**Supporting Statement for Paperwork Reduction Act Submissions**

# Technical Suitability of Products Program

**OMB Control Number: 2502-0313**

**Form(s): HUD-92005**

**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.** |
| Section 521 of the National Housing Act (12 U.S.C. 1735e), added by Section 216 of the Housing and Urban Development Act of 1965 (Public Law 89-117), requires the Department adopt uniform procedures for the acceptance of nonstandard materials and innovative products used in structures approved for mortgages or loans insured under the National Housing Act.Under the established Technical Suitability of Products (TSP) program, sponsors (manufacturers) of nonstandard housing-related materials, products, or structural housing systems must apply to HUD for a determination of technical acceptance. The two major categories of acceptance are: (1) structural building systems, subsystems, and components; and (2) structural and nonstructural materials and products. |

|  |
| --- |
| **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.**  |
| Sponsors seeking approvals for certain materials or products that will be used in construction projects back by an FHA-financed project (i.e. single-family or multi-family home, or a care type facility). These sponsors contact HUD to request a technical acceptance document (a Materials Release or Engineering Bulletin depending on the product and its intended use). A copy of Handbook 4950.1 Rev. 3, Technical Suitability of Products Program Processing Procedures is sent to a potential sponsor, along with detailed information on what needs to be submitted for a new product approval. This Handbook describes the process and type of information needed to determine the acceptability of a material or product under paragraphs 2-5 (including Description of Materials, Form HUD-92005 at paragraph 2-5.C.5.a) and 3-4 through 3-8. HUD’s technical staff uses the application and its information for evaluating the initial and continued acceptance of materials or products for use in structures approved for mortgages or loans insured under the National Housing Act.The sponsor provides HUD with the technical specifications for the product(s). This can include how the product is installed, the use of the products, and/or the product’s warranty or guarantee. Organizational and production data are used to establish company authority and to determine the capability to consistently produce the material or product. This process also prevents design organizations from using the Department as a review board. If accepted, a technical document known as a bulletin is developed and the draft is submitted to the sponsor for review and concurrence. Once HUD receives the signed draft, the bulletin is numbered, given an Issue and Review Date, and the finalized bulletin is sent back to the sponsor. The bulletin is valid for a three-year period. At the end of the three-year period, sponsors have the option to renew or cancel their bulletin.HUD uses the information from the bulletin, which may originate with information in the sponsor’s initial information collection, to periodically perform an audit of the sponsor and their manufacturing facilities. The purpose of this audit is to ensure that the sponsor is following the guidelines regarding the manufacturing process of the product or system, how or if materials used in the product or system are protected, and the quality assurance/quality control procedures regulated by the company’s quality auditor (either internal or external).The information is collected from the sponsor during the initial application (new approval), revision of an established product approval (new technical data that was not previously reviewed by HUD) or renewal (basic editorial changes such as adding or removing a manufacturing plant, changing the contact personnel, etc.). |

|  |
| --- |
| **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.** |
| Information Technology is used to the extent possible. Form HUD-92005 is available electronically (<https://www.hud.gov/sites/dfiles/OCHCO/documents/92005.pdf>) and can be submitted electronically. However, completion and submission of this form is only a small portion of the submission requirements outlined in Handbook 4950.1.  In addition to completion of this form, a sponsor must also submit company information, engineering data that could include volumes of test data, and installation information.Due to the volume of engineering and testing data, drawings/diagrams, etc., sponsors cannot submit a product approval package electronically since the allowable limit could exceed the capacity of the system. The sponsor, because the electronic form (HUD-92005) is only a small portion of a total submission, typically desires to submit the whole submission package at one time rather than submit some portions electronically and some in hard copy format.  The only way to create a fully electronic submission would be for the sponsor to scan and image all engineering data and other information, which is not the most efficient use of the sponsor's time or resources.Inquiries regarding the application process, data submission, fees, etc., are generally fielded by phone; however, sponsors (potential and existing) may submit any questions or concerns via email at (hsgmps@hud.gov). |

|  |
| --- |
| **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.**  |
| A review of the Handbook requirements indicates that there is no duplication within the program nor is similar information requested by HUD for other reasons. Further, the communications required are not easily accessible to the public. |

|  |
| --- |
| **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 methods used to minimize the burden of collecting information from small business or other small entities will be limited by the collection of information to one submission regardless of business or entity size. This required product information is basic in nature and is information relevant to the use for which the business or entity is seeking acceptance.The collection of this information is only required once, no matter how many subsequent properties are submitted by the original party or other parties utilizing the same material. The burden of collecting updated basic information will be minimized in the same way. |

|  |
| --- |
| **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.**  |
| Currently, the Department requests the information only when new applicants desire review and acceptance. Without the information, the technical suitability of the products and materials for the intended use in home construction cannot be determined. This program also helps to promote the use of innovative and new materials/products in homes with mortgages insured under the National Housing Act while assuring safe, decent, and sanitary housing. |

|  |
| --- |
| **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;* Sponsors are required to contact the agency every three years to renew an approval; however, the sponsor has the option to update or cancel the bulletin any time after the issue date.*\* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;* Sponsors are only required to provide a response to a draft bulletin within 30 days of receipt of the draft. The draft document is concurred on by the sponsor and its third-party certifier prior to submission to HUD. The bulletin cannot be finalized without both signatures.*\* requiring respondents to submit more than an original and two copies of any document;* Sponsor only submit original information for a new product approval (bulletin) or if an existing bulletin is a renewal with technical revisions (i.e. adding a product to an existing bulletin that was not previously reviewed by HUD and its contractor.*\* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;* Sponsors are required to keep a copy of their product approval on file. All product approvals are valid for three years unless the bulletin is updated by the sponsor prior to the renewal date. The bulletin can be cancelled by the sponsor or by HUD at any time.*\* 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;*Any study that is produced by or for a sponsor is related to the product(s) that are manufacture by the company the sponsor represents.*\* requiring the use of a statistical data classification that has not been reviewed and approved by OMB;* No statistical data is required to be reviewed and approve by OMB for a sponsor’s product approval.*\* 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* Sponsors are not required to sign a pledge or confidentiality, disclose information, or data security policies.Sponsors are not required to submit proprietary trade secrets, or other confidential information. |
| The information collection does not require nor provide for special circumstances. In addition, the collection is not statistically related nor of a confidential nature. |

**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 was announced in the Federal Register on April 24, 2020, Volume 85, Page 23055. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on 10-30-2020, Volume 85 Page 68913. No comments were received.

The information is collected from the sponsor during the initial application (new approval), revision of an established product approval (new technical data that was not previously reviewed by HUD, or renewal (basic editorial changes such as adding or removing a manufacturing plant, changing the contact personnel, etc.).

Each product approval is valid for a three-year period. Ninety days prior to the expiration of the product approval, the Department contacts each sponsor via phone, email, and letter as to whether the product approval will be renewed (revision or renewal) or cancelled.

Molly Davenstott

Soprema, Inc.

Dawn Greenwood

Pacific Woodtech Corporation

Michelle Miller

Ox Engineered Products, LLC

|  |
| --- |
|  |
| **9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.**  |
| The Department provides no payment or gifts to the respondents. |

|  |
| --- |
| **10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**  |
| There are no assurances of confidentiality provided or needed for this collection. The Privacy Act of 1974 provided privacy protection 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.** The communications required are not of a sensitive nature.**12. Provide estimates of the hour burden of the collection of information. The statement should:** There are 41 respondents (sponsors) for this collection. Frequency of response is every three years. Burden Hours – The burden was estimated by assigning an estimated time for completion of applications for determination of technical suitability.The estimated time of approximately 26 hours per respondent is an average; however, the time can vary. If the application is for a revision of an existing manufacturer’s acceptance document to add a new product(s) for example, the review time would be approximately two to five hours.If the application is for a renewal of an existing manufacturer’s acceptance document to add a new plant(s) for example, the review time would be approximately be an hour. However, a more complex application for acceptance of a new structural system or factory built modular dwelling could take up to 80 hours.The estimated number of hours to complete an application is an average number based on discussions with several product manufacturers and recent applications. The type of information requested is generally a result of research and development of the product/material. HUD Form 92005 takes approximately 30 minutes to complete. |
|  |

|  |  |
| --- | --- |
|  | Estimated Annualized Burden Hours and Costs |
| **Information Collection / Type of Respondent** | **Form Name / Form Number**  | **Number of Respondents** | **Frequency of Response** | **Responses Per Year** | **AverageBurden Hours Per Response** | **Annual Burden Hours** | **Hourly Cost per Response****(Hourly Wage Rate)** | **Total Annual Respondent Cost** |
| Application\* | HUD-92005 | 41 | 1 | 41 | 26 | 1,066 | $58.84 | $62,723.44 |
| Recordkeeping | HUD-92005 | 41 | 1 | 41 | 3 | 123 | $58.84 | $7,237.32 |
| **TOTALS** |  | **41** |  | **41** |  | **1,189** |  | **$69,960.76** |

Note: The “Avg. Hourly Wage Rate” for each respondent includes a 1.46 multiplier to reflect a fully-loaded wage rate.

“Type of Respondent” should be entered exactly as chosen in Question 3 of the OMB Form 83-I

 \*One-time application (includes HUD-92005, which takes approximately 30 minutes)

 The per hour rate ($58.84) is blended based on the estimated hourly rate for analyst, engineers, and supervisor. The source for this information is from the Bureau of Labor Statistic’s website: <https://www.bls.gov/oes/current/oes_nat.htm>

|  |  |  |
| --- | --- | --- |
| **Series and Title** | **Median Hourly Wage** | **Blended Hourly Wage** |
| 13-1111, Management Analysts | $51.44 | $58.84 |
| 17-2131 Materials Engineers | $61.39 |
| 17-2051 Civil Engineers | $48.95 |
| 11-1021 General and Operations Managers | $73.56 |

|  |
| --- |
| **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.**

|  |  |
| --- | --- |
| **Item** | **Cost ($)** |
| Contract Costs**Contractor:** Savan Group, LLC**Description of Contract:** Engineering and technical services to support the Technical Suitability of Products (TSP) program. The contractor shall review and evaluate new and revised product acceptances under the TSP program of building systems, components, products, materials, or whole structures, conduct factory inspections of Sponsor’s Manufacturing Facilities, conduct technical reviews of state governments that monitor modular housing industry plants accepted by HUD under the Category III Program, and conduct technical reviews of administrators overseeing manufacturer’s certification of compliance with requirements of a HUD Use of Materials Bulletin. | $1,657,611.00 |
| Staff Salaries\* **1 (GS-13, Step 2) x $106,085.00 = $****106,085.00 x 1.46 (wage rate multiplier) = $154,884.10 (fully loaded) x .50 (50% of time spent) = $77,442.05)****1 (GS-14, Step 5) x $137,491.00 = $137,491.00 x 1.46 (wage rate multiplier) = $200,736.86 (fully loaded) x .25 (25% of time spent) = $50,184.22)****1 (GS-14, Step 9) x $153,665.00 = $153,665.00 x 1.46 (wage rate multiplier) = $224,350.90 (fully loaded) x .15 (15% of time spent) = $33,652.64)****1 (GS-15, Step 10) x $170,800.00 = $170,800.00 x 1.46 (wage rate multiplier) = $249,368.00 (fully loaded) x .10 (10% of time spent) = $24,936.80)** | $186,215.71 |
| Facilities **[cost for renting, overhead, etc. for data collection activity]** | $0 |
| Computer Hardware and Software **[cost of equipment annual lifecycle]** | $0 |
| Equipment Maintenance **[cost of annual maintenance/service agreements for equipment]** | $0 |
| Travel  | $0 |
| Printing **[number of data collection instruments annually]** | $0 |
| Postage **[annual number of data collection instruments x postage]** | $0 |
| Other | $0 |
| **Total** | **$1,843,826.71** |

 |

|  |
| --- |
| **15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I. All revisions or changes to the collection should be described here.** |
| This is a revision of a currently approved information collection. A review of the information collected indicates that the number of respondents, number of responses, and annual burden hours decreased from the previous collection reported in 2017. This adjustment is due to a decrease in production, companies that are acquired by other entities, or companies that are no longer in operation. |
| **16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**  |
| The collection of information ultimately results in an issuance of technical acceptance documents. The information provided by manufacturers of building products and systems is used for eligibility under HUD mortgage insurance programs. The results of the information collection are not published. |

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