

Supporting Statement for Paperwork Reduction Act Submissions

Housing Counseling Program – Application for Approval as a Housing Counseling Agency

OMB Control Number: 2502-0573

Forms: HUD-9900; HUD-9900A

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.

The Office of Housing Counseling (OHC) is responsible for administration of the Department's Housing Counseling Program, authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701w and 1701x). The Housing Counseling Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and the homeless. The primary objective of the program is to educate families and individuals in order to help them make smart decisions regarding improving their housing situation and meeting the responsibilities of tenancy and homeownership, including through budget and financial counseling. Counselors also help borrowers avoid predatory lending practices, such as inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and possible foreclosure. Counselors may also provide reverse mortgage counseling to elderly homeowners who seek to convert equity in their homes to pay for home improvements, medical costs, living expenses or other expenses. Additionally, housing counselors may distribute and be a resource for information concerning Fair Housing and Fair Lending. The Housing Counseling Program is instrumental to achievement of HUD's mission. The Program's far-reaching effects support numerous departmental programs, including Federal Housing Administration (FHA) single family housing programs.

Approximately 1,700 HUD-participating agencies provide housing counseling services nation-wide currently. Of these, approximately 975 have been directly approved by HUD. HUD maintains a list of these agencies so that individuals in need of assistance can easily access the nearest HUD-approved Housing Counseling Agency (HCA) via HUD's website, an automated 1-800 Hotline, or a smart phone application. Form HUD-9900, *Application for Approval as a Housing Counseling Agency*, is necessary to make sure that people who contact a HUD-approved agency can have confidence they will receive quality service and these agencies meet HUD requirements for approval.

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.

In order to participate in HUD's Housing Counseling Program, a housing counseling agency must be approved by HUD. Eligible organizations include local housing counseling

agencies, private or public organizations (including grassroots, faith-based and other community-based organizations) such as nonprofit, state, local or public housing authorities that meet the Program's criteria.

There are two ways to participate in HUD's Housing Counseling Program. Organizations may apply directly to HUD as one of the following: a Local Housing Counseling Agency (LHCA), an Intermediary (regional or national), a Multi-State Organization (MSO), or a State Housing Finance Agency (SHFA). LHCA's may participate in the HUD Housing Counseling Program by participating through a HUD-approved Intermediary or an SHFA's network. SHFA's may also request to participate in the Program, however, they must still provide the same documentation required for Program approval.

HUD-approval entails meeting various requirements relating to experience and capacity, which includes proof of nonprofit status, a minimum of one year of housing counseling experience in their target community, and sufficient staff and financial resources to implement a housing counseling work plan. HUD uses Form HUD-9900 to evaluate whether applying organizations meet minimum requirements to participate in the Housing Counseling Program. The instructions on how to become a HUD-approved HCA are found at <https://www.hudexchange.info/programs/housing-counseling/agency-application/>.

Once approved, HUD uses this information to populate agency profile data in the Housing Counseling System (HCS) database. This data populates the list of agencies on HUD's website, automated 1-800 Hotline, and smart phone application.

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 is not automated and does not use any HUD system; however, OHC has created and uses an electronic file folder on its SharePoint site to store these applications. HUD plans to further streamline the information collection and automate the approval application process when funds become available. The application form will be updated to reflect a streamlined, fillable interactive PDF version and will continue to require electronic submission of applications through email in place of paper submissions.

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.

Form HUD-9900, *Application for Approval as a Housing Counseling Agency*, is the first document a housing counseling agency submits to HUD so no "similar information" is already available and no duplication occurs.

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 information collection is similar for all entities regardless of size. The information requested represents the minimum necessary to make an effective evaluation.

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.

Failure to collect the information described in this submission would prevent HUD from screening potential housing counseling agencies through which HUD depends solely to provide critical housing counseling services to clients. The collection is needed to mitigate risk by ensuring applicants meet program eligibility criteria and possess the capability to deliver effective and efficient services. This is critical since HUD refers individuals and households in need of assistance to these HUD-approved HCAs. If the collection is not conducted, HUD would not approve any new agencies as part of the program.

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

The special circumstances contained in item 7 of the supporting statement are not applicable to this information collection.

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 November 20, 2020, Volume 85, Page 74369. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on January 25, 2021, Volume 86, Page 6911. No comments were received.

The information from persons outside the agency was not obtained. HUD will ensure that we consult with representatives outside the agency to obtain their information and that it is obtained in the future.

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

There are no payments or gifts to respondents.

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

Form HUD-9900, *Application for Approval as a Housing Counseling Agency*, is subject to the Privacy Act, which requires the records to be maintained with appropriate administrative, technical and physical safeguards to ensure their security and confidentiality.

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.

Estimated Annualized Burden Hours and Costs
(Based upon a 3-year time period)

| 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 |
|---|--|-----------------------|-----------------------|--------------------|-----------------------------------|---------------------|---|------------------------------|
| | HUD-9900/ Application for Approval as a Housing Counseling Agency | 700 | 1 | 700 | 8 hrs. | 5,600 | \$47.98 | \$268,688 |
| | HUD-9900A/ Screening for Ineligible Participants | 700 | 1 | 700 | 10 mins. (0.1667) | 117 | \$47.98 | \$5,613.66 |
| TOTALS | | 700 | | 700 | | 5,717 | | \$274,301.66 |

According to the U.S. Department of Labor, Bureau of Labor Statistics website (https://www.bls.gov/oes/current/oes_nat.htm), the median wage rate category for Business and Financial Operations Occupations (13-0000) is estimated to be \$32.86 (hourly wage rate) x 1.46 (the wage rate multiplier) = \$47.98 (fully loaded wage rate).

The estimated burden hour cost to respondents is \$274,301.66 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] | 0.00 |
| Staff Salaries* [1 of GS 15, step 1 employees spending approximately 37.5% of time annually 1 (GS-15, Step 1) x \$109,366.00 = \$109,366.00 x 1.46 (wage rate multiplier) = \$159,674.36 (fully loaded) x .375 (37.5% of time spent) = \$59,877.89 Staff Salaries* [2 of GS 14, step 1 employees spending approximately 37.5% of time annually 2 (GS-15, Step 1) x \$92,977.00 = \$185,954.00 x 1.46 (wage rate multiplier) = \$271,492.84 (fully loaded) x .375 (37.5% of time spent) = \$101,809.82 | 637,513.41 |

| | |
|--|---------------------|
| Staff Salaries* [6 of GS 13, step 1 employees spending approximately 37.5% of time annually 6 (GS-13, Step 1) x \$78,681.00 = \$472,086.00 x 1.46 (wage rate multiplier) = \$689,245.56 (fully loaded) x .375 (37.5% of time spent) = \$258,467.10 | |
| Staff Salaries* [6 of GS 12, step 1 employees spending approximately 37.5% of time annually 6 (GS-15, Step 1) x \$66,167.00 = \$397,002.00 x 1.46 (wage rate multiplier) = \$579,622.92 (fully loaded) x .375 (37.5% of time spent) = \$217,358.60 | |
| Facilities [cost for renting, overhead, etc. for data collection activity] | 0.00 |
| Computer Hardware and Software [cost of equipment annual lifecycle] | 0.00 |
| Equipment Maintenance [cost of annual maintenance/service agreements for equipment] | 0.00 |
| Travel | 0.00 |
| Printing [number of data collection instruments annually] | 0.00 |
| Postage [annual number of data collection instruments x postage] | 0.00 |
| Other | 0.00 |
| Total | \$637,513.41 |

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

According to the U.S. OPM Pay & Leave GS Schedules website (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/GS.pdf>), the median wage rate category for GS-15, Step 1 is estimated to be \$52.40 (hourly wage rate) x 1.46 (the wage rate multiplier) = \$76.50 (fully loaded wage rate); GS-14, Step 1 is estimated to be \$44.55 (hourly wage rate) x 1.46 (the wage rate multiplier) = \$65.04 (fully loaded wage rate); GS-13, Step 1 is estimated to be \$37.70 (hourly wage rate) x 1.46 (the wage rate multiplier) = \$55.04 (fully loaded wage rate); and GS-12, Step 1 is estimated to be \$31.70 (hourly wage rate) x 1.46 (the wage rate multiplier) = \$46.28 (fully loaded wage rate). It is estimated that employees will spend about 37.5% of their time annually working on this form.

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 request for a revision of a currently approved collection. The numbers of respondents, responses, and associated burden hours for the application to become a HUD-approved HCA have changed since the last OMB approval due to the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 111-203, 124 Stat. 1376, approved July 21, 2010) (Dodd-Frank) and the subsequent Housing Counseling: New Certification Requirements Final Rule released on December 14, 2016. Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) (Section 106) was amended by Subtitle D of title XIV of Dodd-Frank to strengthen and improve the effectiveness of housing counseling that is required under or provided in connection with HUD programs (Section 106 amendments).

Specifically, the Section 106 amendments were enacted for the purpose of improving, by the following, the quality, consistency, and effectiveness of housing counseling delivered to consumers: (1) Establishing within HUD the OHC and vesting in that office responsibility for all activities and matters related to housing counseling under all programs and laws administered by HUD; (2) defining certain terms related to housing counseling for purposes of clarity and consistency; (3) requiring that the individuals providing housing counseling required under or provided in connection with HUD programs be certified by taking and passing an examination administered by HUD's OHC (HUD-certified housing counselors); (4) requiring that all housing counseling required under or provided in connection with HUD programs (Other HUD Programs) be provided by agencies approved to participate in HUD's Housing Counseling Program, referred to as HCAs; and (5) placing new requirements on the distribution and use of housing counseling grant funds awarded to HCAs. This Final Rule implements the Section 106 amendments by requiring that, within 36 months of the issuance of the certification examination, "housing counseling," as defined in this Final Rule and that is "required by or in connection with" HUD programs, may only be provided by HUD-certified housing counselors working for HCAs that are approved to provide such housing counseling by HUD's OHC. This Final Rule codifies the Section 106 amendments in HUD's General HUD Program Requirements, in 24 CFR Part 5 and in HUD's Housing Counseling Program regulations in 24 CFR Part 214. While this Final Rule focuses on updating HUD's Housing Counseling Program regulations, the Final Rule makes limited conforming regulatory changes to some of the HUD programs covered by these new requirements.

As mentioned, there have been changes in program eligibility requirements. The revised Form HUD-9900 addresses and fulfills the mandated programmatic and eligibility requirement changes in accordance with the Dodd-Frank certification requirements for HUD HCAs and HUD Housing Counselor Certification. A Privacy Act Statement has been added to the form. The revised form combines the "Assurances and Certifications" section of the application and retitled the section as "Certifications." The "Certifications" section clearly defines the program policies that an agency is responsible for as a program participant and reduces the need for additional paperwork. Additionally, the form strengthens the language for the "Screening of Ineligible Participants" section by using the same criteria for all eligible entity types in reference to "Ineligible Participants."

Attachment A, Form HUD-9900A, will standardize the "Board and Housing Counseling Staff" submission requirement and ensure that HUD is disclosing how it will use Personally Identifiable Information collected during the application process. Lastly, the revised form clarifies the definition of an Intermediary organization. The definition revision for Intermediaries, which removes the number of qualifying states, brings the form in-line with 24 CFR Part 214 and HUD Handbook 7610.1 REV-5. It also removes the barrier to qualification for more agencies. The application is a fillable PDF form and does not place any additional burden on eligible applicants.

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.

Tabulation of information will not be published. HUD maintains a website, automated 1-800

Hotline, and smart phone application listing all HCA.

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.