

Supporting Statement for Paperwork Reduction Act Submissions
New Construction Subterranean Termite Protection for New Homes
OMB Control Number 2502-0525
Form HUD-NPMA-99-A and Form HUD-NPMA-99-B

A. JUSTIFICATION

1. HUD regulations at 24 CFR 200.926d(b)(3) require that the sites for HUD insured structures must be free of hazards such as termites. The HUD-NPMA-99-A requires the builder to certify that all required treatment for termites was performed by an authorized pest control company with the builder's guarantee of the treated area against infestation for one year. The form HUD-NPMA-99-B requires a licensed pest control company to provide to the builder a record of specific treatment information for the prevention of termites. When applicable the HUD-NPMA-99-B must accompany the HUD-NPMA-99-A.
2. The collected information on the forms also serves as records of termite treatment for specific homes for the builders, pest control companies, mortgage lenders, homebuyers, and HUD. The current OMB Inventory of 12,948 understates the actual figures from HUD's Single Family Data Warehouse (SFDW) cited here. According to HUD's Data, the following new homes have been endorsed for FHA mortgage insurance. During Fiscal Year 2019, 74,464 new homes were constructed based Construction Code 1: New Construction and Construction Code 5: New Construction Less than 1 Year old. In the Fiscal Year 2020, 98,141 new homes were constructed with Construction Code 1: New Construction and Construction Code 5: New Construction Less than 1 Year old in HUD's dataset. Further, during Fiscal Year 2021, 93,630 new homes were constructed based on Construction Code 1: New Construction and Construction Code 5: New Construction Less than 1 Year old. As of April 2022, 40,546 new homes have been constructed. For this renewal time, 2021 fiscal year inventory data of 93,630 is used in the estimation of burden hours with the expectation that future FHA insured financing of new homes will at least be at this 2021 level. The total endorsed new construction figure for FY 2021 of 93,630 is utilized in the estimation of the burden hours because it is most current full year data available in HUD's SFDW.
3. The collection of the requested information does not involve the use of automated, electronic, mechanical, or other forms of information technology. The form HUD-NPMA-99-A requires the signature of the builder and must be submitted as part of the case binder for FHA endorsement. The form HUD-NPMA-99-B requires the signature of the licensed pest control company. The forms are available on the HUD website in a .pdf fillable format that can be saved and submitted electronically.
4. The collected information is not duplicative.
5. A number of builders and pest inspectors operate as small businesses, however due to the very limited amount of time required in the collection, the impact on small business is deemed minimal.
6. The requested data is collected to protect new home purchasers, lenders, and HUD.
7. No special circumstances are envisioned that would cause the information collection to be conducted in any of the enumerated manners.
8. Information collected is conducted in a manner consistent with the guidelines of 5 CFR 1320.8 (d). The Notice announcing this collection of information will appear in the Federal Register: Wednesday, August 31, 2022. (Volume 87, Number 168, Page 5383). A comment was received.

The forms are from National Pest Management Association (NPMA) and are industry standards and are necessary for new construction.

Consulted with HUD staff in all four HUD Homeownership Centers (HOCs) where the forms are reviewed by HUD staff.

- Linn Lawrence: Linn.Lawrence@hud.gov of Atlanta Homeownership Center, (678) 732-2657
- Karina A. Batkalin: Karina.A.Batkalin@hud.gov of Denver Homeownership Center, (303) 839-2653
- Andrew Cianci: Andrew.Cianci@hud.gov of Philadelphia Homeownership Center, (215) 861-7687
- Donald D. Doan: Donald.D.Doan@hud.gov of Santa Ana Homeownership Center, (714) 955-0705

The above HUD staff in the HOCs indicated that for the post technical review, Subterranean Termite Builder's Guarantee and New Construction Subterranean Termite Service Record forms are reviewed in each endorsed case binder of properties for new construction loans.

9. No payments or gifts are to be provided to respondents.
10. Confidentiality is not assured for the data involved.
11. There are no sensitive questions involved in this collection.
12. Respondent burden & costs:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost (rounded to nearest \$)
HUD-NPMA-99-A	93,630	1	93,630	.083	7,771.3	\$24.00	\$186,511
HUD-NPMA-99-B	93,630	1	93,630	.25	23,407.5	\$24.00	\$561,780
Totals	187,260		187,260		31,178.8		\$748,291

The available full year data of 93,630 New Construction properties requiring termite review is based on FY 2021 information, according to HUD's SFDW. Wage information: Source: US Bureau of Labor Statistics, Occupational Employ and Wage Statistics, May 2021 and adjusted for Total Compensation factor.

13. There are no additional costs to the respondents.
14. Annual Cost to HUD:

Information Collection	Number of Responses	Hours per Response	Total Annual Hours (+/-)	Hourly Cost	Total Annual Cost (rounded to \$)
HUD-NPMA-99-A	9,360	0.083	776.9	\$41.83	\$32,498
HUD-NPMA-99-B	9,360	0.083	776.9	\$41.83	\$32,498

Estimated average annual cost to HUD: GS-12 / Housing Program Specialist's review of 10% of FHA insured loans.

15. This is an extension of a currently approved collection with minor revisions to form HUD-NPMA-99-A and form HUD-NPMA-99-B to reflect current available information.
16. The information collected will not be published.
17. HUD is not seeking approval to avoid displaying the expiration date for this OMB approval.
18. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.