

Supporting Statement for Paperwork Reduction Act Submissions

Title: Housing Counseling Notice of Funding Opportunity (NOFO)

OMB Control Number: 2502-NEW

Form: HUD-9906 (9906-L and 9906-P)

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.

HUD has historically been required to obligate housing counseling grants within 180 days of Congress's enactment of appropriation act; and due to unforeseen administrative delays, this emergency review is needed to fulfill Congress' intent for the Housing Counseling Program to expeditiously provide housing counseling grant funds to support delivery of housing counseling services.

Failure to collect this information will also adversely affect HUD participating agencies in their efforts to continue to provide housing counseling services to families facing financial hardship including those seeking assistance in preventing rental eviction or mortgage default as a result of the COVID-19 pandemic.

One of HUD's major goals is to increase homeownership rates nationwide, particularly for low- and moderate-income and minority households. Homeownership education and counseling plays a central role in the achievement of this objective. Housing Counseling will significantly contribute to the goals of expanding homeownership and helping homeowners remain in their homes through foreclosure prevention strategies. Housing Counseling also supports innovative and aggressive efforts to combat predatory lending, another key priority.

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). A final housing counseling rule was published in the Federal Register in September 2007, amended in December 2015, and is codified at 24 CFR Part 214. 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 objectives of the program are to expand homeownership opportunities and improve access to affordable housing. Counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership. 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 foreclosure.

To participate in HUD's Housing Counseling program, a housing counseling agency must first be approved by HUD. Approval entails meeting various requirements relating to

experience and capacity, including nonprofit status, a minimum of one year of housing counseling experience in the target community, and sufficient resources to implement a housing counseling plan. Eligible organizations include community-based non-profit organizations, national and regional intermediaries, and state housing finance agencies. The application for approval is found at www.hudexchange.info/programs/housing-counseling/agency-application/.

Approximately 1,700 active HUD-approved agencies currently provide housing counseling services nation-wide. HUD maintains a list of these agencies so that individuals in need of assistance can easily access the nearest HUD-approved housing counseling agency, via HUD's website - <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> or an automated toll-free Hotline number - (800) 569-4287.

a. Statutes to collect information

24 CFR Part 214

b. Housing Counseling NOFO/Form 9906

Annually, HUD OHC issues a Notice of Funding Opportunity (NOFO), a grant competition making available the majority of appropriated funds for the purpose of supporting the direct provision of Housing Counseling services. The Housing Counseling NOFO requires that applicants submit their responses using the form 9906 P (parent/ intermediary agency) or the form 9906 L (local agency). These forms are attached to the NOFO as charts to complete. The 9906 information is collected from NOFO grant applicants and is needed to ensure that applicants meet specific eligibility criteria and possess the capability to deliver effective and efficient services through the housing counseling grant program. The information collected from the 9906 include applicant capacity, compliance factors, housing counseling work plan (types of services), housing counseling needs for the targeted community, approach/scope of housing counseling services, leverage resources, and program evaluation plans. This is critical since HUD refers individuals and households in need of assistance to these HUD approved counseling agencies. The information will be used by the HUD OHC staff to evaluate the NOFO applicant and determine eligibility to receive award funds.

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.

This information is collected in connection with HUD's Housing Counseling Program and will be used by HUD to determine that the Housing Counseling grant applicant meets the requirements of the Notice of Funding Opportunity (Comprehensive Housing Counseling Notice of Funding Opportunity [NOFO]). Information collected is also used to assign points for awarding grant funds on a competitive and equitable basis. HUD's Office of Housing counseling will use the information to provide housing counseling services through private or public organizations with special competence and knowledge in counseling low and moderate-income families.

The information is collected from housing counseling agencies that participate in the HUD

Housing Counseling Program. The information is collected via the form 9906 (grant application chart).

The 9906 collection is needed to ensure applicants meet specific eligibility criteria and possess the capability to deliver effective and efficient services through the housing counseling grant program. The information collected from the 9906 include applicant capacity, compliance factors, housing counseling work plan (types of services), housing counseling needs for the targeted community, approach/scope of housing counseling services, leverage resources, and program evaluation plans. This is critical since HUD refers individuals and households in need of assistance to these HUD approved counseling agencies.

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 ensure applicants meet particular 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 counseling agencies. If the collection is not conducted HUD would not approve any new agencies as part of the program.

Data Collection

a. Housing Counseling Notice of Funding Opportunity (NOFO) – 9906 Charts – Grant applications

HUD averages 300 grant applicants per year for the Housing Counseling and Housing Counseling Training NOFOs. Applicants may apply as Local Housing Counseling Agencies (LHCAs), National and Regional Intermediaries (Intermediaries), Multi-state Organizations (MSOs) or State Housing Finance Agencies (SHFAs).

Each agency submits a detailed proposal on the HUD 9906 and supplemented with Excel Spreadsheets (if needed), and narrative statements, addressed below:

Form HUD-9906 – NOFO Charts used to score NOFO applications

In addition to the Housing Counseling NOFO charts 9906 P and L requirements listed below, the Housing Counseling NOFO requires a quantitative response which would require inputting key data points into the attached Excel spreadsheets (charts). The application form for this NOFO includes a reduced emphasis on narrative responses, and an increase in quantitative responses. The grant charts limit the number of narrative writing responses for applicants, thereby reducing the administrative burden for grant applicants and HUD staff.

Rating Factor 1 – Capacity of the Applicant

Rating Factor 2 – Need / NOFO Priorities

Rating Factor 3 – Soundness of Approach

Rating Factor 4 – Leveraging Resources

Rating Factor 5 – Achieving Results and Program Evaluation

Post Award Submission

HUD awards approximately 300 Housing Counseling grants per year. The following information is collected:

Form HUD-1044

Grant Agreement

Updated budget, if actual award differs from requested amount.

Code of Conduct is submitted only by new grantees, and there are approximately 20 of these per year.

Single or program-specific audit for agencies that expend over \$750,000

Negotiated Indirect Cost Rate (NICRA)

Sub-allocation list

9902 Housing Counseling Projections

Certification for Client Management Systems

Certification of Financial Management Systems

HBCU/MSI initiative Memorandum of Understanding

Grant Management

Grant Activity Reports: grantees must file grant activity reports with reimbursement requests, and a final report.

Note: The FY21 Comprehensive Housing Counseling NOFO Charts are also included. There are two charts, one designated for Intermediary housing counseling agencies, State Housing Finance Agencies (SHFA) and Multi-State Organizations (MSO) (HUD-9906- P) and one for local housing counseling agencies (LHCA) (HUD-9906-L). A draft of the FY21 NOFO is included in the package.

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.

Beginning in FY 2005, all applicants were required to submit their applications electronically through Grants.gov. Electronic submission eliminates the burden on applicants to print, organize and ship multiple copies of their application. Additionally, Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once.

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.

The NOFOs are designed to avoid duplication of information. For example, performance data from other HUD data sources are factored into the scoring so that applicants do not need to re-submit with the NOFO application.

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 the same for all entities, regardless of size, but is considered to be the minimal information needed for HUD to effectively administer this program. The electronic grant application process eliminates the burden on all applicants to print, organize, and mail multiple copies of their application. Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once.

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 narratives and forms requested through the NOFOs are the means through which HUD ranks and rates applicants, in order to competitively distribute awards. Failure to collect this information would prevent HUD from distributing approximately \$50 million a year in support of critical housing counseling services.

Failure to collect this information will also adversely affect HUD participating agencies in their efforts to continue to provide housing counseling services to families facing financial hardship including those seeking assistance in preventing rental eviction or mortgage default as a result of the COVID-19 pandemic.

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;

There are no special circumstances that would require respondents to report more than quarterly.

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

There are no special circumstances that would require respondents to provide 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;

There are no special circumstances 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;

There are no special circumstances that would require 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;

There are no special circumstances 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;

There are no special circumstances 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;

There are no special circumstances 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.

There are no special circumstances 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. 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), this information collection soliciting public comments was announced in the Federal Register on **XX-XX-XXXX**, Volume **XX**, Pages **XXXXX**. No comments received.

HUD receives input from housing counseling agencies via Housing Counseling Stakeholder meetings on how to improve the NOFO application process and data collection. These respondents are consulted with at least twice annually: at the annual Intermediary meeting and during the annual NOFO debriefing meetings. Comments are also sent to the OHC mailbox – Housing.Counseling@hud.gov. The agencies have reported the following:

- The charts reduce the amount of time it takes to complete the application. Based on feedback, HUD will continue to streamline the application process using the 9906 charts.
- The development of the OHC and the streamlined process has helped our agency perform at a higher more efficient level.

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

There are no payments or gifts to respondents with respect to this collection.

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

The client level information provided is subject to the Privacy Act and may be made available only to the appropriate Federal, State, and local agencies. This collection of information is in accordance with the requirements of 5 CFR 1320.8(d) and was announced in the *Federal Register* on January 12, 2009 (Vol. 74, No. 7, pages 1227).

Client files, both electronic and paper, must be kept confidential, in accordance with § 214.315. This system must meet the requirements of 24 CFR 1.6, 24 CFR 84.21, and 24 CFR 121 and can be easily accessible to HUD for all monitoring and audit purposes.

HUD will secure and protect the electronic transfer of sensitive information by using firewall protection, encryptions, and restricted access security.

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.

Some sensitive information may be submitted with the NOFO application, for example resumé type information. HUD and Grants.gov, which is administered by the Department of Health and Human Services, are taking the standard precautions regarding the electronic transfer of information, including firewall protection, encryptions, and access security. Additionally, the information provided is subject to the Privacy Act and may be made available only to the appropriate Federal, State, and local agencies.

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.

In order to collect sufficient information to meaningfully rate and rank applicants, a significant amount of information, is requested through the NOFOs. However, the NOFO has been significantly streamlined over the past four years, using 9906 form—Charts to collect the needed data. Applicants no longer have to write lengthy narratives to justify their responses. Applicants are able to simply enter responses in data fields using the NOFO charts. Prior calculations performed by the applicant are now automatically calculated within the NOFO chart system based on field entries from the applicant. Consequently, we believe that the **5 hours per factor estimated in the table below is very conservative, and that the actual amount, which varies by agency, could be significantly lower.**

Estimated Annualized Burden Hours and Costs

Information Collection / Type of	Number of Respondents	Frequency of	Responses Per Year	Average Burden Hours Per	Annual Burden	Hourly Cost per

Respondent	Form Name / Form Number		Response		Response	Hours	Response (Hourly Wage Rate)	Total Annual Respondent Cost
HUD-approved Housing Counseling Agencies / Not-For-Profit Institutions	HUD Form-9906 (9906-L / 9906-P / Chart A2 / Chart B / Chart E)	300	1	300	40	12,000	\$35.05	420,600.00
TOTALS		300		300		12,000		420,600.00

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

"Type of Respondent" should be entered exactly as chosen in Question 3 of the OMB Form 83-I

Instruction for Wage-rate category multiplier: Take each non-loaded "Avg. Hourly Wage Rate" from the BLS website table and multiply that number by 1.46. For example, a non-loaded BLS table wage rate of \$42.51 would be multiplied by 1.46, and the entry for the "Avg. Hourly Wage Rate" would be \$62.06.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for (enter: respondent(s) occupational category) is estimated to be (enter: mean hour rate(s)) per hour including the wage rate multiplier, therefore, the estimated burden hour cost to respondents (enter respondent(s) Occupational Title) is estimated to be (enter: annual cost) 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).

There are no additional costs to respondents for the bulleted items below.

* 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.

Housing Counseling NOFOs – Review of NOFO Applications / 9906

a. The number of hours for staff to review include the following:

Information Collection	Number of Applications	Hrs. per Review	Total Hrs.	Average Pay per Hr.
NOFA Applications	300	1.5	450	\$34.16
TOTAL	300	1.5	450	\$33

Annual Cost to the Federal Government

Item	Cost (\$)
Contract Costs [Describe]	N/A
Staff Salaries* 60 GS-12, Step 3 employees spending approximately 25% of time annually reviewing, scoring and awarding NOFO applications for this data collection. 60, GS-12, Step 3 - \$71,285.00 = \$4,277,100 x 1.46 (wage rate multiplier) = \$6,244,566 x .25 of time spent = \$1,561,142	\$1,561,142
Facilities [cost for renting, overhead, etc. for data collection activity]	N/A
Computer Hardware and Software [cost of equipment annual lifecycle]	N/A
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	N/A
Travel	0
Printing [number of data collection instruments annually]	0
Postage [annual number of data collection instruments x postage]	0
Other	0

Total	\$1,561,142.00
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* 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 new collection which was previously part of the currently approved collection OMB 2502-0261, "The Housing Counseling Program". This collection specifically is for form HUD-9906 (9906-L and 9906-P) which also includes Chart A2 (Supplement), Chart B (Leveraged Resources), and Chart E (Budget). This collection also reflects revisions to form HUD-9906 (9906-L and 9906-P) that are being submitted as part of this collection. The program office requests that this form has its own 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.

HUD will publish the names of the grantees. Additionally, HUD maintains a website listing all Housing Counseling agencies. The plan is to publish the FY 2021 CHC NOFO in July. The approximate publication date is July __, 2021, with applications collected through August __, 2021 for a total of 30 days.

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 OMB 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 is no exception to Item #19 "Certification of Paperwork Reduction Act Submissions."

B. Collections of Information Employing Statistical Methods.

There is no statistical methodology involved in this collection.