

# Supporting Statement for Paperwork Reduction Act Submissions

**Title: Single Family Premium Collection Subsystem- Periodic (SFPCS-P)**

**OMB Control Number: 2502-0536**

**Forms: None**

## **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 Federal Credit Reform Act of 1990 requires the Federal Housing Administration (FHA) to report case level mortgage insurance premium payment information for each endorsement beginning with fiscal year (FY) 1991. Section 24 CFR 203.264 requires mortgagees to pay the periodic mortgage insurance premium (MIP) that is due for insured mortgages on or before the tenth day of each month. Section 24 CFR 203.269 allows the Commissioner to require that the MIP be remitted electronically. Case level detail of all MIP payments is submitted when the MIP is paid including information related to underlying loan which is covered by OMB 2502-0059, Informed Consumer Choice Notice and Application for FHA Insured Mortgage. The mortgagee pays each MIP in twelve equal monthly installments. Each monthly installment is due to the FHA Commissioner no later than the tenth day of each month, beginning in the month in which the mortgagor is required to make the first monthly mortgage payment.

**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.**

FHA lenders provide the subject information to facilitate electronic transmission of periodic payments of MIP via the Automated Clearing House (ACH) system. Pay.gov processes payments electronically (electronic funds transfer or EFT) through the Automated Clearing House (ACH) using a checking account debit. The Federal Reserve Bank of Cleveland, which maintains the Pay.gov system, is used for the ACH debit. Pay.gov is managed by the Bureau of the Fiscal Service of the U.S. Department of the Treasury.

There are two existing processes that lenders utilize to supplement the FHA MIP collection process titled "Single Family Monthly (Periodic) Premium Alternate Report Retrieval Process Signup Sheet" and "Single Family Monthly (Periodic) Premium Pay.gov Batch Transmission Signup Sheet" that lenders access via HUD webpages and submit their requests through email correspondence.

The Alternate Report Retrieval sign-up process is completed by the lender or its designated service bureau and returned to HUD via email in order to retrieve monthly (periodic) mortgage insurance premium report files using the Secure File Transfer Protocol (SFTP), also referred to as *Alternate Report Retrieval*.

The Single Family Monthly (Periodic) Premium Pay.gov Batch Transmission Signup process is utilized for lenders and service bureaus that choose to submit Single Family monthly (periodic) mortgage insurance premium payments directly to HUD by making CPU to CPU batch file transmissions. Monthly premium payment information submitted to HUD is transmitted to its automated collection system for collection processing.

**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.**

All information is submitted electronically via the Automated Clearing House. Copies of select screen shots are attached. Data is provided from mortgagee's records through an automated upload process, which electronically confirms record information with HUD\FHA records to validate payment of MIP by mortgagor to mortgagee, and then identifies amount of payment for Treasury to extract from mortgagee. Portions of data used to identify accounts, mortgagors, and properties are already approved under the Office of Lender Activities and Program Compliance utilizing collection 2502-0005, FHA Lender Approval, Annual Renewal, Periodic Updates and Required Reports by FHA Approved Lenders. The data submitted to validate MIP is being requested through this collection.

There are two existing processes that lenders utilize to supplement the FHA MIP collection process titled "Single Family Monthly (Periodic) Premium Alternate Report Retrieval Process Signup Sheet" and the "Single Family Monthly (Periodic) Premium Pay.gov Batch Transmission Signup Sheet." Lenders access these processes via HUD webpages and submit their requests through email correspondence. Here are the links to both websites.

Single Family Monthly (Periodic) Premium Alternate Report Retrieval Process Signup Sheet  
[https://www.hud.gov/program\\_offices/housing/comp/premiums/sfframe](https://www.hud.gov/program_offices/housing/comp/premiums/sfframe)

Single Family Monthly (Periodic) Premium Pay.gov Batch Transmission Signup Sheet  
[https://www.hud.gov/program\\_offices/housing/comp/premiums/sfbchinp](https://www.hud.gov/program_offices/housing/comp/premiums/sfbchinp)

**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.**

No duplicate data exists. This data is not available from other sources.

**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 collection of this information does not have an impact on small businesses or other small entities.

Mortgagors affiliated with these programs are not small businesses or 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 detailed MIP collection data is not gathered, FHA will not be in compliance with the Credit Reform Act and proper funds transmission cannot be accomplished.

**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;**

Mortgagees are required to submit MIP data on a monthly basis when they make their payments through ACH to meet their mortgage insurance contract obligations. 24 CFR § 203.264 Payment of periodic MIP states: “The mortgagee shall pay each MIP in twelve equal monthly installments. Each monthly installment shall be due and payable to the Commissioner no later than the tenth day of each month, beginning in the month in which the mortgagor is required to make the first monthly mortgage payment. This will be effective for amortization beginning on or after September 1, 1996.”

**\* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; NONE**

**\* 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; Industry common practice. Mortgagees must maintain their loan documents, including documents that validate MIP for at least 7 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; 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 NONE**

**\* 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.**

The agency notice soliciting comments on the information collection was published in the Federal Register as stated below:

In accordance with 5 CFR 1320.8(d), a 60-day Federal Register Notice soliciting public comments was announced in the Federal Register on August 22, 2024, Volume 89, Page 67957. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on November 5, 2024, Volume 89, Page 87885. No comments were received.

A copy of both published notices is included in this package.

Freedom Mortgage Corporation, PennyMac Loan Services LLC, and Nationstar Mortgage LLC can be utilized for the names of the three Respondents that HUD consulted with regarding the collection of this data. Consultations with respondents are monthly. Consultations typically involve communications from Agency to respondents regarding FHA portfolio management and discrepancies or needs from the respondent based on their FHA Single Family Title 2 home loan portfolios.

Freedom Mortgage Corporation, PennyMac Loan Services LLC, and Nationstar Mortgage LLC are example respondents FHA consults with regarding the collection of this data, these consultations are conducted 12 times a year (monthly) as there are various internal FHA business processes within the Single Family Insurance Operations Division and Single Family FHA Mortgage Insurance Programs that require this consultation regarding portfolio management or providing customer service to respondent needs related to the Single Family FHA title 2 home loan programs. These respondent examples are the top 3 respondents for these collection types listed within this renewal.

Contact information for these respondents is obtained when these entities enroll in the FHA home loan program and obtain approval to participate in the program. They are listed below:

### **Freedom Mortgage Corporation**

<b>Contact Phone</b>	(317) 537-3210
<b>Mailing Address</b>	FHA MORTGAGE DEPARTMENT PO BOX 8001 FISHERS, IN 46038-8001
<b>Premium Address</b>	ACCTG - FHA INSURANCE PO BOX 909 MOUNT LAUREL, NJ 08054-0909
<b>Administrator</b>	CHRISTINE JENKINS
<b>Admin Email</b>	<a href="mailto:chris.jenkins@freedommortgage.com">chris.jenkins@freedommortgage.com</a>
<b>Alt. Administrator</b>	CHRISTINE PARKER
<b>Alt. Admin Email</b>	<a href="mailto:christine.parker@freedommortgage.com">christine.parker@freedommortgage.com</a>

### **Pennymac Loan Services LLC**

<b>Contact Phone</b>	(818) 224-7442
<b>Mailing Address</b>	GENERAL COUNSEL 3043 TOWNSGATE RD WESTLAKE VILLAGE, CA 91361-3027
<b>Premium Address</b>	GENERAL COUNSEL 3043 TOWNSGATE RD WESTLAKE VILLAGE, CA 91361-3027
<b>Administrator</b>	CHERYL WALDEN
<b>Admin Email</b>	<a href="mailto:cheryl.walden@pnmac.com">cheryl.walden@pnmac.com</a>
<b>Alt. Administrator</b>	PARKER BELL
<b>Alt. Admin Email</b>	<a href="mailto:parker.bell@pennymac.com">parker.bell@pennymac.com</a>

### **Nationstar Mortgage LLC**

<b>Contact Phone</b>	(972) 316-8004
<b>Mailing Address</b>	KAREN HUI 8950 CYPRESS WATERS BLVD COPPELL, TX 75019-4620
<b>Premium Address</b>	CREDIT RISK 8950 CYPRESS WATERS BLVD COPPELL, TX 75019-4620
<b>Administrator</b>	LORI ROCCO
<b>Admin Email</b>	<a href="mailto:lori.rocco@mrcooper.com">lori.rocco@mrcooper.com</a>

**Alt. Administrator**     DEBBIE DIMAS

**Alt. Admin Email**     [DEBBIE.DIMAS@mrcooper.com](mailto:DEBBIE.DIMAS@mrcooper.com)

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

HUD does not provide payments or gifts to respondents in exchange for a benefit sought.

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

No assurance of confidentiality is needed or 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.**

There are no sensitive questions involved in this collection.

**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.

**Respondent Estimated Burden:**

Number of respondents varies depending upon lenders holding mortgages requiring periodic insurance premium payments. Participating lenders hold a widely varied number of mortgages; some hold only a few, and some hold well over a million.

All periodic (monthly) mortgage insurance premium payments are sent electronically to HUD, either through the Internet using the FHA Connection or through CPU to CPU batch file transmissions, and processed using Pay.gov, a secure government-wide collection portal managed by the Bureau of the Fiscal Service of the U.S. Department of the Treasury. Pay.gov processes a payment electronically (electronic funds transfer or EFT) through the Automated Clearing House (ACH) using a checking account debit.

**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
MIP's and related Reports	FHA Connection	641	12	7,692	.15	1,153.80	\$75.47	\$87,077.29
Alternate Report Retrieval	Website and customer service email request	4	2	8	.15	1.2	\$75.47	\$90.56
Periodic Batch Transmission	Website and customer service email request	4	2	8	.15	1.2	\$75.47	\$90.56
<b>TOTALS</b>		<b>649</b>		<b>7,708</b>		<b>1,156</b>		<b>\$87,258.41</b>

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

**Note:** To be consistent with OMB's system ROCIS, the Annual Burden Hours in the table have been rounded (1,156 total annual burden hours).

According to the U.S. Department of Labor, Bureau of Labor Statistics website ([www.bls.gov](http://www.bls.gov)) the wage rate category for Lenders is estimated to be \$75.47 per hour including the wage rate multiplier, therefore, the estimated burden hour cost to respondents (FHA Lenders) is estimated to be \$87,258.41 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: [\$0]	0
Staff Salaries* [ 11#_ of GS 12, step 1 employees spending approximately __100__% of time annually providing Customer Service assistance to FHA Approved Lenders and Servicers on Single Family FHA Mortgage Insurance Premiums (MIP) Collections and	1,593,152

<b>portfolio management of FHA Forward mortgage loans for this data collection.]</b>	
<b>[11 (GS12, step 1) x \$99,200= \$1,091,200 x 1.46 (wage rate multiplier)= \$1,593,152(fully-loaded) x 1.00 (100% of time spent) =\$1,593,152]</b>	
Facilities <b>[cost for renting, overhead, etc. for data collection activity]</b>	0
Computer Hardware and Software <b>[cost of equipment annual lifecycle]</b>	0
Equipment Maintenance <b>[cost of annual maintenance/service agreements for equipment]</b>	0
Travel	0
Printing <b>[number of data collection instruments annually]</b>	0
Postage <b>[annual number of data collection instruments x postage]</b>	0
Other	0
<b>Total</b>	<b>\$1,593,152</b>

\* Note: The “Salary Rate” includes a 1.46 multiplier to reflect a fully-loaded wage rate.

Pyramid Systems Inc. is now providing ongoing support for the A80B Pay.gov operations at no additional cost. Treasury estimated \$4 million is saved annually.

**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. Information on the number of respondents and responses is based on actual HUD data for the past year. As indicated in other areas of this Supporting Statement, the number of MIP payments requiring validation varies depending on the number of mortgagees holding loans that require Mortgage Insurance Premium payments. Actual HUD\FHA data is used to help estimate these numbers.

The annual burden hours have decreased. The number of respondents changes annually because it is based on the number of active FHA lenders.

Additionally, there are two existing processes being added to this submission that lenders utilize to supplement the FHA MIP collection process titled “Single Family Monthly (Periodic) Premium Alternate Report Retrieval Process Signup Sheet and the Single Family Monthly (Periodic) Premium Pay.gov Batch Transmission Signup Sheet.”

**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 results of the information collection 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.