

Supporting Statement for Paperwork Reduction Act Submissions

Multifamily Mortgagee's Application for Insurance Benefits OMB Control Number: 2502-0419 Form: HUD-2747

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.

A lender with an insured multifamily mortgage pays an annual insurance premium to the Department. When and if the mortgage goes into default, the lender may elect to file a claim for insurance benefits with the Department. A requirement of the claims process is the submission of an application for insurance benefits, via the form HUD-2747.

Title 12 USC 1713 (g) and Title II, Section 207(g) of the National Housing Act provides that, "Notwithstanding any other provision of this chapter, upon receipt, after September 2, 1964, of an application for insurance benefits on a mortgage insured under this chapter, the Secretary may terminate the mortgagee's obligation to pay premium charges on the mortgage." This provision is further spelled out under 24 CFR part 207 – Subpart B – Contract Rights and Obligations at §207.252(d) and §207.258(c)(6). Form HUD 2747, Mortgagee's Application for Insurance Benefits (Multifamily Mortgage), satisfies this requirement.

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.

All forms are available via download from HUD's website at: https://www.hud.gov/program_offices/administration/hudclips/forms/hud2. Links to each form are provided within the narrative for each form. HUD is also able to email any needed forms upon request.

Form HUD-2747 Application for Insurance Benefits is used by HUD to establish the date for cancellation of the insurance contract, which ends the lender's obligation to pay mortgage insurance premiums (MIP's). This form collects data required for cancellation of the Mortgage insurance premiums. The mortgagee must file this form. It is estimated that 65% of respondents are private business; 35% of respondents are state agencies. The lender is responsible for the MIP's up to the date the application (form HUD-2747) is received by the Department (Commissioner). Delinquent premiums prior to the Commissioner's receipt date can be deducted from insurance benefits payable to the lender.

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.

The form requires a very limited amount of information, and the number of respondents is small. The form is posted on www.hud.gov in electronic format and can be downloaded easily by the mortgagee. The form HUD-2747 only requires seven data fields which are readily available to the lender. There are no plans to further automate the submission of this particular form. The minimal amount of data required would not be decreased by further automation and the burden on the lender would not be reduced. The cost to enable electronic submission of the form would far outweigh any benefits to the lender.

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 in any form and therefore, is not duplicated elsewhere.

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 information collection does not have an impact on small business or other small entities.

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 information were not provided, the Commissioner and the lender would incur unnecessary expenses. HUD and the lender would spend countless hours determining and agreeing on the actual date the mortgage insurance contract was terminated. This could delay the payment of insurance benefits. Consequently, there would be an increase in the number of accrued interest days added to the claim settlement.

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;

The lender is required to prepare a written response to the collection information requirement within 30 days after receiving an application from the Commissioner.

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

If the mortgagee elects to assign the mortgage to the Commissioner, it shall at any time

within 30 days after the date of the notice of election, file its application for insurance benefits.

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

Mortgagee is required to submit an original and one copy of forms (only one copy is required if delivery by fax or e-mail, with an original and one copy to follow to: HUD, Multifamily Claims Branch

* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

Not applicable

* 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;

No Statistical data is collected.

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

No Statistical data is collected.

* 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

No pledge of confidentiality that is unsupported by authority established in statute or regulation or by disclosure and data security policies that are consistent with the pledge.

* 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.

Respondents are not required to submit proprietary trade secrets.

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 October 11, 2022, Volume 87, Page 61347. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on XX-XX-XXXX, Volume XX, Page XXXXX. No comments were received.

The program office occasionally consulted with the following representatives outside of the agency:

1. Debi Martin — Greystone Servicing Corporation, Inc.
2. Lori Hoffer — Emmet, Marvin & Martin, LLP3.
3. Corey Cooper — Walker & Dunlop

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

There is no decision to provide any payment or gifts to the lender except the payment of insurance benefits. This payment is the Department's contractual obligation.

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

HUD's policy for providing confidentiality is to ensure that any information released to the public does not contain identifying information such as social security numbers or Employer Identification Numbers in the case of a lender. Such identification is deleted from the requested information prior to being released.

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 information gathered using the subject form is not of a sensitive nature, such as sexual behavior and attitude, religious beliefs, and other matters 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 Annualized Burden Hours and Costs

Information Collection / Affected Public	Form Name / Form Number Collection Tool	Number of Respondents	Frequency of Response	Responses Per Year	Average Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response (Hourly Wage Rate)	Total Annual Respondent Cost
Private Business (Businesses or other for-profits)	HUD-2747	72	1	72	1	72	\$62.21	\$4,479.12
State Agencies (State, Local or Tribal Government)	HUD-2747	38	1	38	1	38	\$62.21	\$2,363.98
TOTALS		110		110		110		\$6,843.10

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

Instruction for Wage-rate category multiplier: Take each non-loaded "Avg. Hourly Wage Rate" from the BLS website table and multiply that number by 1.46. For example, a non-loaded BLS table wage rate of \$42.51 would be multiplied by 1.46, and the entry for the "Avg. Hourly Wage Rate" would be \$62.06.

According to the U.S. Department of Labor, Bureau of Labor Statistics website_ (www.bls.gov) the wage rate category for (Paralegal) for business or other for profit is estimated to be (\$42.61)per hour including the wage rate multiplier and State/local business wage rate is estimated to be (\$62.21) including the wage multiplier.

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	
Staff Salaries* [<u>1</u> of GS 12_step_5_ employees spending approximately 50 % of time annually (description).....collects/review data required for cancellation of Mortgage Insurance Premiums (MIP's) reviewing..... for this data collection. For example, 1 (GS-12, Step 5) @101,813.00 = \$101,813.00 x 1.46 (wage rate multiplier) = \$148,648.98 (fully-loaded) x .50 (50% of time spent) = \$74,323.49	\$74,323.49
Facilities [cost for renting, overhead, etc. for data collection activity]74,323.49 x 20%	\$14,864.70
Computer Hardware and Software [cost of equipment annual lifecycle]	
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	
Travel	
Printing [number of data collection instruments annually]	
Postage [annual number of data collection instruments x postage]	
Other	
Total	\$89,188.19

* 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 an extension of a currently approved collection. There have been changes to the hourly wage rate and the burden statement on the form itself. However, there has been no change to the information being collected.

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 information 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 Method

There is no statistical methodology involved in this collection.