

Supporting Statement for Paperwork Reduction Act Submissions
FHA Catalyst: Multifamily Application Portal
OMB Control Number 2502-0620

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. Include a statement regarding the changes for this submission. (Example: The changes for this submittal is as follows or the difference between this submission and the last is as follows....)

The FHA Catalyst: Multifamily Application Portal (“Catalyst”) is part of a new cloud-based IT solution that allows FHA multifamily lenders to submit applications for FHA multifamily mortgage insurance to HUD electronically. Catalyst was deployed in fall 2020 to aid in the collection of information for the application and administration of HUD’s Office of Multifamily Housing (MFH) programs. The National Housing Act (12 USC 1701 et. seq.) and implementing regulations at 24 CFR parts 200 – 266 authorize HUD/FHA to administer the multifamily mortgage insurance programs. The specific authority to require a mortgage insurance application is found at 24 CFR 200.45(b): “[a]n application for a firm commitment must be made by an approved mortgagee for any project for which a mortgagor seeks mortgage insurance under the Act.”

Catalyst allows FHA-approved lenders to submit applications for multifamily mortgage insurance directly to HUD through a web-based lender portal, and HUD staff receive and download documents using the portal. The system is designed to streamline existing processes for collecting information to administer FHA multifamily insurance programs; no new information will be collected as a result of Catalyst. Prior to the pandemic, lenders submitted applications to HUD in USB and hardcopy format via mail. Due to the COVID-19 pandemic lenders are currently submitting electronic applications using the online file sharing platform of their choosing (e.g. Dropbox, Adobe Connect, etc.) and hardcopy application submissions have been suspended. The file sharing platforms lenders and HUD are currently relying on do not comply with HUD’s information security guidelines and are not a long-term file sharing solution. Catalyst provides MFH with an immediate and secure platform for online application submissions that will be used for the duration of the COVID-19 pandemic and beyond.

The estimated burden hours for both external partners and HUD staff listed on OMB Form 83-i were calculated using the estimated future number of respondents and hourly cost estimates based on the number of firm and pre-applications received in FY16-19.

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 purpose of the information collected through the FHA Catalyst: Multifamily Application Portal is to review and process applications for HUD multifamily mortgage insurance. FHA-

approved lenders seeking to obtain HUD multifamily mortgage insurance compile applications for HUD multifamily mortgage insurance and submit the applications to HUD. HUD staff analyze these applications and either approve or reject the application for HUD insurance. Application exhibits are determined by program type and are documented in a variety of published HUD guidance. The lender is responsible for collecting all required exhibits, verifying the exhibits meet HUD program requirements, and submitting the documents to HUD. Due to the COVID-19 pandemic lenders are currently submitting electronic applications using the online file sharing platform of their choosing (e.g. Dropbox, Adobe Connect, etc.) and hardcopy application submissions have been suspended; applications are typically submitted in USB and hardcopy format via mail. The file sharing platforms lenders and HUD are currently relying on do not comply with HUD's information security guidelines and are not a long-term file sharing solution.

To request access to the FHA Catalyst: Multifamily Application portal, FHA-approved multifamily lenders complete and email a "Lender Access Request Form" (Excel format) to HUD, requesting the creation of a user account. To access Catalyst, lenders log in to the application using credentials provided to them when their account is established. Once all application documents have been prepared, the lender submits the application to HUD through the portal. HUD staff receive and download the application and begin the process of analyzing the application for programmatic compliance. The lender is able to revise and resubmit documents through the portal throughout application processing. Lenders will also eventually be able to submit closing and post-closing documents through the portal. Only existing HUD forms are submitted through the portal, as documented in the matrix in Part 12 of this justification. No new forms will be created as a result of Catalyst (with the exception of the Lender Access Request Form); the purpose of the system is to streamline existing MFH processes. Screenshots of the Lender Access Request Form and application upload screens have been included as part of this submission.

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.

Catalyst is modernizing the method for submitting applications for multifamily mortgage insurance to HUD and is part of the effort to comply with the OMB mandate for all government agencies to go paperless by the end of 2022. HUD has also partnered with the General Services Administration (GSA), as part of the Centers of Excellence Initiative, to modernize HUD's IT systems and operating procedures by 2020.

The FHA Catalyst: Multifamily Application Portal provides a more efficient method for lenders to submit documents directly to HUD. This has substantially improved information security for both lenders and HUD. The pre-pandemic process of submitting application exhibits via hard mail is burdensome for lenders and HUD staff, and is not compliant with lender and HUD information security protocols.

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.

There is no duplication of information. No new information will be collected as a result of Catalyst; the system is specifically designed to provide a new method of collecting information HUD is already collecting as part of its multifamily insurance programs.

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 implementation of Catalyst as the system for submitting application and closing materials may impact small businesses or other small entities, as some FHA lenders are small businesses. This impact is felt specifically during the period of time when lenders are learning how to use the new system, so HUD has provided training via webinars and user manuals to help alleviate this burden and has established a help desk to help lenders understand how to use the system and troubleshoot technical issues.

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.

If lenders are prevented from using Catalyst to submit application and closing documents, lenders and HUD will need to continue to rely on existing processes to conduct business. This would impact customer satisfaction and would not address existing concerns related to privacy and information protection. Lenders would be forced to continue relying on hard mail to submit USBs, CDs, and hardcopy materials containing application and closing documents, and would be relying on file sharing platforms that are not in compliance with HUD information security standards for the duration of the pandemic. Preventing lenders from accessing Catalyst will also hinder HUD's effort to modernize FHA's IT systems and comply with Office of Management and Budget (OMB) Memorandum M-19-21, which mandates that all records be created, retained, and managed in electronic format and requires a transition of all permanent and temporary records to electronic format by December 31, 2022.

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 is no requirement to report information to the agency 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 is no requirement for respondents to prepare a written response to a collection of information in fewer than 30 days after receipt.

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

There is no requirement for 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 is no requirement for respondents to retain records other than for 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 statistical surveys involved with this collection.

* requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

There is no requirement for the use of 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 is no 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 is no requirement for respondents to submit proprietary trade secret, 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.

The Office Multifamily Housing has worked closely with a committee of representatives of

FHA-approved lenders throughout the development of Catalyst to minimize the burden of the collection of information and make the system as simple and efficient as possible. Lenders are very supportive of the new system as it will reduce the burden associated with submitting applications and other documents via mail. Catalyst will bring MFH's operations into compliance with the OMB mandate and in-line with those systems of other multifamily financial institutions.

- 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.

There are no circumstances that would prevent HUD from consulting with representatives of those from whom information is to be obtained or those who must compile records at least once every three years.

In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on **July 2, 2021**, Volume **86**, No. **125**, Pages **35310**. **(8)** Comments received.

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

No payments and/or gifts will be provided to respondents

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

Catalyst collects information for a number of control numbers, some of which are protected by the Privacy Act of 1974, 5 U.S.C. 552a and some of which are not, but Catalyst itself will not be collecting any new PII and is not a system of record for any control numbers collecting PII. For information not protected by the Privacy Act, no assurances of confidentiality are provided.

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.

No. 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.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Year	Average Burden Hours per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
Application Submissions	741	1	1	1	741	\$35	\$25,935
TOTALS	741		1		741		\$25,935

Hourly cost is based on an estimate of the time it will take for the exhibits to be uploaded. The wage rate is based off the average Insurance Underwriter salary in 2019.

Estimated number of respondents is based on the average number of pre- and firm applications submitted from FY16-FY19.

The following table lists the existing collections that will be submitted through the FHA Catalyst: Multifamily Application Portal. These forms will be submitted as already completed documents.

OMB Control Number	Collection Number	Form Name
2501-0032	HUD-2880	Applicant/Recipient/Disclosure/Update Report

2502-0001	HUD-92417	Personal Financial & Credit Statement
2502-0029	HUD-92013	Application for Multifamily Housing Project
2502-0029	HUD-92013-A	Underwriter's Narrative for Refinance and Acquisition under Section 223(f)
2502-0029	HUD-92013-B	Underwriter's Narrative for New Construction/Substantial Rehabilitation under Section 220, 221(d)(3), 221(d)(4), 231, 241(a)
2502-0029	HUD-92013-C	FHA Summary Report
2502-0029	HUD-92013-D	Reduced MIP Certification
2502-0029	HUD-92013-SUPP	Supplement to Application for a Multifamily Housing Project
2502-0029	HUD-92264	Multifamily Summary Appraisal Report
2502-0029	HUD-92264-A	Supplement to Project Analysis
2502-0029	HUD-92264-T	Rent Estimates for Low/Moderate Income Units
2502-0029	HUD-92273	Estimates of Market Rent by Comparison
2502-0029	HUD-92274	Operating Expense Analysis Worksheet (Multifamily Housing)
2502-0044	HUD-2328	Contractor's and/or Mortgagor's Cost Breakdown
2502-0118	HUD-2530	Previous Participation Certification
2502-0141	HUD-93201	Application for Mortgage Insurance for Cooperative and Condominium Housing
2502-0229	HUD-2	Request for Waiver of Housing Directive - Multifamily Housing (12/2013)
2502-0305	HUD-9832	Management Entity Profile
2502-0305	HUD-9839-A	Project Owner's Certification for Owner-Managed Multifamily Housing Projects
2502-0305	HUD-9839-B	Project Owners/Management Agent's Certification
2502-0305	HUD-9839-C	Project Owner's/Borrower's Certification
2502-0416	HUD-9807	Insurance Termination Request for Multifamily Mortgage
2502-0598	HUD-91070M	Consolidated Borrower Certifications
2502-0598	HUD-91073M	HUD Survey Instructions and Surveyor's Reports
2502-0598	HUD-94001M	Note
2529-0013	HUD-935.2A	Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing
2502-0620	N/A	FHA Catalyst - MF Lender Access Request Form 508

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. There are no additional startup costs associated with the collection of information.

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.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Year	Average Burden Hours per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
Application Submissions	741	1	1	0.5	0.5	\$19	\$13,709
TOTALS	741		1		0.5		\$13,709

Hourly cost is based on an estimate for the time it will take for staff to download application exhibits that have been submitted. The cost includes staff salary; no additional expenses will be incurred as a result of Catalyst.

Estimated number of respondents is based on the average number of pre- and firm applications submitted from FY16-FY19.

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

Revision of a currently approved collection. Estimates were made based on the number of respondents and current hourly cost estimates based on applications received in from FY16-FY19. Adjustments includes the FHA Catalyst - MF Lender Access Request Form 508

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.

The collection of this information will not be published. Information will be maintained within HUD offices in individual case files.

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.

MFH is not seeking approval not to display the form number.

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

There are no exceptions to the certification statement identified in item 19.

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:

There are no plans to use statistical methods for the collection of this information.