

Supporting Statement for Paperwork Reduction Act Submissions
Personal Financial and Credit Statement
OMB Control Number 2502-0001
HUD-92417

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 are as follows or the difference between this submission and the last is as follows....)

Under Section 207 (b)(1) and (2) of the National Housing Act (Public Law 479, 48 Stat. 1246, 12 U.S.C. 1713 et seq.) the applicable portion of which are attached for references, the Secretary is authorized to insure mortgages on property held by (1) Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or limited dividend or redevelopment or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operations; or (2) any mortgagor approved by the Secretary. The Secretary may at her or his discretion, require any such mortgagor to be regulated or restricted as to rents, sales, charges, capital structure, rate of return, and methods of operation to provide reasonable rentals to tenants and a reasonable return on investment.

The Department is legally required to collect information to evaluate the character, ability, and capital of the sponsor, mortgagor, and general contractor for mortgage insurance. The financial analysis of the project's principal participants is an integral part of the underwriting process. The development of a multifamily rental property is subject to certain inherent risks that the Department must assess. A project may be subject to costly construction delays, incompetent management, and a probability that income will not cover project expenditures if a comprehensive credit analysis is not conducted. The Department, in accordance with regulations cited in 24 CFR 207.1, which are eligibility requirements set forth in 24 CFR part 200, subpart A, apply to multifamily project mortgages insured under section of the National Housing Act (12 U.S.C. 1713), as amended. Therefore, the Department is legally obligated to review the mortgagor's financial capacity to minimize the risk to the insurance fund.

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.

Form HUD-92417, Personal and Financial Credit Statement, is a part of the credit and financial investigation conducted on individuals as principals of a mortgagor entity. FHA-approved lenders and HUD personnel use the information to analyze the financial capacity, reputation, experience, and the ability of the project sponsor to develop a successful project, and to determine if the sponsor has sufficient financial resources to complete and maintain the property.

Form HUD-92417 is used only for individuals and is completed in conjunction with the basic application form, HUD-92013 (OMB Control Number 2502-0029) as a required exhibit. The information obtained is the minimum required to decide the financial and credit worthiness of the respondent. The respondents are individuals of business entities, non-profit entities, corporations, and general contractors. The Privacy Act Notice Statement, therefore, is applicable. Corporate or partnership mortgagors do not use the form and are not a part of this information collection. Corporate or partnership mortgagors submit balance sheets, income and expense statements, and other financial reports to demonstrate credit worthiness (OMB control number 2502-0029).

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.

Multifamily is in the process of developing a new system and end-to-end solution for FHA Multifamily loan production – PLUS, the Multifamily Portal and Loan Underwriting System, is being developed in stages, and will:

- 1) Replace the legacy internal Development Application Processing (DAP) system with a modern, cloud-based system (starting with PLUS Phase 1), and 2) provide a custom lender portal and tools for FHA Multifamily lenders to do business with FHA (beginning in PLUS Phase.*
- 2) Phase 1a (internal DAP replacement) is expected to be released and implemented in summer 2024. Document management capabilities, additional reporting capabilities, and performance dashboards will be added in Phase 1b-c, hopefully in late 2024.*

Phase 2a will make the system external-facing and give lenders the ability to request FHA Project Numbers through the system and view the real-time status of their applications and related details on dashboards – Phase 2a is also targeted for late 2024.

Phase 2b will introduce the ability for lenders to electronically submit applications and related documents through PLUS – Phase 2b is targeted for early 2025. Lenders are currently submitting electronic applications to HUD through the FHA Catalyst: Multifamily Applications Module, a separate system, but this function will be transitioned to the new portal in PLUS once it is complete and available.

Phase 2c (mid-2025) will make portal functionalities available to lenders' third parties for the loan closing process and will add tools for lenders to communicate with HUD staff. In subsequent phases, PLUS will interface with other HUD and Multifamily systems, and other features and functionalities will be introduced (digitized applications, APIs for customer data input, additional business workflows, and greater data analytics).

PLUS, will improve the customer experience, increase transparency, streamline the application and closing processes, improve FHA's overall performance, and result in cost savings, efficiencies, and reduced burden for Multifamily lenders.

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.

This information is not collected elsewhere. A review of Multifamily Housing information collections confirms that no other information collection provides this information. There are no known methods to reduce the collection burden; this form is only submitted once unless there is a change in the mortgagor's financial status. Mortgagors/sponsors are required to submit information regarding their financial capacity and credit worthiness during the initial application stage.

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.

This collection of information will not have a significant impact on small business or other small entities. The Department minimizes the burden on small businesses or other small entities since information is only collected once, unless there is change in the Mortgagor's financial status.

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 the collections were conducted less frequently, the Department would be exposed to increased risk in fraud, waste, and mismanagement. The consequence of less frequent collection would inhibit the Department from making sound conclusions and the ability to obtain adequate information regarding the character, ability and capital of the sponsor, mortgagor, and the general contractor.

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

* requiring respondents to report information to the agency more often than quarterly;

There are no requirements for respondents to report information more often than quarterly. The information is collected only once unless mortgagor's financial status change.

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

Respondents are not required to prepare a written response to a collection in fewer than 30 days.

* 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;

HUD does not 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;

This collection is not designed or used in connection with a statistical survey.

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

This collection does not make use of a statistical data classification

* 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

There is no requirement for a pledge of confidentiality that is not supported by authority established in HUD's statute and regulation.

* 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 requirements by the 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 confidential to the extent permitted by law.

8. If applicable, provide a copy and identify the date and page number of publications 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 5CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on **June 28, 2024**, Volume **89**, No. **125**, Pages **54028**. (0) Comments received.

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

No payments or gifts of any kind are provided to respondents.

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

Each respondent who completes the form will read the Privacy Act Statement. The Department's policy requires the collection of information, and failure to do so will result in disapproval of participation in the HUD program and/or delayed action on the proposal. A Privacy Act Notice is printed on the appropriate forms (shown below). HUD assures confidentiality to respondents on other information collected if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing Legislation.

Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

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.

The respondents are not asked questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

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 burden hours and costs to the respondents:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
HUD-92417	1230	1	1,824	8	9840	\$32.83	\$479,055.36

The estimated median hourly rate for financial analyst annual salary of \$68,288.20 (Source: Bureau of Labor Statistics)

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.*

HUD Response: HUD does not require a total capital and start-up cost component for the use of this

Form.

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 Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
HUD-92417	1230	1	1,824	8	14,592	\$36.41	\$24,507

Estimate Annualized costs to the Federal government:

The hourly cost for the Government is based on a salary of \$75,741.12 (GS 12, step 5)

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 reinstatement of a previously approved collection for which approval has expired. This collection is being reinstated to move forward to discontinue. Upon approval, HUD intends to move the HUD-92417 to another collection, 2502-0029 and plan to discontinue 2502-0001.

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.

Collection of this information will not be published. Each form will be maintained with the HUD Program Office 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.

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 are no exceptions to the "Certification for Paperwork Reduction Act Submission", item 19 of the OMB 83-I.

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:

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

2. Describe the procedures for the collection of information including:

- * Statistical methodology for stratification and sample selection,
- * Estimation procedure,
- * Degree of accuracy needed for the purpose described in the justification,
- * Unusual problems requiring specialized sampling procedures, and
- * Any use of periodic (less frequent than annual) data collection cycles to reduce burden.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of test may be submitted for approval separately or in combination with the main collection of information.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

HUD Response: No Statistical Methods.