

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number 2502-0494

HUD-92800.5B

Conditional Commitment/Direct Endorsement Statement of Appraised Value

A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

This request for OMB review seeks to renew a previously approved collection on Form HUD-92800.5B, Conditional Commitment/Direct Endorsement Statement of Appraised Value (OMB Control Number 2502-0494). The information collected on this form is needed to determine the eligibility of a property for mortgage insurance.

Section 203 of the National Housing Act (12 U.S.C. 1709, *et seq.*) authorizes the Secretary of the Department of Housing and Development to insure mortgages on eligible proposed construction and existing single family properties when requested by FHA-approved mortgagees.

- 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.**

Lenders must provide a completed copy of Form HUD-92800.5B at or before loan closing to loan applicants. Form HUD-92800.5B serves as the mortgagee's conditional commitment/direct endorsement statement of appraised value of FHA mortgage insurance on the property. The form provides a section for a statement of the property's appraised value and other required FHA disclosures to the homebuyer, including specific conditions that must be met before HUD can endorse for mortgage insurance. HUD uses the information to determine the eligibility of a property for FHA-insured financing.

Some lenders have origination systems that will prepare the Form HUD-92800.5B; this form must always be prepared and provided to the borrower(s). Because the paper documents are still created for presentation to the borrower(s), the preparation time for creating the form has not changed significantly.

HUD also requires lenders to include the Form HUD-92800.5B in case binders that are submitted to HUD for insurance endorsement. Ninety percent (90%) of lenders use the lender insurance option for endorsement and do not submit case binders to HUD. Although they are required to provide them to HUD when asked, most lenders store case binders electronically and have systems in place that produce the Form HUD-92800.5B automatically when the file is requested by HUD for review.

- 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 ninety percent (90%) electronic. The form may be electronically generated, and lenders who use paperless loan binders may store a copy electronically. The form is available in a .pdf fillable format on HUDClips. Although the form is not submitted to HUD, it must be retained in the lender's loan file.

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.

Because of the uniqueness of each case, information gathered or applicable to another property or properties cannot be used.

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 sales.

The reporting burdens for small business participants should not be materially affected as the bulk of FHA-insured mortgages are originated and serviced by large financial institutions and their affiliates.

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.

Form 92800.5B provides the terms upon which the commitment/direct endorsement statement of appraised value is made and the specific conditions that must be met before HUD can endorse a mortgage for insurance. The collected information is used to determine the eligibility of a property for mortgage insurance. No technical or legal obstacles exist to reduce the burden.

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;**

No special circumstances are noted that would cause an information collection to be conducted in an unusual manner that would require 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;**

No special circumstances are noted that would cause an information collection to be conducted in an unusual manner that would require respondents to prepare and submit a written response in less than 30 days after receipt of the information obtained on the form.

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

No special circumstances are noted that would require 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;**

No special circumstances are noted that would require respondents to retain 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;**

No special circumstances are noted 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;**

No special circumstances are noted requiring the use of a statistical data classification that have 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**

No special circumstances are noted 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.

- **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.**

No special circumstances are noted that would require respondents to submit proprietary trade secrets, or other confidential information.

- 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 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 the prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

In accordance with the guidelines in 5 CFR 1320.8(d), HUD published a notice soliciting comments for information collection OMB Control No. 2502-0494 in the Federal Register on Monday, June 01, 2020 (Volume 85, Number 105, Page 33191).

HUD regularly receives comments and input on its information collection requirements from lending institutions, the home construction industry, insurance companies, appraisers, and service companies, and takes those comments into consideration in conducting business. In addition, the

agency contacted the four Home Ownership Centers to ascertain how often certain sections on the form was used. The following individuals were contacted:

Carl Heckman, Atlanta Homeownership Center, Carl.E.Heckman@hud.gov
 Amy Trujillo, Denver Homeownership Center, Amy.K.Trujillo@hud.gov
 Donald Doan, Santa Ana Homeownership Center, Donald.D.Doan@hud.gov
 Michael McArdle, Philadelphia Homeownership Center, Michael.H.McArdle@hud.gov

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

No gifts or other types of payments are made to respondents. No financial relationship exists between the lenders who prepare the HUD-92800.5B and HUD.

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

This information collection takes into consideration the need to assure data confidentiality and provides adequate Privacy Act Notice statements where needed.

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.

This information collection does not contain any questions of a sensitive nature or other matters as described above that are commonly deemed private.

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

Estimate of public burden.

Information Collection	Number of Respondents	Frequency of	Responses per Year	Average Burden	Annual Burden	Hourly Cost	Total Annual
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		Responses		Hours per Response	Hours		Cost
HUD-92800.5B	1,483	500	741,500	0.12	88,980	\$29.00	2,580,420

The hourly cost per response of \$29.00 is based on a national estimate for the mean hourly wage of a Mortgage Loan Processor reported by the Department of Labor and a 1.46 multiplier to reflect a fully-loaded wage rate. See occupation 43-4131 Loan Interviewers and Clerks at: https://www.bls.gov/oes/current/oes_nat.htm.

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).

No additional costs are incurred by respondents or recordkeepers resulting from the collection of information. Any efforts to retain documents would occur as part of customary and usual business practices and would post no additional cost burden for respondents or recordkeepers.

- **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 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.**

No costs are incurred for (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.

- **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.**

No costs are incurred for purchasing or contracting out information collections services; therefore, no cost estimates are expected to vary widely.

- **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 to keep records for the government, or (4) as part of customary and usual business or private practices.**

No costs are incurred for purchases of equipment or services, or portions thereof; therefore, no estimates are needed.

- 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.**

HUD reviews approximately two (2) percent of single family loan binders. Although most loans are now insured and reviewed under the paperless binder system, the time to review is not materially affected.

	Number of Responses	Hours Per Response	Annual Burden Hours	Hourly Cost	Total Cost
HUD-92800.5B	14,830	0.08	1,186	\$66.25	\$78,573

The hourly cost per response of \$66.25 is based on a national estimate for the mean hourly wage of a Management Analyst as reported by the Department of Labor and a 1.46 multiplier to reflect a fully-loaded wage rate. See occupation 13-1111 Management Analyst at: https://www.bls.gov/oes/current/oes_nat.htm.

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

This is an extension of a currently approved information collection. The number of burden hours decreased due to the decrease in number of homes being financed with FHA insurance since the previous renewal of this collection.

- 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 does not include results that will be 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.**

Approval is not being sought to avoid displaying the expiration date for the OMB approval.

- 18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.**

No exceptions have incurred to the certification statement identified in Item 19 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 Form OMB 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:

This information collection does not employ statistical methods.

- 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 collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.**

This information collection does not employ statistical methods.

- 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.**

This information collection does not employ statistical methods.

- 3. Describe methods to maximize response rates and 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.**

This information collection does not employ statistical methods.

- 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. Testing 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.**

This information collection does not employ statistical methods.

- 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), grantor(s), or other person(s) who will actually collect and/or analyze the information for the agency.**

This information collection does not employ statistical methods.