

Supporting Statement for Paperwork Reduction Act Submissions

Mortgagee's Application for Partial Settlement (Multifamily Mortgage)

OMB Control Number: 2502-0427

Forms: HUD-2537, HUD-2747, HUD-1044D

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.

When a FHA-insured Multifamily mortgage goes into default, the Mortgagee may file a claim with the Secretary to receive the insurance benefits.

The law which supports this action is Title II, Section 207(g), of the National Housing Act (12 USC 1713(g)) (the "Statute").

The Statute provides in part."... the Mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided, upon assignment, transfer, and delivery to the Secretary, within a period and in accordance with rules and regulations to be prescribed by the Secretary of all rights and interest arising under the mortgage so in default... at its option and in accordance with regulation, and in a period to be determined by the Secretary, proceed to foreclosure on and obtain possession of or otherwise acquired such property after default and receive the benefits of the insurance as herein provided upon prompt conveyance to the Secretary the title of the property..." The Mortgagee may receive a portion of the benefits immediately after the assignment or conveyance.

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.

Form HUD-2537 Mortgagee's Application for Partial Settlement (Multifamily Mortgage) is used by HUD to obtain required fiscal data for HUD to compute a partial settlement of insurance benefits prior to a completion examination of the claim. To apply for a partial settlement, the mortgagee must send form HUD-2537, form HUD-2747 (OMB Control No. 2502-0419), form HUD-1044-D (OMB Control No. 2502-0418), a copy of the Debenture Lock Agreement (if applicable), and all information required in the HUD forms. Immediately upon receipt of the acceptance email sent by HUD, the mortgagee must send via hard copy an original and one copy of the three forms and all the information requested in the HUD -forms. On the date the assignment of mortgage is filed for record, mortgagees must send an email to the Chief, Multifamily Claims Branch, at (202) 619-8259 or email scanned documents to multifamilyclaimsbranch@hud.gov. The email must contain the three forms and all the information requested from the forms. It is estimated that 65% of respondents are private business; 35% of respondents are state agencies.

Links to each form are provided within the narrative for each form (https://www.hud.gov/program_offices/administration/hudclips/forms/hud2). HUD is also able to email any needed forms upon request.

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 collection of information does require the use of technological collection techniques sometimes. The respondents are able to complete the fillable form and email it back to HUD for processing. Due to the small number of annual responses, conversion to an electronic system process is not cost effective at this time.

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.

Duplication is identified and prevented by the uniqueness of the project number and name. No similar information is being collected.

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.

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

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.

If collection is not conducted as currently required, the Multifamily Program will incur a substantial increase in interest expenses. With the information collected, up to 90% of insurance benefits are paid within 24 to 48 hours after assignment or conveyance. The balances of the benefits are paid after the Mortgagee submits its completed claim. The Mortgagee is given 45 days after assignment to submit a claim. Without this collection information, additional accrued interest (90% of benefits for 42 or 43 days) would be paid in insurance benefits.

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.

A respondent may be required to submit collection information more often than quarterly. Regulation requires a mortgagee to submit this information in order to receive insurance benefits.

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

Respondents must submit the information collection within 45 days after the mortgage is assigned or within an extended deadline, if any, in order to obtain insurance benefits

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

Mortgagee is required to submit an original and one copy of forms (only one copy is required if delivery by fax or e-mail, with an original and one copy to follow to: HUD, Multifamily Claims Branch.)

* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

Record retention for the loan history must begin from the date the claimant became the holding mortgagee.

* 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;

No statistical data is collected.

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

No statistical data is collected.

* 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

No pledge of confidentiality is promised outside of any supported by the authority established in 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.

Respondents are not required to submit proprietary trade secrets.

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 December 17, 2020, Volume 85, Page 81944.

A 30-day Federal Register Notice inviting public comments was published on February 23, 2021, Volume 86, Page 10992. No comments were received.

The program office occasionally consulted with the following representatives outside of the agency:

1. Debi Martin – Greystone Servicing Corporation, Inc.
2. Anthony T. Marino – Cambridge Realty Capital Ltd.
3. Tina Brown – Love Funding

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

There is no decision to provide any payments or gifts to the lender except the payment of FHA Insurance Benefits. This payment is the Department's contractual obligation.

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

This collection has an approved Privacy Threshold Analysis (PTA) on file. In addition, HUD's policy for providing confidentiality is that any information released to the public does not contain identifying information such as social security numbers. Such identification is deleted from the required information prior to being released.

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.

It is estimated that 110 respondents (lenders) will annually submit a Partial Claim Settlement.

Estimated Annualized Burden Hours and Costs

Information Collection / Type of Respondent	Form Name / Form Number	Number of Respondents	Frequency of Response	Responses Per Year	Average Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response (Hourly Wage Rate)	Total Annual Respondent Cost
Business or other for-profit	HUD-2537	72	1	72	.25	18	\$57.90	\$1,042.20
Business or other for-profit	HUD-2747	72	1	72	1	72	\$57.90	\$4,168.80
Business or other for-profit	HUD-1044D	72	1	72	,5	36	\$57.90	\$2,084.40
Sub-Totals		72		72		126		\$7,295.40
State, Local or Tribal Government	HUD-2537	38	1	38	.25	9.50	\$38.61	\$366.80

State, Local or Tribal Government	HUD-2747	38	1	38	1	38	\$38.61	\$1,467.18
State, Local or Tribal Government	HUD-1044D	38	1	38	.5	19	\$38.61	\$733.59
Sub-Totals		38		38		66.50		\$2,567.57
Totals		110		110		193		\$9,862.97

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

The total annual burden hours has been rounded up to 193 hours to be consistent with OMB's system ROCIS.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for (Paralegal) for business or other for profit is estimated to be \$57.90 per hour including the wage rate multiplier and State/local business wage rate is estimated to be (\$38.61) including the wage multiplier.

Therefore, the estimated total burden hour cost is estimated to be **\$9,862.97** annually.

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

* 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 take into account 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 record keeping, 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.

Annual Cost to the Federal Government

Item	Cost (\$)
Contract Costs [Describe]	
Staff Salaries* [#_ of GS __ , step__ employees spending approximately ____% of time annually(description)..... for this data collection] [Show calculations for this here. For example, 1 (GS-12, Step 1) @ \$86,335,00= \$86,335,00 x 1.46 (wage rate multiplier) = \$126,049.10 (fully-loaded) x .50 (50% of time spent) = \$63,024,55.	\$63,024.55
Facilities [cost for renting, overhead, etc. for data collection activity]	
Computer Hardware and Software [cost of equipment annual lifecycle]	
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	
Travel	
Printing [number of data collection instruments annually]	
Postage [annual number of data collection instruments x postage]	
Other	
Total	\$63,024.55

* Note: The "Salary Rate" includes a 1.46 multiplier to reflect a fully-loaded wage rate.

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

This is a revision of a currently approved collection. There has been an increase in the burden hours. The increase is due to the public burden hour usage not being captured for HUD-2747 and HUD-1044-D forms and should have been captured in the last OMB submission.

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.

This information collection will not be published for statistical purposes.

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.