

Supporting Statement for Paperwork Reduction Act Submissions

FHA-Insured Mortgage Loan Servicing for Performing Loans: MIP Processing, Escrow Administration, Customer Service, Servicing Fees and 235 Loans

OMB Control Number 2502-0583

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 203 of the National Housing Act (12 U.S.C. 1709) authorizes the Secretary of Housing and Urban Development (HUD) to provide mortgage insurance on eligible single-family mortgages. The activities and requirements for this Paperwork Reduction Act (44 U.S.C. 3501-3521) (PRA) Submission are set forth in Title 24 of the Code of Federal Regulations (CFR) in numerous locations of the CFR, specifically: Mortgage Insurance Premiums (MIPs) in 24 CFR 203.22, 203.24, 203.26, and 203.259 - 203.288, Escrow Accounts in 24 CFR 203.23, 203.508, 203.550, and 203.552, Providing Loan Information and Customer Service in 24 CFR 203.508, and Servicing Fees in 24 CFR 203.552.

Federal Housing Administration (FHA) MIP Processing, Escrow Account Administration, Loan Information and Customer Service, and Servicing Fees program guidance is described in FHA's Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1), Section III.A.1.

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 respondents for the collection are Mortgagees that service FHA-insured mortgage loans and are involved with the collection and payment of MIPs, the processing of loan payments, escrow account administration, providing loan information and customer service to the Mortgagor, assessing post-endorsement fees and charges, and servicing Section 235 loans. The data and information provided are essential for managing HUD's program and FHA's Mutual Mortgage Insurance Fund.

FHA Mortgage Insurance Premiums

MIP Collections Premium Types - All FHA-insured mortgages require a MIP as a condition of insurance endorsement. Most FHA mortgage insurance programs require the payment of a one-time Upfront Mortgage Insurance Premium (UFMIP), which may be financed into the mortgage.

The UFMIP is not required for the Indian Lands program established under section 248 of the National Housing Act (12 U.S.C. 1715z-13). The Annual (or Periodic) MIP is assessed annually but paid on a monthly basis. It is initially required on all loan programs except for the Hawaiian Home Lands program established under section 247 of the National Housing Act (12 U.S.C. 1715z-12). The amount of the Annual (or Periodic) MIP is based on the initial loan-to-value (LTV) ratio, base loan amount, and the term of the mortgage. Specific amounts for both MIP types can be found in Appendix 1.0 of Handbook 4000.1.

- **UFMIP:** The UFMIP is charged in accordance with 24 CFR 203.259a and 203.280 – 203.285 and requires the payment of a single premium that is currently set for most loan programs at 175 basis points (bps) or 1.75% of the base loan amount. The current UFMIP for a Hawaiian Home Lands loan is 380 bps when the premium is financed.
- **Annual (or Periodic) MIP:** Annual (or Periodic) MIP is charged in accordance with 24 CFR 203.259a–203.269 and 203.284-203.285. The Annual (or Periodic) MIP rate and duration of the MIP assessment period vary by mortgage term, base loan amount and LTV ratio for the mortgage. They can be as high as 105 bps for a loan greater than \$625,000 with a greater than 95% LTV ratio on a loan term exceeding 15 years, and as low as 45 bps for a loan that is less than or equal to \$625, 000 with a less than or equal to 90% LTV ratio on a 15 year or less term.

Notification of Annual (or Periodic) MIP Due – Annual or Periodic MIPs are those MIPs that are remitted to HUD each month. The Mortgagee must remit one-twelfth of the Annual (or Periodic) MIP each month to HUD, regardless of whether it was received from the Borrower. The Mortgagee can access the Advance Premium Notice and case-level billing information online in HUD’s FHA Connection to determine monthly collections of MIPs after endorsement.

MIP Payment of Upfront and Annual Premiums – UFMIP and Annual (or Periodic) MIP are submitted through PAY.GOV, a secure government-wide collection portal managed by the Financial Management Service bureau of the U.S. Department of the Treasury.

Refund of UFMIP – Current policy permits a pro-rated refund credit if a borrower is refinancing their current FHA-insured mortgage to another FHA-insured mortgage within the first three years. The credit is applied to reduce the amount of the UFMIP paid on the refinanced mortgage.

Termination and Cancellation of MIP – For mortgages with FHA case numbers assigned on or after June 3, 2013, HUD automatically terminates Annual (or Periodic) MIP in accordance with Appendix 1.0 of Handbook 4000.1. The appendix also defines some scenarios where the Annual (or Periodic) MIP does not terminate and is due for the life of the loan.

MIP Cancellation is the ending of MIP payments on an FHA-insured Mortgage closed on or after January 1, 2001 and assigned a case number before June 3, 2013. HUD automatically cancels FHA MIPs under the conditions set forth in Handbook 4000.1, Section III.A.1.k. ii.

FHA Escrow Account Administration

Escrow Accounts—An Escrow Account is a set of funds collected by the Mortgagee for payment of property taxes, insurance premiums, and other items required by the mortgage note. The Mortgagee must segregate escrow funds including those funds escrowed at closing, and deposit the funds in a special custodial account characterized with a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA), that does not limit the Mortgagee’s access to funds, require an advance notice of withdrawal, or require the payment of a withdrawal penalty; that clearly identifies the type of funds being held in that account; and the Mortgagee may maintain a “cushion” that may not be increased beyond what is acceptable under Real Estate Settlement Procedures Act (RESPA) regulations. Escrow accounts are a standard practice within the mortgage industry on all FHA, Veterans Administration (VA), and conventional loans, therefore HUD ascribes no burden hours to escrow account administration.

Interest Bearing Accounts - HUD neither prohibits nor requires that escrow accounts earn interest. However, when escrow funds are invested, the net income derived from this investment must be passed on to the Mortgagor in the form of interest. The investment and payment must comply with state and federal agency requirements governing the handling and payment of interest earned on a Mortgagor’s escrow account. The Mortgagor is entitled to receive the net earnings from the investment of the Mortgagor's funds after deducting the actual cost of administering the interest-bearing account. Expenses charged the Mortgagor for maintaining the interest-bearing escrow account may not exceed the gross interest earned from investing the funds in that account. Payment of interest on escrow accounts is a standard practice within the mortgage industry on all FHA, VA and conventional loans, therefore HUD ascribes no burden hours.

Escrow Account Disbursements

Timely Payments and Advances - The Mortgagee is responsible to make disbursements as bills become payable even if it requires advancing corporate funds where escrow deposits are inadequate to meet these obligations. See 24 CFR 203.550(a) and Handbook 4000.1, Section III.A.1.g.iv. When making disbursements for bills and taxes, Mortgagees must send payments directly to the billing agency or the taxing authority. Mortgagees must establish controls to ensure that bills payable from the escrow account or the billing information needed to pay them is obtained on a timely basis. If a bill has not been received within a reasonable time before the payment due date, the Mortgagee shall contact the billing agency and request that the bill be provided promptly. The Mortgagor may be contacted to determine if the bill was sent to him/her rather than to the Mortgagee. However, it is not the Mortgagor’s responsibility to contact the billing agency or to provide the Mortgagee with a bill unless it has been sent to him/her in error. Timely payment of escrow obligations and the requirement to advance funds when necessary are standard practices within the mortgage industry on all FHA, VA and conventional loans, therefore HUD ascribes no burden hours.

Escrow Items - The Mortgagee must require that the total Mortgagor Mortgage Payment includes escrow funds to provide for payment of property charges in accordance with 24 CFR 203.23, the security instrument, and applicable law. In the following chart, items to be escrowed include:

Escrow Items
Real Estate Taxes
Hazard Insurance if required by the Mortgagee (24 CFR 203.23(5))
FHA Mortgage Insurance Premiums (24 CFR 203.22, 203.260, and 203.280)
Ground Rent, if any
Special Assessments, including any assessments relating to a Property Assessed Clean Energy (PACE) obligation
Flood Insurance Premiums as applicable
Other items which can attain priority over the Security Instrument as a lien or encumbrance on the Property, other than condominium of Homeowners' Association (HOA) fees

Real Estate Taxes - An escrow account for payment of real estate taxes must be established for FHA-insured loans at the time of loan origination see 24 CFR 203.550(a). HUD has no objection to the Mortgagee contracting with a tax service organization to manage the payment of taxes. Escrow of real estate taxes is standard practice within the mortgage industry on all FHA, VA and conventional loans, therefore HUD ascribes no burden hours.

Hazard Insurance – Although hazard insurance is not required by HUD, the standard mortgage instrument used by FHA-insured lenders does permit the Mortgagee to require it. If the Mortgagee requires the Mortgagor to purchase hazard insurance, the Mortgagee must be named as a “Loss Payee” on the hazard insurance policy and escrow for the payment of renewal premium. The Mortgagee remits the renewal premium when it is due, usually annually.

Mortgagors must be permitted to choose their own hazard insurance company. The Mortgagee may not insist on more coverage than is necessary to protect its investment, however, if the mortgagor chooses to insure the property for more than the minimum amount required by the Mortgagee, he/she must be permitted to do so.

Special Property Assessments and Ground Rents - If they constitute a superior lien against the property, special property assessments and ground rents must be escrowed. Escrow of special property assessments and ground rents is standard practice within the mortgage industry on all FHA, VA, and conventional loans, therefore HUD ascribes no burden hours.

Escrow Account Maintenance

Analysis of Escrow Accounts – No later than the end of the second year of the life of the mortgage, the Mortgagee must begin regular analysis (at least annually) of the escrow account to

assure adjustments to provide for adequate but not excessive collections to make anticipated disbursements during succeeding years.

Surpluses and Shortages in Escrow Accounts - The Mortgagee must attempt to collect an amount monthly from the mortgagor that is enough to pay the bills as they become due. See 24 CFR 203.550(a). When the balance in the escrow account exceeds the amount required to pay all escrow obligations, a surplus exists. A shortage exists either when there are insufficient funds in the escrow account to pay currently due obligations or when the amount being collected is expected to create a shortage at some time in the future. Any surplus or shortage must be resolved pursuant to the terms of the mortgage documents and federal law and regulation, including RESPA.

Providing escrow analysis information and escrow shortage or surplus are standard practices within the mortgage industry on all FHA, Veterans Administration (VA) and conventional loans, HUD ascribes no burden hours to these activities.

Providing Loan Information and Customer Services

In accordance with 24 CFR 203.508, Mortgagees must establish written procedures and controls to assure prompt and accurate response to customer inquiries and must make loan information available to customers at least annually. Mortgagors must be informed of the means by which they can obtain answers to loan inquires.

The Mortgagee must provide mortgage information and arrange for individual consultation, upon request by the Mortgagors. The Mortgagee must comply with all laws, rules, and requirements applicable to authorized third parties who are not Mortgagors on the Mortgage but who are authorized to communicate with Mortgagees regarding a Mortgage access to mortgage information.

Toll Free Contact - Mortgagees must maintain a toll-free telephone number for customer use. See 24 CFR 203.508(a)(2).

Annual Statement of Account – The Mortgagee must furnish the Mortgagor with a statement of their mortgage escrow account. At a minimum, the statement must itemize interest paid by the borrower and taxes and other obligations paid from the escrow account during the preceding calendar year. However, the common industry practice is to provide a detailed statement that includes the remaining loan balance, current interest rate, and other mortgage information. See 24 CFR 203.508(c).

The Mortgagee must provide the Mortgagor with an Internal Revenue Service (IRS) Form 1098, *Mortgage Interest Statement* or equivalent that provides documentation of taxes and interest paid by the Mortgagor during the preceding calendar year by January 30 of each year.

At the borrower's request, the Mortgagee must promptly furnish a statement of the escrow account in a clear and understandable form, with enough information to permit the Mortgagor to reconcile the account.

HUD Information Requests – Mortgagees must respond to HUD requests for information concerning the origination or servicing of individual accounts. *See* 24 CFR 203.508(e). The Mortgagee must respond to HUD staff or from a HUD-approved counseling agency acting with the consent of the borrower.

When HUD staff request information, the Mortgagee must make available legible documents and, in the format, (electronic or hard copy) requested within 24 hours of the request, or as otherwise permitted by HUD.

Notice of Transfer or Sale – Both transferring and acquiring Mortgagees must provide written notice to Mortgagors of any assignment, sale or transfer of servicing of the mortgage in accordance with the requirements of the Real Estate Settlement Procedures Act. *See* 24 CFR 203.508(e). Transferring Mortgagees must submit and notify HUD of any assignment, sale or transfer of servicing of the mortgage through the FHA Connection or Electronic Data Interchange.

Other Customer Services – Mortgagees must be able to respond to customer requests, complete servicing actions, and provide copies of original or replacement documents or reports as requested by Mortgagors. These services are found in the subsequent section under “Post Endorsement Fees and Charges.” Providing loan information and customer services is standard practice within the mortgage industry on all FHA, VA and conventional loans, therefore HUD ascribes no burden hours.

Servicing Fees

Post-Endorsement Fees and Charges - Mortgage servicing fees earned in conjunction with the servicing of an FHA-insured single-family mortgage are intended to compensate Mortgagees for routine servicing requirements. Mortgagors may not be charged an additional fee for standard or routine actions performed by the Mortgagee. Special services are actions performed by the Mortgagee at the Mortgagor’s request or on the Mortgagor’s behalf that exceed routine servicing requirements, and for which a reasonable fee may be charged. Subject to certain exceptions, HUD does not stipulate the exact fee or charge a Mortgagee may collect from a mortgagor for providing special services. *See* 24 CFR 203.552.

Written Policy - Mortgagees must have a clearly written policy governing post-endorsement fees and charges that ensures compliance with applicable state laws and regulations and is consistent with the governing mortgage documents. This written policy must address the following points but is not limited to:

- The special services for which fees or charges will be assessed,
- The specific amount of each fee or the factor applied to determine the fee,
- The basis used for determining that each fee is reasonable and customary for similar services in the geographic area where the mortgaged property is located,
- The frequency and process that will be followed to update the fee schedule,
- Procedures for ensuring compliance with the post-endorsement policy, and
- Procedures for making the fee schedule available to the public without charge.

Special Service Fees – Mortgagors may be charged a fee for the following services:

- Processing fee for a twice returned insufficient funds check returned as uncollectible,
- Insufficient funds over the phone credit card payments,
- Insufficient funds direct account debit payments,
- Duplicated coupon books replaced at the request of the Mortgagor,
- Amortization schedules,
- Hazard insurance policies other than at the expiration of the existing policy,
- More than one copy of: Year-end Statements, Mortgage Notes or Deeds of Trust, Settlement Statements, and Gift Letters,
- Multi-year payment histories,
- Multiple payoff statements within a short period of time,
- Mortgage verification to a prospective outside creditor initiated by the Mortgagor,
- Full or partial release of security as provided by the security instrument, and
- Property preservation inspections.

Prohibited Fees and Charges

The Mortgagee must not charge the Mortgagor for the following services:

- costs of telephone calls, telegrams, personal visits with the Borrower, certified mail, or other activities that are normally considered a part of a prudent Mortgagee's servicing activity;
- Mortgagee's use of an independent contractor such as a tax service to furnish tax data and information necessary to pay property taxes or make the payments on behalf of the Mortgagee;
- preparing and providing evidence of Payoff, Reconveyance, or termination of the mortgage;
- providing information essential to the Payoff;
- recording the Payoff of the Mortgage in states where recordation is the responsibility of the Mortgagee; or
- fees for services performed by attorneys or trustees who are salaried members of the Mortgagee's staff.

Providing Prohibited Fees is standard practice within the mortgage industry on all FHA, VA, and conventional loans, therefore HUD ascribes no burden hours.

Section 235 Loans

Effective May 4, 2015, HUD removed the regulations for its Section 235 Program, which authorized HUD to provide mortgage subsidy payments to Mortgagees to assist lower-income families who were unable to meet the credit requirements generally applicable to FHA mortgage insurance programs.

Congress last provided authority for 30-year mortgages to receive subsidy in 1983. The Section 235 program has diminished each year with “0” Section 235 mortgages receiving subsidy. With “0” mortgages receiving subsidy, HUD ascribes no burden hours to Section 235 collection of information and reporting.

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.

Mortgagees consist of large mortgage loan institutions, medium and small size banks, credit unions, and sub-servicing organizations. However, they all use an automated mortgage loan servicing platform that has the capability of servicing various types of loans and investors. HUD information is gathered and reported to HUD on a monthly basis through HUD’s Electronic Data Interchange or FHA Connection. HUD has not mandated a hard copy or electronic format for collecting and maintaining the records. The information is to be kept with similar Mortgagee documentation and submitted to HUD only if requested as a part of a review. Mortgagees have the option to maintain mortgage loan documents in electronic or imaged format if hard copies can be printed and be provided to HUD within 24 hours of the request, depending upon the documentation requested.

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 of information. Mortgagees document mortgage loan servicing efforts as a part of their own loan servicing and internal quality control procedures. HUD will accept the various formats already in use by Mortgagees if the information is complete.

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 collection of this information will not have a significant impact on a substantial number of small businesses. HUD will accept the various formats already in use by Mortgagees including small businesses if the information is complete.

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

The Department has worked in concert with the mortgage loan industry to establish regulations to benefit the Mortgagor and our goals.

The information is required to ascertain whether the Mortgagee has performed adequate and prudent mortgage loan servicing for performing loans.

FHA insurance is an important source of mortgage credit for low and moderate-income borrowers. Aiding these homeowners leads to more stable neighborhoods that might otherwise suffer from deterioration and problems associated with vacant and abandoned properties. Avoidance of foreclosure and the resultant costs also serve to further stabilize the mortgage insurance premiums charged by FHA and the Federal budget receipts generated from those premiums.

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.**

Respondents are required to report information to the agency more often than quarterly. The Mortgagee must remit one-twelfth of the annual MIP each month to HUD regardless of whether it was received from the Mortgagor.

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

Respondents are required to prepare a written response to a collection of information in fewer than 30 days after receipt of it. Mortgagees have the option to maintain mortgage loan documents in electronic or imaged format if hard copies can be printed and be provided to HUD within 24 hours of the request, depending upon the documentation request.

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

Respondents are not required 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;**

Mortgagees are required to retain all servicing files for a minimum of seven years after the transfer or sale of the mortgage or termination of mortgage insurance. For cases for which a mortgage insurance claim is filed, the Mortgagee must retain evidence of compliance with FHA servicing requirements in the mortgage insurance claim review file for at least seven years after the final claim or latest supplemental claim settlement date.

*** 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 is not connected with 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 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; or**

The information collections take into consideration the need to assure data confidentiality and provide adequate Privacy Act Statement notices where needed. Therefore this information collection does not include 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.**

This collection does not require 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.

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.

The agency notice soliciting comments on the information collection was published in the Federal Register on Thursday, May 21, 2020 (Volume 85, Number 99, Page 30980). No comments were received.

The ability to provide the information required by this process, and the use of the information, is discussed with the mortgage loan industry on a continuing basis at yearly functions, meetings and personal contact by various HUD staff and managers.

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

The collection of information does not provide for payments or gifts to respondents (Mortgagees).

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

The Privacy Act of 1974 (Pub. L. No. 93-579, 88 Stat. 1896, 5 U.S.C. 552a) protects respondents who meet the information reporting requirements.

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. 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.**

The collection of information has been updated with new figures to represent the Department's current activity. As a result of this activity, a decrease in the number of respondents, responses and annual burden hours occurred. The number of respondents decreased from 357 to 340, who are mortgagees that service FHA-insured mortgage loans.

Estimates of burden hours

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
FHA Mortgage Insurance Premiums (MIP)							

MIP Periodic	340	4,056.03	1,379,050.20	0.25	344,762.55	\$20.00	6,895,251.00
MIP Annual		8,403.36	2,857,142.40	0.02	57,142.85	\$20.00	\$1,142,856.96
MIP Notifications		8,403.36	2,857,142.40	0.25	714,285.60	\$20.00	\$14,285,712.00
MIP Disbursements		8,403.36	2,857,142.40	0.02	57,142.85	\$20.00	\$1,142,856.96
MIP Refunds		280.11	95,237.40	0.50	47,618.70	\$20.00	\$952,374.00
MIP Terminations and Cancellations		2,118.17	720,177.80	0.25	180,044.45	\$20.00	\$3,600,889.00
FHA Escrow Administration							
Escrow Account Setup		21,956.57	7,465,233.80	None, this is an industry standard			
Escrow Account Interest		5,372.34	1,826,595.60	None, this is an industry standard			
Escrow Account Disbursements							
Real Estate Taxes		21,956.57	7,465,233.80	None, this is an industry standard			
Hazard Insurance		21,956.57	7,465,233.80	None, this is an industry standard			
Special Assessments		2,066.29	702,538.60	None, this is an industry standard			
Escrow Account Maintenance							
Escrow Shortage or Surplus		21,956.57	7,465,233.80	None, this is an industry standard			
Providing Escrow Analysis Information		21,956.57	7,465,233.80	None, this is an industry standard			
Providing Loan Information/Customer Service							
Toll Free Information Requests		7,002.80	2,380,952.00	None, this is an industry standard			
Annual Statement of Account		21,956.57	7,465,233.80	None, this is an industry standard			
Servicing Transfers or Sale		8,403.36	2,857,142.40	None, this is an industry standard			
Other Customer Service Requests		8,403.36	2,857,142.40	None, this is an industry standard			
Servicing Fees							
Written Policy		0.91	309.40	40.00	12,376.00	\$20.00	\$247,520.00
Special Service Fees		11,204.48	3,809,523.20	0.02	76,190.46	\$20.00	\$1,523,809.28
Prohibited Fees		11,204.48	3,809,523.20	None, this is an industry standard			
Totals	340*		73,801,022.20		1,489,563.46		\$29,791,269.20

Average hourly wage rate based for mortgage loan clerk of the U.S. Department of Labor, Bureau of Labor Statistics website https://www.bls.gov/oes/current/oes_nat.htm at approximately \$40,610 annually.

*There are 340 Respondents.

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).

* The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should consider costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collections services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

* Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional costs to the respondents.

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 of the OMB Form 83-I in a single table.

Information Collection	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
FHA Mortgage Insurance					
MIP Cancellations and Terminations	720,177.80	0.01	7,201.78	\$31.70	\$228,296.43
Totals	720,177.80		7,201.78		\$228,296.43

The hourly cost is based on a GS12 Step1 CY2020 General Schedule Base Annual Rate of \$66,167.

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

The information collection is an extension of a currently approved collection. Due to conditions in the mortgage industry, foreclosures, claims, and conveyances have decreased. With this decrease, the information collection results in a decrease in the estimated number of respondents, responses and annual burden hours.

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.

There are no plans to publish this collection of information for statistical use.

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 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.

There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the OMB Form 83-I is checked, "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the whole collection. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

2. Describe the procedures for the collection of information including:

*** Statistical methodology for stratification and sample selection,**

*** Estimation procedure,**

*** Degree of accuracy needed for the purpose described in the justification,**

*** Unusual problems requiring specialized sampling procedures, and**

*** Any use of periodic (less frequent than annual) data collection cycles to reduce burden.**

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will collect and/or analyze the information for the agency.

This collection of information does not employ statistical methods.