTAL	180,000		180,000	0.51	92,250		\$4,320,900

Table 1 provides a detailed summary of the burden hours for the collection of information for condominium project approval, loan level approval and the total burden hour by approval type. Preparing an application for condominium project approval can be performed by condominium associations, management companies, independent project consultants, attorneys, or mortgagees. Project review can only be performed by FHA staff or participating mortgagees with DELRAP authority. The burdens to those mortgagees who complete DELRAP reviews are noted above, as is the preparation burden for other parties. The information collection burden for underwriting mortgages on units in an unapproved condominium projects and units in approved condominium projects is less since Single-Unit Approvals and loan-level approvals are required to verify a subset of the eligibility factors reviewed under project approval.

Estimated cost for respondents is calculated from the July 2019 U.S. Department of Labor, Bureau of Labor Statistics website (https://www.bls.gov/oes/current/oes_nat.htm) determined that the hourly rate of a loan officer completing this type of survey averaged \$36.37 plus \$16.73 per hour for a fully loaded rate of \$53.10. Estimated cost for the community association staff completing the questionnaire at loan level is \$28.05 per hour for a fully loaded rate of \$40.95.

Table 2: Burden Hour Net Change

Information Collection	Current Burden Hour per Response	New Burden Hour per Response	Net Change
Project Approval: -- Package Preparation	1	1	0.00
Project Approval -- Package Review	1	1	0.00
Form HUD-92541 (OMB 2502-0496) Builders Certification of Plans, Specifications	0.1	0.25	0.15
Form HUD-92544 (OMB 2502-0059) Warranty of Completion of Construction	0.03	0.05	0.02
Form HUD-9992, FHA Condominium Project Approval Questionnaire and Instructions	1	1.5	0.50
Loan Level/Single-Unit Approval -- Package Preparation	0.25	0.5	0.25
Loan Level/Single-Unit Approval -- Package Review	0.5	0.25	-0.25
Form HUD-96029, Condominium Rider	0.1	0.1	0.00
Form HUD-9991, FHA Condominium Loan Level/Single-Unit Approval Questionnaire and Instructions	0.75	1.0	0.25
TOTAL	4.73	5.65	0.92

Table 2 shows the net change in the total burden hours and an increase of approximately 55 minutes. The change in the total burden hours estimate is due to the increase of 9 minutes in the burden hours for Form HUD-92541 (OMB 2502-0496) Builders Certification of Plans, Specifications and of 1 minute for Form HUD-92544 (OMB 2502-0059) Warranty of Completion of Construction. Significant changes were made to shorten the Form HUD-9991 and Form HUD-9992 and make them more user-friendly in response to public comments on the 60-Day Notice. The amount of time for loan level/Single-Unit Approval package preparation increased by .25 and the amount of time for loan level/Single-Unit Approval review decreased by .25. The time to complete the Form HUD-9991 has increased from .75 hours to 1 hour and the time to complete the Form HUD-9992 increased from 1 to 1.5 hours. The length of both forms decreased substantially. The increase reflects public comments on the amount of time to complete the form and the reduction in the number of questions used to determine eligibility for financing or condominium project approval. Instructions were also developed to help the respondents complete the forms.

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.

The cost to the Federal Government includes overhead, staff preparation time, review time, etc. The total cost to the Federal Government is \$1,034,865. The cost for condominium project approval Loan Level/Single-Unit Approval

For condominium project approval, the cost of \$265,350 involves the time it takes to review the estimated 5,000 submitted approval packages, complete the reviews to determine eligibility and enter the required data into the database. FHA staff performs quality assurance reviews at a cost of \$79,605 on 1,500 or 30% of project approval packages that are processed by mortgagees who are authorized to perform complete reviews and approvals of projects under DELRAP authority.

For Loan Level/Single-Unit Approval, the cost of \$530,700 involves the time it takes to review the estimated 40,000 Loan Level/Single-Unit Approval condominium project information and enter the required data into the database. FHA staff will also perform quality assurance reviews at a cost of \$159,210 on 12,000 or 30% of the Single-Unit Approval loans that are processed by DE lenders.

The cost to the Federal Government is based on a \$53.07 per hour estimate for the work being performed by the equivalent of GS-12 staff. The wage rate is \$36.35 and with the wage rate multiplier \$53.07. The total cost to the government is \$1,034,865. Staff Salaries: \$75,608 x 1.46 (wage rate multiplier) = \$110,387 (fully loaded).

Information Collection	Number of respondents	Frequency of Response	Responses per Annum	Burden Hour per Response	Annual Burden Hours	Hourly Cost per Response	Annual Cost
Project Approval - Package Reviews Subtotal	5,000	1	5,000	1.00	5,000	\$53.07	\$265,350
Project Approval - Quality Assurance Reviews Subtotal	1,500	1	1,500	1.00	1,500	\$53.07	\$79,605
Loan Level/Single-Unit Approval -- Package Reviews Subtotal	40,000	1	40,000	0.25	10,000	\$53.07	\$530,700
Loan Level/Single-Unit Approval -- Quality Assurance Reviews Subtotal	12,000	1	12,000	.25	3,000	\$53.07	\$159,210
Consolidated: Project Approval and Loan-Level/Single-Unit Approval -- Package Reviews and Quality Assurance Reviews	58,500		58,500	.33	19,500		\$1,034,865

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

This revision to the existing Information Collection allows HUD to remain compliant with the Paperwork Reduction Act and to determine the eligibility of condominium projects for approval and units in approved and unapproved condominium projects for FHA-insured financing:

- Introduction of the Single Unit Approval process for insuring units in unapproved condominium projects, provided the project meets certain minimum requirements for Single Unit Approval.
- Compliance with Executive Order 13878, by removing barriers to affordable homeownership and expanding the pool of properties that may be eligible for FHA-insured financing
- Providing more opportunities for credit worthy homebuyers and
- Aligning with the Administration’s priority to reduce regulatory burden and meet the growing needs of the housing industry.

Changes in #13 and #14 on form 83i are due to changes in the hour burden for some of the forms under condominium project approval. The Condominium Project Approval Final Rule (FR-5715-F-02) has an effective on October 15, 2019 and requires information to process the following:

- Condominium project approval applications;
- Verification of loan level requirements for units in approved condominium projects;
- Addition of package quality assurance review for loan level/Single-Unit approval packages;
- Adjustment to the time for loan level/single-unit package preparation
- Single-Unit Approval applications; and
- Expected increase in the number of Single-Unit Approvals.

The forms HUD-9991 and HUD-9992 have been revised to make them more general and adaptable to future policy changes. Condominium project applications require the information in the *HUD-9992, FHA Project Approval Questionnaire*. Verification of loan level requirements for units in approved condominium projects and Single-Unit Approval applications require the information in the *HUD-9992, FHA Project Approval Questionnaire and HUD-9991, FHA Loan Level / Single-Unit Approval Questionnaire*.

Description of the Collection Changes

Current Approved Form and Title	Corresponding Forms	Current Status
Form HUD-9991, FHA Loan Level / Single-Unit Approval Questionnaire and Instructions	Existing Form	Has been revised. Reworded some of the questions to make it easier to adapt to future policy changes. Streamlined and shortened to make it more user friendly. Developed instructions.
Form HUD-9992, FHA Project Approval Questionnaire and	Existing Form	Has been revised. Reworded some of the questions to make it easier to adapt to future policy changes.

Current Approved Form and Title	Corresponding Forms	Current Status
Instructions		Streamlined the required documentation. Developed instructions.
Form HUD- 92544, Warranty of Completion of Construction	Active Form; Burden hours covered OMB 2502-0059	Amount of time to complete the form changed.
Form HUD- 92541, Builder's Certification of Plans, Specifications, & Site	Active Form; Burden hours covered OMB 2502-0496	Amount of time to complete the form changed.
Form HUD- 96029, Condominium Rider	Condominium Rider	No change. Template with required FHA language to be incorporated into the security instrument.

In response to comments and the addition of Instructions the burden estimate has increased. As a result of slight increases in the hour burden estimates for two forms: Form HUD-92541 (OMB 2502-0496) Builders Certification of Plans, Specifications and Form HUD-92544 (OMB 2502-0059) Warranty of Completion of Construction, the total burden hours per response is expected to slightly increase for condominium projects that are newly constructed. The number of responses is expected to increase due to the introduction of the single-unit approval process and streamlining of project approval.

B. Collections of Information Employing Statistical Methods