

Supporting Statement for Paperwork Reduction Act Submissions

Title: HUD Loan Sale Bidder Qualification Statement
OMB Control Number: 2502-0576
Form Numbers: HUD-90092; HUD-9611; HUD-9612

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.

The collection of Information is necessary to ensure that bidders are qualified to bid on the assets available for sale. There are questions in the Qualification Statement that reference HUD policy restricting certain bidders based on past performance with HUD loans and past servicing history. There are also restrictions governing who can bid on the assets based on whether the borrower is current on payments. Regulations authorizing the Multifamily and Healthcare Qualification Statements come from 24 CFR Part 290. HUD is authorized to sell Multifamily and Healthcare loans under Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Appropriations Act of 1997 (12 USC 1715z-11a). Authority to sell Single Family Loans comes from Section 204(g) of the National Housing Act (12 USC 1710(g)) and 24 CFR 291.90(e). HUD will use the information to: (1) monitor program participants' compliance with requirements, and (2) to detect fraud. This collection is voluntary.

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 Bidder Qualifications Statement solicits from prospective bidders the basic qualifications required for bidding including, but not limited to, purchaser information (name of purchaser, corporation entity, address, tax ID), business type, net worth and equity size. By executing the Qualification Statement, the purchaser certifies, represents and warrants to HUD that each of the statements included are true and correct as to the purchaser and thereby qualifies them to bid.

The information requested herein is being requested for the purpose of providing HUD with information to determine whether the undersigned is a qualified bidder. All or part of the information provided on this form may also be subject to disclosure under the Privacy Act of 1974, 5 USC 552(a). The Department of Housing and Urban Development (HUD) is authorized to collect this information under 12 USC 1715z-11a and 24 CFR Part 290 for Multifamily and Healthcare loans and the Notice of FHA Accelerated Claim Disposition Demonstration (67 FR 66038) for Single Family Loans. Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective purchaser, or agent, if any, not being permitted to bid at the Loan Sale or other loan sale initiatives and/or not receiving notice of future loan sale initiatives.

Form HUD-90092, HUD Multifamily and Healthcare Loan Sale Qualification Statement:

The collection of information is necessary to ensure that bidders are qualified to bid on the assets available for sale. Regulations authorizing the Qualification Statements come from 24 CFR Part 290. HUD is authorized to sell Multifamily and Healthcare Loans under 12 USC 1715z-11a and 24 CFR Part 290.

Form HUD-9611, FHA Single Family Loan Sale Qualification Statement and Form HUD-9612, FHA Single Family Loan Sale Qualifications Statement Addendum for Nonprofit and Government Pools and Sub-Pools: The collection of information is necessary to ensure that bidders are qualified to bid on the assets available for sale. Authority for the Single Family Qualification Statement comes from the Notice of FHA Accelerated Claim Disposition Demonstration (67 FR 66038).

The information in the Qualification Statement is collected by Transaction Specialists, contractors to HUD that are responsible for the marketing and sale of the assets HUD is proposing to sell. The respondents are parties interested in bidding on the assets being sold; the purpose of the collection is to determine whether the interested bidders are qualified to bid pursuant to HUD statute, regulation, and demonstration authority and otherwise qualified to bid based on other eligibility criteria as identified in the Qualification Statement. Asking that potential bidders execute the Qualification Statement will protect the program and HUD from the participation of restricted bidders. Restricted bidders include FHA-insured mortgagors who are delinquent or in violation of any HUD regulations, servicers of the mortgage loans offered in the loan sale, HUD employees or HUD contractors, and entities without the necessary net worth to purchase a loan. By not allowing these bidders, HUD can prevent collusion or insider trading. The information is collected by Bidders downloading the form from the contractor's website and then manually or electronically completing the form and then uploading or faxing it to HUD's designated contractor for the sale in question. The download website varies according to the contractor managing the sale. The current websites are www.verdiassetsales.com and www.debt.com. The forms can be downloaded only when there is a sale and Bidders request access to download the form.

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.

Currently, HUD has required physical signatures on the Qualification Statement and does accept PDFs with paper copies to follow for the Multifamily Qualification Statement. Electronic submission of signatures will be adopted in 2020. Electronic signatures are excepted on the Single Family Qualification Statement. As E-signatures have become more common, we began to accept them.

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 qualification statement is part of a set of legal documents which is executed by bidders. It is not duplicative because each asset sale differs in the loan and unpaid principal balance being offered for sale.

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 capital requirements to qualify as a potential bidder will restrict small businesses or entities from participating.

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.

An executed Qualification Statement will protect the program, and its constituents, from fraudulent entities participating in loan sales and gives HUD legal precedence to pursue and remedy any unlawful representations. Not requiring executed Qualification Statements would put the Department at risk of awarding pools to bidders without the requisite capabilities to service defaulted notes, secure and maintain the collateral properties, and return distressed properties to productive use. Further, inability to enforce the program's qualification requirements would subject FHA borrowers to undue risk by potentially exposing them to and putting their mortgages under the control of unqualified entities without the financial capacity or industry knowledge necessary to properly service and resolve the delinquent mortgage notes sold through the program.

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;
None

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

Respondents are not permitted to continue through to the bid process unless they have qualified and completed the confidentiality agreement.

* requiring respondents to submit more than an original and two copies of any document;
None

* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
None

* 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; None

* requiring the use of a statistical data classification that has not been reviewed and approved by OMB; None

* 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

Respondents must complete a confidentiality agreement to qualify to bid.

* 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. None

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), a 60-day Federal Register Notice soliciting public comments was announced in the Federal Register on September 17, 2020, Volume 85, Page 58067. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on January 15, 2021, Volume 86, Page 4112. No comments were received.

Consultation with representatives is listed below:

The Office of Asset Sales conducts a survey after each sale. The survey for Single Family Loan Sales includes a question asking the bidders the following question regarding the Qualification Statement, "What is your firm's assessment of the Bidder Qualification Criteria and Process? Provide comments to support response." All 13 responses from the last survey held after the July 2019 sale (HVLS 2019-2) were answered "Average" or "Easy". Below are the names of three bidders who responded and their responses:

Hogar Hispano (Non-Profit): Average, No Comment

Seattle Bank (For-Profit): Easy

Home Preservation Partnership (Non-Profit): Average, No Comment

The Multifamily bidder survey focuses on the bidder's experience with the bidding process. However, in the next and future surveys, HUD will add the same qualification question that has been used in the Single Family surveys.

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

No payments are made to respondents.

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

The Qualification Statement is only used to determine if a potential bidder has the proper credentials and capabilities necessary to submit a bid. The information only assists HUD in corroborating the facts. This information would never be released, and HUD would cite Exemptions from the Freedom of Information Act (5 USC 552(b)(4) & 5 USC 552(b)(6)) to prevent this information from being released. HUD will keep all names of all respondents and their responses to the Qualification Statement confidential. The intent of this process is to initiate a competitive bidding process amongst some of the respondents in order to help maximize the return to the Federal Government.

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.

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.

Estimated Annualized Burden Hours and Costs

| Information Collection / | | Number of | Frequency of | Responses | Average Burden | Annual Burden | Hourly Cost per | |
|--------------------------|--|-----------|--------------|-----------|----------------|---------------|-----------------|--|
|--------------------------|--|-----------|--------------|-----------|----------------|---------------|-----------------|--|

| Type of Respondent | Form Name / Form Number | Respondents | Response | Per Year | Hours Per Response | Hours | Response (Hourly Wage Rate) | Total Annual Respondent Cost |
|---|------------------------------|-------------|-----------------|------------|--------------------|------------|-----------------------------|------------------------------|
| MHLS Bidder Information | HUD-90092 | 70 | Bi-Annually (2) | 140 | .25 hours | 35 | \$54.84 | \$1,919.40 |
| Whether MHLS Bidder is Qualified | HUD-90092 | 70 | Bi-Annually (2) | 140 | .25 hours | 35 | \$54.84 | \$1,919.40 |
| Single Family Bidder Information | HUD-9611 and HUD-9612 | 90 | Bi-Annually (2) | 180 | .25 hours | 45 | \$54.84 | \$2,467.80 |
| Whether Single Family Bidder is Qualified | HUD-9611 and HUD-9612 | 90 | Bi-Annually (2) | 180 | .25 hours | 45 | \$54.84 | \$2,467.80 |
| TOTALS | | 320 | | 640 | | 160 | | \$8,774.40 |

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

The Qualification Form for the Multifamily and Healthcare Loan Sales (MHLS) and Single Family Loan Sale have been broken down into two parts: the first part asking for the bidder's information and the second part asking if the bidder is qualified to bid. Annually, HUD conducts approximately two MHLS and two Single Family Loan Sales. For each MHLS and Single Family Loan Sale, HUD distributes Qualification Statements to potential bidders. HUD receives on average 70 executed Qualification Statements (140 annually) for a MHLS and 90 for a Single Family Loan Sale (180 annually). Based on conversations the Transaction Specialists have had with potential bidders, the total hours to fill out each part of the Qualification Statement is 15 minutes, or 0.25 Hours and 30 minutes, or 0.5 Hours, for the entire form. The cost per hour is based on the GS-8 hourly pay scale.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov), the wage rate category for Business and Financial Operations Occupations (Code 13-0000) is estimated to be \$54.84 per hour, including the wage rate multiplier; therefore, the estimated burden hour cost to respondents Business and Financial Operations Occupations is estimated to be **\$8,774.40** 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).

* 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.

Annual Cost to the Federal Government

| Item | Cost (\$) |
|---|-----------|
| Contract Costs [Describe] The Transaction Specialists (HUD Contractor) for the Single Family | \$15,000 |

| | |
|---|-----------------|
| (Currently Verdi Consulting) and Multifamily Loan Sales (Currently Debt-X) make available the Qualification Statements for potential purchasers to fill out. Once the forms are filled out and sent back to the Transaction Specialist, they are reviewed for accuracy. This is done under a CLIN in the contract for Bid Package and Supplements and is only a small part of the CLIN. Cost is therefore estimated | |
| Staff Salaries* [_1 of GS-8, step 1 employee spending approximately ____% of time annually (description)..... for this data collection] [Show calculations for this here. For example, 1 (GS-12, Step 1) x \$81,548.00 = \$81,548.00 x 1.46 (wage rate multiplier) = \$119,060.08 (fully-loaded) x .50 (50% of time spent) = \$59,530.04] | \$0 |
| Facilities [cost for renting, overhead, etc. for data collection activity] | \$0 |
| Computer Hardware and Software [cost of equipment annual lifecycle] | \$0 |
| Equipment Maintenance [cost of annual maintenance/service agreements for equipment] | \$0 |
| Travel | \$0 |
| Printing [number of data collection instruments annually] | \$0 |
| Postage [annual number of data collection instruments x postage] | \$0 |
| Other | \$0 |
| Total | \$15,000 |

* 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 revision of a currently approved collection, but with this collection, the Single-Family Qualification Statement has been added (HUD Forms 9611 and 9612). The number of responses and hourly burden has decreased as the number of sales and the number of respondents has decreased. The numbers reported on the form reflect actual numbers of respondents in recent sales.

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.

Information that is collected will not 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.

HUD will display the expiration date for OMB approval of this information collection.

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

HUD does not request an exception to the certification of this information collection.

B. Collections of Information Employing Statistical Methods

There is no statistical methodology involved in this collection.