

Supporting Statement for Paperwork Reduction Act Submissions

**Title: Housing Counseling Homeownership Initiative Notice of Funding Opportunity
(HI NOFO)**

OMB Control Number: 2502-NEW

Forms: HUD-91045, HUD-2880, HUD-424-B, SF-424, SF-LLL, HUD-50153

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 HUD Office of Housing Counseling will use the information in this collection to objectively evaluate grant applicants on how well they meet the selection factors set forth in the new Homeownership Initiative Notice of Funding Opportunity, hereinafter HI-NOFO. It also serves to monitor selected applicants or grantees to assess compliance and effectiveness. This collection of information is required for the award of the HI NOFO grant program in furtherance of HUD's mission to increase homeownership rates among historically underserved communities. The grant program looks to deliver measurable outcomes by awarding funds to HUD-approved non-profit HUD National and Regional Intermediaries (Intermediaries), Multi-State Organizations (MSOs), and State Housing Finance Agencies (SHFAs) who have demonstrated experience providing culturally sensitive, linguistically appropriate pre- and post-purchase housing counseling. Selected agencies will provide independent, expert, and customized guidance to help underserved communities overcome systemic and institutional barriers to homeownership.

HUD seeks to increase homeownership rates nationwide, particularly for low- and moderate-income and minority households, among whom homeownership rates, already low, have been in further decline. Homeownership education and counseling plays a central role in the achievement of this objective. This NOFO will play an integral role in helping to reverse the trend and bridge the homeownership gap by funding success and helping historically underserved individuals and families achieve sustainable homeownership, no matter their race, ethnicity, disability status, or other protected class. Counselors will partner with other key groups to help families and individuals access first time homebuyer programs, thus making homeownership more affordable and accessible. Counseling will be provided through the pre-purchase and closing process, as well as after loan closing, to help program participants navigate the various barriers that may arise before, during, and after purchasing a home.

Counselors through the counseling services provided under this grant will help borrowers avoid predatory lending practices, including inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and foreclosure.

HUD Housing Counseling significantly contributes to the goals of expanding homeownership and of helping homeowners remain in their homes. Counselors through the counseling services provided by HUD approved housing counseling agencies help borrowers avoid predatory lending practices, including inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and foreclosure.

All housing counseling provided by HUD approved housing counseling agencies must be provided in accordance with the Housing Counseling Program regulations (24 CFR Part 214). HUD's Office of Housing Counseling (OHC) is responsible for administration of the Department's Housing Counseling Grant Program, authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x). The implementing regulations for the Housing Counseling Program are found at 24 CFR Part 214.

To participate in HUD's Housing Counseling program and be eligible to apply for this NOFO, a housing counseling agency must first be approved by HUD. Approval entails meeting various requirements relating to experience and capacity, including nonprofit or government status, a minimum of one year of housing counseling experience in the target community, and sufficient resources to implement a housing counseling plan. Eligible organizations include national and regional intermediaries and state housing finance agencies who provide funding to their branches and subgrantees.

Failure to collect the information requested in this collection and provided by the respondents on the HUD-91045, HUD-2880, HUD-424-B, HUD-50153, SF-424, and SF-LLL will adversely affect HUD participating agencies in their efforts to provide pre through post purchase housing counseling to help increase homeownership rates, especially among historically disadvantaged groups. Additionally, the information collected in this collection will assist OHC in ensuring compliance with grant award requirements found in OMB regulations at 2 CFR Part 200.

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.

Annually, OHC publishes a Notice of Funding Opportunity (NOFO), a grant competition making the bulk of appropriated funds available for the purpose of supporting the direct provision of Housing Counseling services. Depending on the NOFO and the agency, the Housing Counseling NOFO requires that applicants submit their responses using certain forms. Though this collection is for the funding of a new NOFO with a different scope and more narrowly tailored priorities than the regular OHC Comprehensive Housing Counseling (CHC) NOFO, it collects similar information from NOFO grant applicants and is needed to ensure that applicants meet specific eligibility criteria and possess the capability to deliver effective and efficient services through the Homeownership Initiative Grant Program. The information collected through the HUD-91045 includes applicant capacity, compliance factors, approach, and cost allocation estimates for applicant subgrantees and branches. The information gathered is deemed critical since HUD refers individuals and households in need

of assistance to these HUD-approved counseling agencies. The information will be used by the OHC staff to evaluate NOFO applicants and determine eligibility to receive award funds.

Additional details regarding the individual forms included in this collection are as follows:

FORM NUMBER AND NAME	BRIEF DESCRIPTION
HUD-91045	Notice of Funding Opportunity (NOFO) Grant application form to determine whether applicants meet specific eligibility requirements of this NOFO. Information collected is also used to assign points for awarding grant funds on a competitive and equitable basis. The information collected includes applicant capacity, compliance factors, housing counseling work plan (types of services), housing counseling needs for the targeted community, approach and scope of housing counseling services and program evaluation plans. HUD-OHC will use the information to provide funding for pre-through post homeownership counseling services through private or public organizations with special competence and knowledge in counseling low and moderate-income families. The information is collected from eligible applicants who are either SHFAs, MSOs, or Intermediaries.
HUD-424-B Applicant and Recipient Assurances and Certifications	Form used for applicants to certify that they will administer the grant in compliance with all applicable statutes, regulations, and agreements.
HUD-2880 Applicant / Recipient Disclosure	Form for required disclosures by applicants seeking assistance from HUD, assistance from states and units of local government, and other assistance to be used with respect to the activities to be carried out with the assistance. Disclosures required include the financial interests of persons in the proposed activities, the sources of funds to be made available for the activities, and the proposed uses of the funds.
HUD-50153 Promise Zone form	Form used to document that an application or proposal should receive a preference for certain competitive federal programs and technical assistance.
SF-LLL Lobbying Disclosure	Form for disclosure of lobbying activities that have been secured to influence the outcome of a Federal action.
SF-424 Application for Federal Assistance	Collects information including type of grant application submission, applicant information, type of applicant, and proposed project dates.

The specific priorities and the method of cost calculation of the Homeownership Initiative grant require additional information not heretofore requested from prior NOFO applicants. Form 91045 was created to capture this information. Applicants will be required to draft narratives of moderate length to discuss their responses so that the reviewers will be able to assess whether the grantee is qualified and capable of carrying out the purpose and mission of

the NOFO. Applicants are also required to provide a calculation of costs required for their performance under the award.

This NOFO is a fixed amount award as per 2 CFR 200.45 which refers to a type of grant agreement under which HUD is offering to provide a specific level of support without regard to actual costs incurred. Payments are based on meeting specific requirements of the Federal award and accountability is based on performance and results. Unlike other NOFOs, the scope of this NOFO is very specific and HUD and the applicants have adequate documented cost, historical, and unit pricing data to establish an estimate of the actual cost as required for this type of award. This type of award will reduce the administrative burden and reporting and record-keeping requirements for both HUD and the grantee. There is no governmental review of the actual costs incurred by the non-Federal entity in the performance of the award thus ultimately reducing the overall burden to the grantee. For this reason, the applicant pool is restricted to those agencies with a demonstrated history and adequate data for the narrative responses and the initial calculations required for the NOFO.

HUD Form 91045 - Homeownership Initiative Notice of Funding Opportunity (HI NOFO) Grant Application Form

Specifically, this grant application will use the Homeownership Initiative (HI) chart in the new HUD Form 91045 to collect most of the grant specific information. Based on the number of eligible grantees for the HI grant, the maximum number of grant applicants is 56. The information will be collected from eligible applicants who may include Intermediaries, MSOs, and SHFAs.

The Homeownership Initiative application chart for this NOFO features a reduced number of rating factors and thus required responses, an increased emphasis on narrative responses, and a decrease in the number of quantitative responses. Each agency will submit a detailed proposal on the HUD-91045 with narrative statements. Each applicant will also complete a sub-allocation chart where it will detail the portion of the award that will fund each of its subgrantees and/or branches. This NOFO is a fixed amount award (2 CFR 200.1), adhering to the federal requirement of fixed amount awards outlined in 2 CFR 200.201(b). The fixed award amount method of sub-allocation will reduce the grant administration and reporting burden.

The grant charts limit the number of narrative writing responses as well as the length of each response for applicants, thereby reducing the administrative burden for grant applicants and HUD staff. Specifically, this chart will rate the applicants based upon their past performance according to the following criteria along with their responses to the following questions:

Rating Factor 1: Past participation in the HUD CHC Grant Program. HUD will use its own records to assess applicants' demonstrated history of performance under prior grants.

Rating Factor 2: NOFO Need and Priorities.

- i. Household demographics served by applicant - HUD will use agency-reported data to confirm whether and to what extent each applicant has served the NOFO targeted communities in the past. Applicants are also allowed to add additional data along with

justifying factors if they feel the reported data is incomplete or otherwise non-reflective of the population the agency wishes to target during its performance under the grant.

- ii. Narrative Responses to HUD questions – Applicants will demonstrate how they provide culturally sensitive, linguistically appropriate education, outreach, and housing counseling to assist families and individuals to prepare for and overcome systemic and institutional barriers to sustainable homeownership.

Post Award Submission

HUD expects to award approximately no more than 56 Homeownership Initiative grants in 2023. The following additional information will be collected:

Form HUD-1044

Grant Agreement

Single or program-specific audit for agencies that expend over \$750,000

HUD-9902 Housing Counseling Projections

Certification for Client Management Systems

Certification of Financial Management Systems

Information supporting Grantee's requested Negotiated Rate Addendum that will establish the unit rate and be part of the Grant Agreement

Grant Activity Reports: grantees must file grant activity reports with reimbursement requests, and a final report.

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.

Beginning in FY 2005, all applicants were required to submit their applications electronically through Grants.gov. Electronic submission eliminates the burden on applicants to print, organize and ship multiple copies of their application. Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once. Additionally, for this new collection, HUD is using its own electronically maintained records of applicants' demonstrated history of activity to score a significant portion of this grant thus reducing the application burden on the grantees.

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 NOFOs are designed to avoid duplication of information. For example, performance data from other HUD data sources are factored into the scoring so that applicants do not need

to re-submit this data with the NOFO application. However, though HUD has information about the applicants' past performance and therefore can use its own data, the information requested from the applicant in this new collection is necessary in order for HUD to be able to assess the extent to which the applicant plans to contribute to HUD's strategic goals and the grant's program purpose, including supporting underserved communities' homeownership goals by providing culturally sensitive, linguistically appropriate housing counseling services.

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 is the minimal amount needed for HUD to effectively administer this program regardless of the size of any entity. The electronic grant application process eliminates the burden on all applicants to print, organize, and mail multiple copies of their application. Grants.gov automatically populates common elements of many forms, so that standard information about the applicant that appears on several forms only needs to be entered once.

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.

The data and narrative responses requested in the NOFO charts and forms are the means through which HUD ranks and rates applicants to competitively distribute awards. Failure to collect the information for this specific collection would prevent HUD from distributing approximately \$8.5 million in support of housing counseling services to increase homeownership rates among historically disadvantaged groups.

Failure to collect this information will also adversely affect HUD Participating Agencies in their efforts to continue to provide housing counseling pre and post purchase housing counseling services to families seeking homeownership, a majority of whom will be first-time homebuyers.

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;

There are no special circumstances that would require respondents to report more than quarterly.

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

There are no special circumstances that would require respondents to provide a written response to a collection of information in fewer than 30 days after receipt of it.

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

There are no special circumstances that would require 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;

There are no special circumstances that would 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;

There are no special circumstances 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.

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

There are no special circumstances requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

- * 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;

There are no special circumstances 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.

- * 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 special circumstances 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.

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 August 30, 2023, Volume 88, Page 59935. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on November 14, 2023, Volume 88, Page 78058. No comments were received.

This is a new collection, however, OHC has received extensive feedback during its normal course of grants management and oversight from potential respondents who have expressed a desire for a fixed fee or fixed amount award as opposed to the existing cost reimbursable grant structure used by OHC. Some of these grantees already use the fixed fee model with their own subgrantees. Because this grant will pay for the performance of negotiated outcomes at a pre-agreed upon fixed price, this grant is expected to reduce some of the administrative burden and record-keeping requirements.

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

There are no payments or gifts to respondents with respect to this collection.

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

Applicants are advised in the Notice of Funding Opportunity that their proposals are subject to disclosure under the provisions of the Freedom of Information Act (FOIA), and as such may be released in whole or in part, depending on the Department's determination of what information must be released. Applicants are permitted to indicate which portions of an application they believe should not be released and the basis for that belief, but the Department retains the right to make an independent evaluation as to releasing the requested information

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.

Some sensitive information may be submitted with the NOFO application, including, for example,

résumé type information. HUD and Grants.gov, which is administered by the Department of Health and Human Services, are taking the standard precautions regarding the electronic transfer of information, including firewall protection, encryptions, and access security.

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 / Type of Respondent	Form Name / Form Number	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
Note: The "Average Burden Hours Per Response" column includes a 1.46 multiplier for non-loaded responses.			includes a 1.46 multiplier for non-loaded responses.		fully-loaded wage rate			
HUD-approved Not-For-Profit Institutions; State and local government Agencies	HUD Form 91045	56	1	56	40	2,240	\$53.94	\$120,821
HUD-approved Not-For-Profit Institutions; State and local government Agencies	HUD-424-B Applicant Assurances	56	1	56	.75	42	\$53.94	\$2,266
HUD-approved Not-For-Profit Institutions; State and local government Agencies	HUD-2880 Applicant/ Recipient Disclosure	56	1	56	2	112	\$53.94	\$6,041
HUD-approved Not-For-Profit Institutions; State and local government Agencies	HUD-50153 Promise Zone Certification	5	1	5	.10	.5	\$53.94	\$27
HUD-approved Not-For-Profit Institutions; State and local government Agencies	SF-LLL Lobbying Disclosure	56	1	56	NA	NA	\$53.94	NA
HUD-approved Not-For-Profit Institutions; State and local government Agencies	SF-424 Application for Federal Assistance	56	1	56	NA	NA	\$53.94	NA
HUD-approved Not-For-Profit Institutions; State and local government Agencies	Grant reporting	56	1	56	10	560	\$53.94	\$30,206
Total		56		341		2,968		\$159,361

* Generally, estimates are based on the following categories of burden: (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 recordkeeping, 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]	N/A
Staff Salaries* 7 GS-13, Step 3 employees spending approximately 25% of time annually reviewing, scoring, awarding, and monitoring NOFO applications and awards for this data collection. 7 GS-13, Step 3 at \$119,482.00 = \$836,274 x 1.46 (wage rate multiplier) = \$1,221,106.04 (fully loaded) x .25 (25% of time spent) = \$305,276.51	\$305,276.51
Facilities [cost for renting, overhead, etc. for data collection activity]	N/A
Computer Hardware and Software [cost of equipment annual lifecycle]	N/A
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	N/A
Travel	0
Printing [number of data collection instruments annually]	0
Postage [annual number of data collection instruments x postage]	0
Other	0
Total	\$305,276.51

* 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.

As for the Homeownership Initiative Notice of Funding Opportunity (HI NOFO) Grant, the previously approved burden hours were 0 as this is a new collection and the current estimated annual hour burden is 2,968 hours. Therefore, the burden hours are positive program changes.

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.

- a. HUD will publish the names of the grantees. Additionally, HUD maintains a website listing all Participating Agencies. The collection of information will take place from the date of the opening of the application period to its closing which is expected to be XXX and last 60 days. Grant awards are expected to be announced approximately 45 days after the closing of the application period.

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.