

**2021 SUPPORTING STATEMENT**  
**RD Construction Common Forms Package**  
**OMB No. 0575-NEW**

This information collection will be utilized by the Rural Housing Service (RHS), Rural Business and Cooperative Service (RBCS) and Rural Utilities service (RUS), Agencies within Rural Development (RD) for various loan and grant making activities. We are requesting a 3-year clearance of this package and classification as a Common Form package.

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary.**

The Rural Housing Service (RHS), Rural Business and Cooperative Service (RBCS) and Rural Utilities service (RUS) agencies within the Rural Development mission area, hereinafter referred to as Agency, is the credit Agency for agriculture and rural development for the United States Department of Agriculture. The Agency offers offer loans, grants and loan guarantees to help create jobs and support economic development and essential services such as housing; health care; first responder services and equipment; and water, electric and communications infrastructure.

The Authorities that allow the Rural Housing Service (RHS), Rural Business and Cooperative Service (RBCS) and Rural Utilities service (RUS), Agencies within Rural Development (RD) are as follows:

The RHS is authorized under various sections of Title V of the Housing Act of 1949, as amended, to provide financial assistance to construct, improve, alter, repair, replace, or rehabilitate dwellings, which will provide modest, decent, safe, and sanitary housing to eligible individuals in rural areas. The Consolidated Farm and Rural Development Act, as amended, authorizes the credit programs of the RHS, RBCS and RUS to provide financial assistance for essential community facilities such as construction of community facilities and water and waste systems; and the improvement, development, and financing of businesses, industries, and employment.

In several sections of both acts, loan limitations are established as percentages of development costs, requiring careful monitoring of those costs. Also, the Secretary is authorized to prescribe regulations to ensure that Federal funds are not wasted or dissipated and that construction will be undertaken economically and will not be of elaborate or extravagant design or materials. The collection of information covered by the forms allows for the planning and performing of construction and other development work

Information for the RD forms and their usage in this collection package are included in this supporting statement.

**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.**

The applicant/borrower, contractor, subcontractor, material supplier, equipment lessor, architect, engineer, manufacturer or sponsor of manufactured housing collects the required information. Rural Development provides forms and/or guidelines to assist in the collection and submission of information; however, most of the information may be collected and submitted in the form and content which is accepted and typically used in the normal conduct of planning and performing development work in private industry when a private lender is financing the activity. The information is usually submitted via hand delivery or U.S. Postal Service to the Rural Development Field Office, although receipt through e-mail or USDA Service Center's eForms website is becoming more common. Occasionally, information is submitted directly to the Rural Development State Office.

The information is used by Rural Development to determine whether a loan/grant can be approved, to ensure that Rural Development has adequate security for the loans financed, to provide for sound construction and development work and to determine that the requirements of the applicable acts have been met. The information is also used to monitor compliance with the terms and conditions of the loan/grant and to monitor the prudent use of Federal funds.

**REPORTING REQUIREMENTS - FORMS**

Information collected includes the following forms:

- Form RD 1924-1 - *Development Plan*. This form is prepared by the Agency after the applicant/borrower has furnished the Agency with sufficient information to fully describe the planned construction and development work. It provides the basis for a mutual understanding between the borrower and the Agency regarding the development to be accomplished.

Since the Agency Field Office prepares the form, the public burden is limited to the time required to review, understand and agree to the contents of the form. Signatures or initials for changes are required to indicate agreement with the plan. The public time involved varies between 5 and 30 minutes, depending on the complexities of the various development items included in the plan. The average response time is estimated to be 15 minutes.

- Form RD 1924-2 - *Description of Materials*. This form is prepared by an applicant/borrower, builder or designer to furnish the Agency with sufficient information to fully describe the materials, equipment, and fixtures to be used in the construction or repairs of a residential dwelling unit. The collection of information for the form is a normal business practice.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

- Form RD 1924-3 - *Service Building Specifications*. This form is prepared by the applicant/borrower, builder, or designer to furnish the Agency with sufficient information to fully describe the materials, equipment, and fixtures to be used in the construction of a farm service building. The collection of information for the form is a normal business practice.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

- Form 1924-4 - *Documentation for Construction Complaint/Request*. This form is completed by the borrower and submitted as an application for assistance. It allows the Agency to determine the borrower's eligibility, provides a description of the defects for which compensation is requested, the type of assistance requested, the action to be taken against the contractor, and amount of claim.

The average public time required collecting information for the form and forward to the Field Office is estimated to be 2 hours.

- Form RD 1924-5 - *Invitation for Bid (Construction Contract)*. This form is prepared by an applicant/borrower or architect to invite builders to submit bids for constructing service buildings, single family homes, or multi-family housing units by the contract method. The collection of information for the form is a normal business practice for contracts that are competitively bid.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

- Form RD 1924-6 - *Construction Contract*. This form is prepared by an applicant/borrower, builder, architect, or engineer to set forth specific conditions and terms of a construction contract. The applicant/borrower and builder must sign the form indicating their commitment to fulfill their responsibilities described in the agreement. The collection of information for the form is a normal business practice.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

- Form RD 1924-7 - *Contract Change Order*. This form is prepared by an applicant/borrower, contractor, architect, or engineer to record any changes in the development work performed by the contract method. An applicant/borrower, contractor, architect/engineer, and the Agency indicating mutual approval of the change sign the form. The collection of information for the form is a normal business practice.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

- Form RD 1924-9 - *Certificate of Contractor's Release*. This form is prepared by a contractor to certify that payments have been made in full for all material and labor used in the performance of a construction contract and to release an applicant/borrower from any claims which might arise by virtue of the contract.

The average public time required collecting information for the form and forward to the Field Office is estimated to be 15 minutes.

- Form RD 1924-10 - *Release by Claimants*. This form is prepared by a contractor to show that the contractor has paid all materials and labor used in a construction contract. All subcontractors and suppliers who have provided material and/or labor for the development work sign the form. Their signatures indicate their release to the applicant/borrower from any claims.

The average public time required collecting information for the form and forward to the Field Office is estimated to be 30 minutes.

- Form RD 1924-11- *Statement of Labor Performed*. This form is prepared by an applicant/borrower when requesting countersignatures by the Agency on checks for payment of labor performed by hired workers involved with the construction of single-family home or multi-family housing units.

The average public time required collecting information for the form and forward to the Field Office is estimated to be 30 minutes.

- Form RD 1924-13 - *Estimate and Certificate of Actual Cost*. This form, prepared by all applicants for Section 515 loans, is used to provide the applicant/borrowers and the Agency with a trade-item cost breakdown of the proposed development work for evaluation. The form is also used to certify actual cost of construction work performed. In its efforts to combat fraud, waste, and abuse in the 515 program, the Agency scrutinizes proposed construction costs to preclude unnecessary expenditures of Government funds. This form requires a line-item breakdown of costs, thus enabling the Agency to capture needed information.

The information to be provided on the form must be collected from a variety of sources, contractors, subcontractors, suppliers, equipment lessors, etc. Therefore, the average public time required collecting the information and forwarding the form to the Field Office. The estimated time is 2 hours.

- Form RD 1924-18 - *Partial Payment Estimate*. A contractor to request partial payment prepares this form for work performed on financed construction. The completed form provides the applicant/borrower and Agency information on the quantity and value of work performed. The applicant/borrower and Agency indicating their acceptance/approval of the request sign the form. The collection of information for the form is a normal business practice.

The average response time is estimated to be 30 minutes.

- Form RD 1924-19 - *Builder's Warranty*. This form is completed by a contractor/builder and issued to the applicant/borrower at the completion or acceptance of the development work. The completed form protects the applicant/borrower against deficient materials and workmanship. The collection of information for this form is a normal business practice.

Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 15 minutes.

- Form RD 1924-25 - *Plan Certification*. This form is prepared by licensed architects, professional engineers, plan reviewers, local building officials, National codes organizations, registered professional building designers, local communities, plan services, or builders/contractors to certify that final drawings and specifications and any modifications thereof are in conformance with the applicable development standard. The collection of information for the form is a normal business practice.

The public time required to prepare the form varies between 5 and 15 minutes depending on the size and employee characteristics of the companies. The average response time is estimated to be 10 minutes.

**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.**

The information collected is of such type and nature that the use of improved information technology, such as data and word processing would not significantly reduce the public burden. Information for each loan/grant application is unique and, therefore, cannot take significant advantage of this technology. Forms have been automated and are available on the USDA Service Center website. Provision of information is faster, however the time for electronic input roughly equals the time for handwriting the form.

**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.**

Every effort has been made to identify and avoid unnecessary duplication of information collection. The conditions involved with every loan/grant request are unique. Duplication of information is required only when determined necessary to ensure all involved parties have sufficient information to carry out their responsibilities. There is no duplication of information required by other Federal Government agencies.

**5. If the collection of information impacts small business or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

The information collection required by the regulations governing the use of the forms cleared in this collection places no burden on small businesses or other small entities beyond, that which is performed in normal business practice.

**6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information required is usually collected only when needed for each loan/grant request. Collection is not made on a periodic basis, except when consistent with normal business practice. Therefore, the frequency of collection is at the absolute minimum to enable accurate and responsible determinations are made. Information cannot be obtained less frequently.

If the information were not collected and submitted, Rural Development would not have control over the type and quality of construction and development work planned and performed with Federal funds. Rural Development would not be assured that the security provided for loans is adequate, nor would Rural Development be certain that decent, safe, and sanitary dwellings or other adequate structures were being provided to rural residents, as required by the Housing Act of 1949, as amended and the Consolidated Farm and Rural Development Act, as amended.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

a. Requiring respondents to report information more than quarterly. There are no information collection requirements that require specific reporting on more than a quarterly basis.

b. Requiring written responses in less than 30 days. There are no specific information collection requirements that require less than 30 days response. However, in many cases, it benefits a borrower to provide RHS with information as soon as possible. Agency cannot provide the borrower with increased program benefits until documentation is received to support the borrowers' request.

c. Requiring more than an original and two copies. There are no specific information collection requirements that require more than an original and two copies.

d. Requiring respondents to retain records for more than 3 years. There are no such requirements.

e. Not utilizing statistical sampling. There are no such requirements.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. No such requirements exist.

g. Requiring a pledge of confidentiality. There are no such requirements.

h. Requiring submission of proprietary trade secrets. There are no such requirements.

**8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

On October 13, 2021, in Vol. 86, No. 195, USDA's Rural Development published the notice of information collection and request for comments in the Federal Register. **No comments were received.**

In the 60-day Federal Register notice, RD accounted for each form to have 1 respondent and a one-hour place holder for forms 1924-1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 19 and 25, Form 1924-13 will show 1.25 hours and 1924-18 will show 1.75 hours of burden per form. The actual burden hours for each of the forms will be calculated when the program areas that utilize these forms account for the burden of the form(s) in their individual collection package request for common forms (RCF) submission.

This is a new collection package request, and the agency has not solicited comments outside the 60-day notice. The Agency will solicit feedback when the associated collection for the programs that utilize the forms contained in this package are being updated and will be accounted for in their submission of their clearance package and RCF.

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

There is no payment or gift to respondents.

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

There are no formal assurance of confidentiality provided to respondents.

**11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.**

The information collected and recordkeeping requirements of this regulation do not include any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs or other matters that are commonly considered private.

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

As discussed in Question 8, the burden for each of the forms will be accounted for within the individual Rural Development program collection packages using the forms. The time required to complete this information collection will vary depending the individual collection package submitted for approval. The time per response can include but is not limited to the time for

reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

RD is requesting approval for one respondent per form as a place holder with the corresponding times to complete form as enumerated in question 2 and documented on the accompanying spreadsheet. Once RD receives approval of this common forms package. Rural Development will reflect the approved OMB control number of this common forms package on each form within this package and account for the specific burden for each form within their individual collection packages when they seek OMB approval or re-authorization.

The respondents to this collection are from multiple RD programs. The estimated annual costs to respondents cover a wide range of professions including, but not limited to applicants/borrowers, contractors, subcontractors, material suppliers, equipment lessors, architects, engineers, manufacturer or sponsors of manufactured housing. Therefore, the Agency used an estimated hourly wage of \$35.16/hour (including benefits as a percentage of total compensation for private trades of 29.9 percent<sup>1</sup>) from the all occupations category, U.S. Department of Labor mean hourly rates in the United States in May 2020 ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)).

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There are no capital/start-up or operation/maintenance costs involved.

**14. Provide estimates of annualized cost to the Federal Government.**

Government costs will be covered under information collections by each program using these forms.

**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 information collection. The burden estimate for this collection is solely attributed to the fact that the forms will be used throughout RD.

**16. For collection of information whose results will be published, outline plans for tabulation and publication.**

There is no specific collection of information requirement in this rule 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.**

RD plans to display the new OMB control number and expiration date for the information collection on the forms after approval.

**18. Explain each exception to the certification statement identified in items 19 on OMB 83.1.**

RD is able to certify compliance with all provisions found under Item 19 of OMB Form 83-1. There are no exceptions for this certification to the provisions found in the Paperwork Reduction Act of 1995 at 5 C.F.R. § 1320.9 for this collection.

**19. How is this information collection related to the Service Center Initiative (SCI)? Will information collection be part of the one-stop-shopping concept?**

This information is not related to and will have no impact of the SCI initiative. The information collection under this regulation is case specific.