

**Supporting Statement for Paperwork Reduction Act Submission**  
**Rental Housing Finance Survey (RHFS)**  
**OMB Number: 2528-0276**

**Part A: Justification**

**1. Necessity of Information Collection**

The U.S. Department of Housing and Urban Development (HUD) requests clearance for the proposed questions to be used on the 2021 Rental Housing Finance Survey (RHFS). Data collection will occur between June 24, 2021 and November 30, 2021.

Estimates derived from the RHFS sample will help public and private stakeholders better understand the financing, operating costs, and property characteristics of the rental housing stock in the United States. Many of the questions are similar to those found on the 1995 Property Owners and Managers Survey, the rental housing portion of the 2001 Residential Finance Survey, and the 2012, 2015, and 2018 RHFS.

Title 12, United States Code, Sections 1701z-1, 1701z-2(g), and 1701z-10a provide authority to collect this information. Title 13, U.S.C., Section 8b provides the U.S. Census Bureau authority to collect this information for HUD. The collected data will be protected by the confidentiality provisions of Title 13, U.S.C., Section 9.

The 2021 RHFS questionnaire content is substantially similar to the 2018 RHFS questionnaire, with the following four exceptions:

- a. Addition of one question about capital reserves: This question will allow HUD to understand the amount of capital reserves for the rental property. HUD's primary motivation for this question was to better understand the financial health of rental properties.
- b. Addition of one question about acceptance of Housing Choice Vouchers: This question will allow HUD to understand if rental properties without tenants with Housing Choice Vouchers are explicitly choosing not to accept Housing Choice Vouchers. HUD's primary motivation for this question was to better understand the potential supply of rental units willing to accept Housing Choice Vouchers.
- c. Removal of question about federally-back mortgages: HUD removed a question about whether mortgages were guaranteed or securitized by the federal government. HUD internal analysis revealed these questions were not yielding accurate data.
- d. Removal of questions about mortgage interest rates: HUD removed a short series of questions about mortgage interest rate details. HUD internal analysis revealed respondents often did not know the answers to these questions.

**2. Needs and Uses**

For RHFS, the Census Bureau interviews owners and managers of rental properties. When possible, the Census Bureau will attempt to interview property owners, the entity

liable for the financial disposition of properties. If an owner cannot be identified or reached, the Census Bureau will interview the managers. At times, interviews with both owners and managers may have to be conducted in the course of the survey, as each may possess distinct portions of the necessary information to complete the survey.

The Census Bureau's first contact with the owner/manager will be an advance letter providing them with an overview of the survey, the interview procedure, types of questions covered, and confidentiality. The Census Bureau anticipates only few respondents will ask for additional time to fill out the questionnaire. Respondents will complete the survey using the Internet instrument hosted by the Centurion system.

Various stakeholders have great interest in the data that will be collected through this survey. With these data, the survey sponsor HUD, can gain a better understanding of rental loan origination volumes, property characteristics associated with these originations, and operating cost and revenue characteristics for the rental housing stock in the United States. The RHFS will play an important role in enabling the Federal Housing Finance Agency to fulfill its requirements to set affordable housing goals for the Government-Sponsored Enterprises (GSEs) and to develop standards for underwriting rental property mortgages. The RHFS data can be used to provide a statistically representative picture of rental property financing and critical components of the national income accounts.

National and local policy analysts, program managers, budget analysts, and Congressional staff can use the RHFS data to advise the executive and legislative branches about financial characteristics of the rental housing stock in the United States and the suitability of public policy initiatives. The data will also help analysts to determine which properties take the most advantage of various government programs, and where changes to programs might be advisable.

Academic researchers and private organizations will use the RHFS data in efforts of specific interest and concern to their respective communities. For example, no national data are available currently on such items such as rent concessions and expenses on capital improvements.

The rental housing industry will be able to use the data to benchmark individual project performance against national data to help them make better business decisions. Rental housing is critical to solving the nation's affordable housing problems, and potential investors in the rental housing market will gain a better understanding of the ownership and financing structures of the industry with these data.

The Bureau of Economic Analysis (BEA) uses the RHFS data in preparing key investment components in the National Income and Product Accounts (NIPAs) and the Fixed Assets Accounts (FAAs). The specific data that the BEA anticipates using are capital improvements, legal form of ownership, property types and rent concessions.

Information quality assessment is an integral part of the pre-dissemination review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality assurance is also integral to

information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

### **3. Use of Information Technology**

#### **a. Data Collection**

The Census Bureau will collect the 2021 RHFS data using a web based application.

The Enterprise Internet Solutions (EIS) area of the Application Development and Services Divisions (ADSD) will host a web-based instrument. The web instrument will be hosted on the fully certified and accredited Centurion system (infrastructure, security, and framework).

#### **b. Data Dissemination**

The Census Bureau will make the information collected on the RHFS available to the public on its Internet website. The website will also contain an extensive set of tables for the user's convenience.

### **4. Efforts to Identify Duplication**

HUD consulted with other government agencies and determined that the RHFS is the only data source with detailed information on the mortgage financing of rental properties.

Although housing data are collected as part of the American Housing Survey (AHS), American Community Survey (ACS) (Census Bureau), Consumer Expenditure Survey (CES) (Bureau of Labor Statistics), and the Residential Energy Consumption Survey (RECS) (Department of Energy), these surveys provide none of the extensive level of detailed information on rental housing expenses and financing available from the RHFS.

Fannie Mae and Freddie Mac data sources contain financial information for multifamily rental properties with securitized mortgages. Although this information is substantially similar to mortgage information collected in the RHFS, Fannie Mae's and Freddie Mac's multifamily rental property portfolios are not representative of all multifamily rental properties.

### **5. Minimizing Burden**

HUD and the Census Bureau designed the RHFS questions to obtain the required information. HUD and Census anticipate that many RHFS respondents are small businesses or sole proprietors. To minimize the response burden for small business, sole proprietors, and other business type, HUD and the Census Bureau developed an Internet instrument to allow respondents to self-administer the survey.

## 6. Consequences of Less Frequent Collection

The RHFS is conducted every three years. Less frequent enumerations would impair HUD's ability to monitor GSE goal compliance on a timely basis. It would also reduce the HUD's ability to detect changes in severe housing needs. Without this ability, the Administration and Congress would be less able to formulate policy on rental housing finance and rental assistance.

## 7. Special Circumstances

We collect the data in a manner consistent with OMB guidelines, and there are no special circumstances.

- Under this ICR, HUD **will not** conduct any data collection requiring respondents to report information to the agency more often than quarterly;
- Under this ICR, HUD **will not** conduct any data collection requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Under this ICR, HUD **will not** conduct any data collection requiring respondents to submit more than an original and two copies of any document;
- Under this ICR, HUD **will not** conduct any data collection requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
- Under this ICR, HUD **will not** conduct any data collection 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;
- Under this ICR, HUD **will not** conduct any data collection requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- Under this ICR, HUD **will not** conduct any data collection 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
- Under this ICR, HUD **will not** conduct any data collection 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.

## 8. Consultations Outside the Agency

Attached is a copy of the *Federal Register Notice* required by 5 CFR 1320.8(d).

Approximately 50 prospective data users, from diverse areas of interest, were consulted while developing the 2012 RHFS questionnaire. Responses received from these data users had considerable effect on the content on the 2012 RHFS, 2015 RHFS, and 2018 RHFS. There were no major problems that could not be resolved during consultation.

The 60-day Federal Register Notice was published on June 4, 2020. During the 60-day Federal Register Notice review period, HUD received the following inquiries:

- Andrew Reamer of George Washington University requested a copy of the draft Supporting Statement and the draft web instrument (in paper format).

## **9. Paying Respondents**

HUD and the Census Bureau do not give RHFS respondents payments or gifts.

## **10. Assurance of Confidentiality**

The Census Bureau collects these data in compliance with the Privacy Act of 1974 and OMB Circular A-108. The Census Bureau will make an attempt to identify property owners and/or managers prior to data collection by conducting an address matching operation and Internet research. The Census Bureau will send each RHFS respondent an advance letter (RHFS-03(L)). The advance letter will contain the information required by this act.

The letter informs the respondents of the voluntary nature of this survey and states there are no penalties for failure to answer any question. The letter will explain why the information is being collected, how it will be used, and how to respond to the survey. The letter will display the OMB control number and date of expiration.

For interviews conducted by telephone, if the respondents inquire as to the purpose of the survey, the Census Bureau field staff will provide a verbal explanation that includes the information required by the Privacy Act.

The advance letter states that all information respondents give to the Census Bureau employees is held in strict confidence by Title 13, United States Code. Each employee has taken an oath to this effect and is subject to a jail term, fine or both, if he/she discloses any information given to him/her.

The introductory screen to the Internet instrument contains the OMB control number and date of expiration, the citation of authority to collect the data, and the respondent burden statement.

The data collected under this agreement are confidential under Title 13, U.S.C., Section 9. Should the HUD staff require access to Title 13 data from this survey to assist in the planning, data collection, data analysis, or production of final products, those staff members are required to obtain Census Bureau Special Sworn Status (SSS). They must demonstrate that they have suitable background clearance and they must take Data Stewardship Awareness Training.

Any access to Title 13 data at HUD is subject to prior approval by the Census Bureau's Data Stewardship Executive Policy Committee upon assurance that the HUD facility and information technology security meet Census Bureau requirements.

## **11. Justification for Sensitive Questions**

The 2021 RHFS does not include any questions of a sensitive nature.

## **12. Estimate of Hour Burden**

HUD and the Census Bureau estimate that the average time to complete the 2021 RHFS is 60 minutes. The final sample size has not been determined, but will not exceed 11,500 rental properties. HUD and Census Bureau anticipate some properties selected for the 2018 RHFS sample will be determined to be ineligible for an interview. The determination of ineligibility is typically made during the pre-interview operations. As such, there is typically no respondent burden for ineligible interviews.

HUD and the Census Bureau estimate the actual number of eligible RHFS respondents to be 10,000. See the table below.

<b>Information Collection</b>	<b>Number of Respondents</b>	<b>Frequency of Response</b>	<b>Responses Per Annum</b>	<b>Burden Hour Per Response</b>	<b>Annual Burden Hours</b>	<b>Hourly Cost Per Response</b>	<b>Cost</b>
Rental Properties	10,000.00	1.00	10,000.00	1.00	10,000.0	\$0.00	\$0.00
<b>Total</b>	10,000.00	1.00	10,000.00	1.00	10,000.0	\$0.00	\$0.00

## **13. Estimate of Cost Burden**

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is the type and scope normally carried in office records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Further, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection.

## **14. Cost to Federal Government**

2021 RHFS operations span three fiscal years (2020, 2021, and 2022). Across all three fiscal years, the Census Bureau and HUD estimate the cost to the government for the 2021 RHFS program to be about \$6.0 million, all borne by HUD. The figure provided represents the total cost of a three-year cycle consisting of data collection preparation, data collection, data review, and creation and release of data products.

	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Total</b>

<b>Estimated Labor Cost by Functional Area</b>				
Survey management, requirements, analysis	\$424,500.00	\$470,900.00	\$506,500.00	\$1,401,900.00
Project management and coordination	\$23,000.00	\$58,200.00	\$60,000.00	\$141,200.00
Methodology	\$208,300.00	\$378,000.00	\$386,000.00	\$972,300.00
Centurion instrument	\$0.00	\$110,000.00	\$20,000.00	\$130,000.00
Field case management system	\$0.00	\$155,000.00	\$25,000.00	\$180,000.00
Printing, mailout, respondent inquiries	\$0.00	\$30,000.00	\$0.00	\$30,000.00
Centurion output data processing	\$0.00	\$40,000.00	\$6,500.00	\$46,500.00
Other data processing	\$13,000.00	\$30,000.00	\$9,000.00	\$52,000.00
Table Creator maintenance	\$28,100.00	\$44,000.00	\$54,000.00	\$126,100.00
<b>Total Labor Cost (excluding field operations)</b>	<b>\$696,900.00</b>	<b>\$1,316,100.00</b>	<b>\$1,067,000.00</b>	<b>\$3,080,000.00</b>
<b>Field Operations Costs</b>				
Field Staff Training (includes labor, travel, etc.)	\$0.00	\$500,000.00	\$0.00	\$500,000.00
Field Data Collection (includes labor, travel, etc.)	\$0.00	\$1,600,000.00	\$800,000.00	\$2,400,000.00
<b>Total Field Operations Costs</b>	<b>\$0.00</b>	<b>\$2,100,000.00</b>	<b>\$800,000.00</b>	<b>\$2,900,000.00</b>
<b>Other Direct Costs</b>				
Postage	\$0.00	\$8,800.00	\$0.00	\$8,800.00
Printing	\$0.00	\$5,200.00	\$6,000.00	\$11,200.00
<b>Total Other Direct Costs</b>	<b>\$0.00</b>	<b>\$14,000.00</b>	<b>\$6,000.00</b>	<b>\$20,000.00</b>
<b>Overall Total Cost</b>	<b>\$696,900.00</b>	<b>\$3,430,100.00</b>	<b>\$1,873,000.00</b>	<b>\$6,000,000.00</b>

## **15. Reason for Change in Burden**

The 2021 RHFS questionnaire does not contain significant changes from the 2018 version. While two questions were added, a small number of questions were removed. As such, there is no expected net increase in burden from the 2018 RHFS.

## **16. Project Schedule**

The 2021 RHFS data collection is scheduled to begin in June 2021 and continue through November 2021. Following data collection, Census will conduct quality control, statistical weighting and data preparation from December 2021 through May 2023.

After these processes are complete, the Census Bureau will produce four products. The products and their release data are as follows:

<b>Product</b>	<b>Release Date</b>
RHFS Internal Use File	December 16, 2022
RHFS summary table estimates	December 16, 2022
RHFS sample design and miscellaneous user documentation	December 16, 2022
RHFS Public Use File	May 31, 2023

**17. Request to Not display Expiration Date**

There are no requests.

**18. Exceptions to the Certificate**

There are no exceptions.