

Supporting Statement for Paperwork Reduction Act Submissions

FHA-Insured Mortgage Loan Servicing of Delinquent, Default, and Foreclosure with Service Members Act

OMB Control Number: 2502-0584

Forms: HUD-2008-5-FHA, HUD-92070,

Electronic Forms: HUD 92068-A, HUD-90041, HUD-50012

Supplemental Documents: Annual Payment Supplement Disclosure, Final Payment Supplement Disclosure, Payment Supplement Agreement Rider, Payment Supplement Promissory Note and Payment Supplement Security Instrument

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.

Section 203 of the National Housing Act (12 U.S.C. 1709) (Act) authorizes the Secretary of Housing and Urban Development (HUD) to insure financial institutions against losses when mortgagors default on single-family mortgages.

The activities and requirements for this Paperwork Reduction Act (44 U.S.C. 3501-3521) (PRA) Submission are set forth in Title 24 of the Code of Federal Regulations (CFR) in numerous locations of the CFR, specifically 24 CFR 203.25, 203.330 - 331, 203.345 - 346, 203.350, 203.355 - 356, 203.359 through 203.361, 203.365, 203.368 - 369, 203.377, 203.402, 203.439, 203.447, 203.466 - 467, 203.472, 203.501, 203.552, 203.556, 203.600 through 203.604, 203.606, 203.608 and 203.670 through 203.681.

Federal Housing Administration (FHA) Insured Mortgage Loan Servicing of Delinquent, Default, and Foreclosure with Service Members Act, including Servicemembers Civil Relief Act (SCRA) program guidance is described in FHA's Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1).

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.

The respondents are FHA-approved mortgagees who service FHA-insured mortgages and the mortgagors participating in the information collection. Information received must comply with delinquency and default servicing, foreclosure, and SCRA requirements.

The purpose of this information collection is to monitor non-performing mortgage loans to bring delinquent mortgages current as quickly as possible, avoid foreclosure when feasible, and minimize losses to FHA's Mutual Mortgage Insurance Fund (MMIF). If reinstatement is viable, FHA does not anticipate a defaulted mortgage will be foreclosed. A successful servicing strategy treats each delinquent mortgagor individually and implements a workout plan that will successfully cure the delinquency and prevent foreclosure.

Delinquency and Default Requirements

A mortgage is delinquent any time a mortgage payment is due and not paid. A mortgage is in default when the mortgagor fails to make payment or perform any other obligation under the mortgage, and such failure continues for a period of 30 days (24 CFR 203.330, 203.331 and 203.467). The date of default is 30 days after the first uncorrected failure to perform any obligation under the mortgage; or the first failure to make a monthly payment which subsequent payments by the mortgagor are insufficient to cover when applied to the overdue monthly payment in the order in which they become due (24 CFR 203.331, 203.447 and 203.466).

Late Charge

FHA-insured mortgage payments are due on the first day of each month. Late charges are assessed if a payment is received more than 15 days after the due date (24 CFR 203.25). Late charges are standard within the mortgage industry on FHA, Department of Veterans Affairs (VA), and conventional loans; therefore, HUD ascribes no burden hours.

Partial Payment

A partial payment is any amount less than the full amount due under the mortgage at the time the payment is made, including late charges made by the mortgagee on behalf of the mortgagor (24 CFR 203.556).

The mortgagee may return a partial payment along with a letter of explanation for a current mortgage, and for a defaulted mortgage under certain conditions. If the mortgagee accepts a partial payment, it must be applied to the mortgagor's account or identified with the account and held in suspense. The mortgagee must apply suspense funds to the account when a full monthly installment due under the mortgage is accumulated.

The mortgagee must ensure its servicing file reflects any partial payments returned to the mortgagor and includes any letters of explanation for the returned payments. Due to the uniqueness of the partial payments program, HUD ascribes burden hours.

Mortgage Loan Collection

The mortgagee shall take prompt action to collect amounts due from mortgagors to minimize the number of accounts in a delinquent or default status (24 CFR 203.600). The purpose of collection efforts for non-performing loans is to bring delinquent mortgages current as quickly as possible, avoid foreclosure when feasible, and minimize losses to the MMIF. If reinstatement is viable, FHA does not anticipate a defaulted mortgage will be foreclosed. A successful servicing strategy treats each mortgagor individually and implements a workout plan to prevent foreclosure. Requirements for collection activities include borrower contact attempts within the prescribed timeline, written notices provided by specific dates, evaluation for loss mitigation and default reporting to HUD. This collection activity is standard for all delinquent mortgages, including FHA, VA, and conventional loans; therefore, HUD ascribes no burden hours.

Default Notice

The mortgagee must notify each borrower, co-signer, and any other party requiring notice by state law that the mortgage is in default. This default notice is standard for all delinquent mortgages, including FHA, VA and conventional loans; therefore, HUD ascribes no burden hours.

Electronic Form: HUD-92068-A, *Monthly Delinquent Loan Report*

The mortgagee must report the delinquency/default status codes that accurately reflect the severity of default and mortgagee action taken. The Single Family Default Monitoring System (SFDMS) is HUD's system for tracking mortgagee data on defaulted mortgages until a default is resolved through reinstatement or termination. The SFDMS is accessed online through FHA Catalyst.

Each month, mortgagees must report default servicing activities for all FHA-insured mortgages that are 30, 60, and 90 days or more in default and all mortgages in a payment supplement period as of the last day of the month (24 CFR 203.330, 203.331 and 203.356). Monthly reporting must include the status of four classes of mortgages: new delinquencies, open delinquencies, delinquencies resolved during the cycle month, and all mortgages receiving a payment supplement. Even though delinquency reporting is an industry standard for all mortgage loans, HUD ascribes burden hours due to the uniqueness of our program.

Notice of Homeownership Counseling Availability

Beginning on the 32nd day, but no later than the 45th day from the date the missed payment was due, the mortgagee must send a Notice of Homeownership Counseling Availability to the mortgagor. The notice must provide information on housing counseling services and potential benefits available through HUD-approved counseling agencies and be provided in accessible formats or languages when requested. It must include instructions and a toll-free number for locating agencies in the mortgagor's area, as well as information for people who are deaf or hard of hearing and individuals with speech or communication disabilities.

This required disclosure is an industry standard for all delinquent mortgage loans; therefore, HUD ascribes no burden hours.

HUD-2008-5-FHA, *Save Your Home: Tips to Avoid Foreclosure Fact Sheet*

Beginning on the 32nd day, but no later than the 60th day from the date the mortgage payment was due, the mortgagee must send a delinquency notice cover letter and *Save Your Home: Tips to Avoid Foreclosure* (form HUD-2008-5-FHA) to the mortgagor. The cover letter must include highly visible information about the availability of language services for mortgagors with limited English proficiency. The letter must include details concerning past due payments and late charges, mortgagee contact information with a toll-free number for customer assistance, a request for any required mortgagor information, and the toll-free number for information on HUD-approved housing counseling agencies. It must also state that HUD is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech and communication disabilities. This form is unique to HUD, and we ascribe burden hours.

The document is under revision to align the content with current policy. The revisions were required to reflect current loss mitigation options and updated resources for homeowners having difficulty making their mortgage payments.

Property Inspections

If the mortgagee is unable to contact the borrower by the 45th day of delinquency, the mortgagee must perform a visual inspection of the mortgaged property to determine the occupancy status (24 CFR 203.377). The occupancy inspection is necessary to determine if the property has become vacant or abandoned and to confirm the identity of any occupants. If the mortgagee is unable to determine the occupancy during the initial inspection and occupancy follow-up, the mortgagee must continue inspections at 25 to 35-day intervals until the status is established. The mortgagee must document the dates and methods of the inspections, including evidence of payments to the inspector, vacancy letters, and copies of the inspection reports with supporting documentation. The inspection report must include the inspection date, identify the company and individual performing the inspection, photographs, and the inspector's observations concerning occupancy, property condition, and actions taken for preservation and protection.

When a property is vacant or abandoned, the mortgagee must send a letter to the borrowers at the property address informing them of the occupancy determination. This letter must be sent by a method that provides delivery confirmation and includes the mortgagee's contact information. The mortgagee must commence vacant property inspections within 15 business days of the determination and at 25 to 35-day intervals until the default is cured or the property is conveyed to HUD. The mortgagee must document all inspections and preservation activity on vacant properties.

HUD ascribes burden hours due to our program's uniqueness; however, to avoid double counting, the burden hours are removed from this collection, as property inspection information is reported under existing OMB collection 2502-0429.

Face-to-Face Interview

The mortgagee must have a face-to-face interview with the mortgagor or make a reasonable effort to arrange the interview no later than the 61st day of delinquency, unless exempt: (24 CFR 203.604). The mortgagee must document the dates and methods of attempts to arrange the interview and the interview date, or reason for the exemption if the meeting is not required.

For mortgages insured on Hawaiian home lands pursuant to section 247, or Indian land pursuant to section 248, or if an assignment is requested under 24 CFR § 203.350(d) or mortgages authorized by section 203(q) of the National Housing Act, in the event a default occurs in a repayment plan arranged other than during a personal interview, the mortgagee must have a face-to-face meeting with the mortgagor, or make a reasonable attempt to arrange such a meeting within 30 days after the default and at least 30 days before foreclosure is commenced, or at least 30 days before assignment is requested.

Temporary face-to-face interview waiver

FHA published a regulatory waiver and an accompanying Handbook 4000.1 waiver to allow mortgagees to utilize alternative methods, e.g., phone interviews, e-mail, video calling services (e.g., Skype, Zoom, WebEx, Microsoft Teams, Facetime, GoToMeeting), other conferencing technology, etc., for contacting borrowers in lieu of face-to-face interviews, to assess the borrower's circumstances and to determine appropriate repayment plans as part of the early default intervention requirements of FHA default servicing. The partial waiver does not apply to 24 CFR § 203.604(e)(1). Face-to-face requirements are still in place for the Section 248 insurance program. This temporary waiver is effective through January 1, 2025.

HUD ascribes burden hours to a face-to-face interview for these specific federal regulations.

Preservation of Property

The mortgagee is responsible for the inspection, preservation, and protection of the property (24 CFR 203.377). Property Preservation and Protection (P&P) actions are maintenance, security, and repair work required by HUD to ensure that the property meets HUD's conveyance condition standards. The mortgagee must complete an occupancy inspection of a mortgaged property to determine if the property has become vacant or abandoned and to confirm the identity of any occupants. If the property is abandoned, the mortgagee must take all reasonable action to preserve and protect the property from further damage by securing and winterizing the property. Hazardous conditions must be abated, and the landscape maintained. The responsibility for P&P actions continues until payoff, conveyance to HUD, or until the property is no longer abandoned.

Even though this is an industry standard on all delinquent mortgages, HUD ascribes burden hours due to the uniqueness of our program.

Pre-foreclosure Review

Before initiating foreclosure, the mortgagee must ensure in its pre-foreclosure review that all servicing requirements have been met before approving the decision to foreclose (24 CFR 203.606). The mortgagee must document its evaluation and final decision concerning the mortgagor's eligibility for loss mitigation. Prior to the initiation of foreclosure, the mortgagee must develop a form or checklist to document that they have reviewed the mortgage for foreclosure. A supervisor higher than the person submitting the mortgage for foreclosure must sign or electronically acknowledge that they have reviewed and approved the document evidencing the decision to foreclose.

HUD ascribes burden hours to pre-foreclosure review due to the uniqueness of our program.

Mortgage Reinstatement

The mortgagee must allow reinstatement of the mortgage if the mortgagor offers, in a lump sum payment, all amounts to bring the account current including costs incurred by the mortgagee in instituting foreclosure (24 CFR 203.608). Exceptions to the requirement for allowing reinstatement would be if the mortgagee has accepted reinstatement in a previous foreclosure action within two years of initiation of the current action, or if the reinstatement would adversely affect the priority order of the mortgage lien or preclude foreclosure

following a subsequent default.

This process is an industry standard for all delinquent mortgage loans; therefore, HUD ascribes no burden hours.

Special Temporary Authority and Special Loss Mitigation

HUD is committed to working with mortgagees to help borrowers affected by natural or financial disasters to retain homeownership. Special temporary authority and special loss mitigation may be used in presidentially-declared disaster assistance for approved impacted areas or as an overall financial stimulus. Special authority can be granted for the expanded use of partial claims, loan modifications and foreclosure moratoriums in cases where borrowers are committed to continued occupancy of their property. The servicing file must document the mortgagee's loss mitigation evaluation and decisions. Supporting documentation concerning borrower and property eligibility must also be maintained.

HUD ascribes burden hours to special temporary authority and loss mitigation review due to the uniqueness of our program.

Foreclosure

When a mortgagor with a mortgage in default cannot or will not resume and complete their mortgage payments, the mortgagee must take steps to acquire the property or see that it is acquired by a third party. Before starting foreclosure, the mortgagee must review its servicing record to be certain that servicing has been performed in accordance with HUD guidance. When foreclosure is appropriate, mortgagees must initiate and complete foreclosure in a timely manner.

A mortgagee may initiate foreclosure on a delinquent mortgage if one of the following conditions is met:

- the mortgagee has determined that the mortgaged property has been abandoned or has been vacant for more than 60 Days and the mortgagee was unable to determine the mortgagor's eligibility for any Loss Mitigation option due to the mortgagor not responding to the mortgagee's efforts to contact the mortgagor;
- the mortgagor has notified the Mortgagee in writing that they have no intention of fulfilling their obligation under the Mortgage after being clearly advised of the Loss Mitigation Options available for relief, including a pre-foreclosure sale and deed-in-lieu of foreclosure;
- the mortgaged property is not the Mortgagor's Principal Residence, and it is occupied by tenants who are paying rent, but the Rental Income is not being applied to the mortgage debt; or
- the property is owned by a corporation or partnership.

HUD ascribes burden hours due to differences with the rest of the industry even though the act of foreclosure is the same whether the mortgage loan is a FHA, VA, or conventional.

Property Conveyance

The mortgagee must acquire clear marketable title and transfer the property to HUD within 30 days of the later of:

- Recordation of the foreclosure deed;
- Recording date of a deed-in-lieu of foreclosure;
- Acquisition of the property;
- Expiration of the redemption period; or
- HUD- approved extensions of time.

In cases where the mortgagee arranges for a direct conveyance of the property to the Secretary, the mortgagee must convey the property to HUD within 30 days of the end of the reasonable diligence time frame.

The mortgagee must notify the HUD on the date the deed to the Secretary is filed for recording by filing form HUD-27011, *Single-Family Application for Insurance Benefits* in FHA Connection and submitting a copy to HUD's Mortgagee Compliance Manager (MCM) who is the single point of contact to administer Mortgagee compliance functions and property preservation and protection activities.

The Mortgagee must submit to HUD's MCM in the Asset Disposition and Management System (P260) the following documentation reflecting ownership vested in the name of the Secretary (24 CFR 203.365) no more than 45 days after the date the deed is filed for record:

- original title evidence;
- a copy of Form HUD-27011, Part A;
- a copy of the mortgage instrument, containing a complete legal description of the property; and
- a copy of the recorded deed.

HUD ascribes burden hours to property conveyance due to the uniqueness of our program. However, form HUD-27011, *Single-Family Application for Insurance Benefits*, burden hours are reported to OMB control number 2502-0429.

Electronic Form: HUD-50012, *New Extension Request*

Extensions apply to HUD's Title II loan programs which provide specific time frames for initiation of foreclosure by servicing lenders. When circumstances prevent initiating foreclosure by those deadlines, servicing lenders may request an extension, which avoids curtailment of their debenture interest on future claims. A lender must complete form HUD-50012 Mortgagee's Request for Extensions of Time to request an extension through the Extension and Variances Requests System (EVARS) or if applicable through Asset Disposition and Management System (ADAMS/P260).

The Department uses the information to evaluate and respond to requests for extensions of regulatory time limits within which specific foreclosure processing steps must be taken. The request for an extension of time must be filed with HUD before the deadline expiration of any time frame.

HUD ascribes burden hours to form HUD-50012 due to the uniqueness of our program. Burden reporting is also approved under existing OMB number 2502-0611.

Deficiency Judgments

Deficiency judgments pursue collection from debtors associated with foreclosed mortgages when the properties are sold at foreclosure sales for less than the unpaid balance of the debts (24 CFR 203.369 and 203.402 (o)). Pursuing deficiency judgments deters abuse of HUD programs and allows the collection of revenue to offset losses to the Mutual Mortgage Insurance Fund (MMIF).

HUD may require mortgagees to pursue deficiency judgments for mortgages insured pursuant to firm commitments issued, or direct endorsement processing on or after March 28, 1988. Where HUD requires the mortgagee to pursue a deficiency judgment, HUD will provide the mortgagee with instructions and its estimate of the property's fair market value, less adjustments. Upon receipt of such notification, the mortgagee must tender a bid at the foreclosure sale in that amount and attempt, in accordance with state law, to obtain a deficiency judgment (24 CFR 203.369(a)(2)). For mortgages insured before March 28, 1988, HUD may also require a deficiency judgment to be pursued.

Mortgagees must assign deficiency judgments to HUD and transmit the judgment to HUD's National Servicing Center (NSC) no later than 30 days after the judgment was obtained if the mortgagee filed a claim for insurance benefits.

Form HUD-92070, *Servicemembers Civil Relief Act Notice Disclosure*

Servicemembers on "active duty" or "active service," or a spouse or dependent of such a servicemember may be entitled to certain legal protections and debt relief pursuant to the Servicemembers Civil Relief Act (SCRA) (50 USC §§ 3901-4043). Beginning on the 32nd day but no later than the 45th day from the missed payment due date, the mortgagee must send form HUD-92070 to all borrowers in default on residential mortgages and include the toll-free Military OneSource number to call if servicemembers or their dependents require further assistance. It explains protections to which servicemembers are entitled with respect to interest rate limits, debt relief, and other provisions related to debt collection. The specific relief provisions for FHA-insured loans have been established to ensure that eligible servicemembers and dependents are notified of and receive the authorized legal protections and debt relief. The required notices and information are exchanged between borrowers and their creditors, and creditors maintain documentation regarding those contacts. HUD does not require reports or collect information from creditors or borrowers on SCRA actions. Disclosure is an industry standard for all delinquent mortgage loans.

Electronic Form HUD- 90041, *Request for Variance*

The variances program allows lenders to request a variance when guidelines may otherwise prohibit the use of loss mitigation tools. The lenders must complete form HUD-90041 *Request for Variance*. The mortgagee must submit form HUD-90041, via HUD's Extension and Variance Automated Requests System (EVARS) to obtain National Servicing Center (NSC) approval for the variance. The mortgagee must note the specific reason for the request and attach any supporting documents for the NSC's review.

HUD ascribes burden hours to variance request due to the uniqueness of our program. Form

HUD-90041, *Request for Variance*, burden hours are currently reported to OMB control number 2502-0589. However, with future renewals, starting with this collection, HUD will ascribe burden hours to this collection, thus, moving reporting from OMB control number 2502-0589.

Supplemental Documents – Payment Supplement

The Annual Payment Supplement Disclosure is a model document that must be sent to the borrower annually as part of a billing statement or electronically during the payment supplement period. The disclosure provides information about the payment supplement account, including the initial amount and terms, monthly accounting of the funds disbursed from and remaining in the account, the date of expiration of the payment supplement period, and other information concerning the monthly payment and termination of the supplement.

The Final Payment Supplement Disclosure is a model document that must be sent to the borrower between 60 and 90 days before the expiration of the payment supplement period. The disclosure provides information about the payment supplement account, including the initial amount and terms, the expiration date of the supplement period and the estimated amount of the first payment following the expiration, monthly accounting of the funds disbursed from the account, and details concerning any funds remaining in the account.

The Payment Supplement Agreement Rider is a model document which is a rider to and is incorporated by reference into the Payment Supplement promissory note given in favor of the Secretary, representing the total of all funds paid from the MMIF to bring the mortgage current and then temporarily pay a portion of the borrower's monthly mortgage payment.

The Payment Supplement Promissory Note and Payment Supplement Security Instrument are model documents which evidence the terms and security for the Payment Supplement funds. The note and subordinate mortgage do not require repayment until the sale or transfer of the property, payoff of the mortgage, or termination of FHA insurance on the mortgage.-

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.

Mortgagees report delinquency information monthly into SFDMS through Electronic Data Interchange (EDI) or HUD's online systems, FHA Catalyst Modules and FHA Connection. HUD has not mandated a specific format for collecting and maintaining the records. The information is to be kept with similar documentation and submitted to HUD only if requested. Mortgagees can maintain documents in electronic or image format as long as the claim review file can be provided to HUD within 24 hours of the request.

HUD requires Mortgagees to report delinquency information using electronic form HUD-92068-A into HUD's SFDMS Reporting Module. HUD also requires electronic form HUD-50012 and electronic form HUD-90041 into EVARS. Paper versions of these three documents are obsolete/retired.

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.

There is no duplication of information. Mortgagees document loan servicing efforts as a part of their servicing and internal quality control procedures. HUD will accept the various formats mortgagees already use if the information is complete.

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 will not have a significant impact on a substantial number of small businesses.

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.

This PRA does not add to mortgagee reporting or record keeping burdens, as this information is already routinely maintained for internal and other purposes. The Department has worked in concert with the mortgage industry to establish regulations to benefit the mortgagee and our goals.

Monthly reporting of delinquencies by mortgagees is required to evaluate the health of the industry, and whether the mortgagee has performed adequate and prudent servicing as compared to other firms in their peer group.

FHA insurance is an important source of mortgage credit for low and moderate-income borrowers. Aiding these homeowners leads to more stable neighborhoods that might otherwise suffer from deterioration and problems associated with vacant and abandoned properties. Avoidance of foreclosure and the resultant costs also serve to further stabilize the mortgage insurance premiums charged by FHA and the Federal budget receipts generated from those premiums.

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;**

Respondents are required to report information to the agency more often than quarterly. Each month, the mortgagee must report default servicing activities for all mortgages that are 30, 60, and 90 days or more in default and all mortgages in a payment supplement period as of the last day of the month (24 CFR 203.330, 203.331, and 203.356).

Mortgagees may assess late charges on a monthly basis when the payment is received more than 15 days after the due date. A delinquency notice cover letter and HUD-2008-5-FHA, *Save Your Home: Tips to Avoid Foreclosure* fact sheet must be sent to the borrower between the 32nd and 60th day of delinquency. The Notice of Homeownership Counseling Availability and SCRA notice must be sent to the borrower no later than 45 days from the date the missed payment was due. The mortgagee must initiate property inspections by the

45th day of delinquency if they have been unable to reach the borrower. Subject to the temporary waiver in effect through January 1, 2025, mortgagees are required to conduct or attempt to arrange a face-to-face interview no later than the 61st day of delinquency.

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

Respondents are required to prepare a written response to a collection of information within fewer than 30 days of receipt. The mortgagee must respond to verbal or written requests for individual account information, including all servicing information and related data, and the mortgage origination file, from HUD staff or a HUD-approved counseling agency acting with the borrower's consent. When HUD staff request information, the mortgagee must make available legible documents in the format (electronic or hard copy) requested within 24 hours of the request or as otherwise permitted by HUD.

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

Respondents are not required 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;**

Mortgagees are required to retain all servicing files for a minimum of seven years after the transfer or sale of the mortgage or termination of mortgage insurance. For cases for which a mortgage insurance claim is filed, the Mortgagee must retain evidence of compliance with FHA servicing requirements in the mortgage insurance claim review file for at least seven years after the final claim or latest supplemental claim settlement date.

*** 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 connected 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 require 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; or**

The information collections take into consideration the need to assure data confidentiality and provide adequate Privacy Act Statement notices where needed. Therefore, this information collection does not include 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.**

This collection does not require 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 people 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 06-25-2024, Volume 89, Pages 53117-53118. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on Friday, October 25, 2024. Volume 89, Page 85229. No comments were received.

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

This PRA and the collection of information does provide incentives to the mortgagee for various reinstatement options under the Soldiers and Sailors Civil Relief Act of 1940, which includes up to \$200 for Special Forbearance, \$500 for a COVID-19 Recovery Standalone Partial Claim, \$750 for a COVID-19 Recovery Modification, and a Payment Supplement incentive of \$1,750.

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

The Privacy Act of 1974 (Pub. L. No. 93-579, 88 Stat. 1896, 5 U.S.C. 552a) protects respondents who meet the information reporting requirements. No assurances of confidentiality are provided to the respondents for this information collection.

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.

This collection contains questions about a prospective borrower’s income. This information is necessary to qualify the borrower for FHA mortgage insurance.

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.

Estimate Annualized Burden Hours and Costs

Information Collection	Number of Respondents	Response Frequency (average)	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Partial Payment	224	7,215.00	1,616,160.00	0.25	404,040.00	\$34.16	\$13,802,006.40
Electronic Form HUD-92068-A, Monthly Delinquent Loan Report	224	43,291.00	9,697,184.00	0.25	2,424,296.00	\$34.16	\$82,813,951.36
HUD-2008-5-FHA, Save Your Home Tips to Avoid Foreclosure Fact Sheet	224	7,215.00	1,616,160.00	0.25	404,040.00	\$34.16	\$13,802,006.40
Face to Face Interview	224	7,215.00	1,616,160.00	1.00	1,616,160.00	\$34.16	\$55,208,025.60

Information Collection	Number of Respondents	Response Frequency (average)	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Preservation of Property	224	43,291.00	9,697,184.00	1.00	9,697,184.00	\$34.16	\$331,255,805.44
Pre-foreclosure review	224	558.04	125,000.96	2.00	250,001.92	\$34.16	\$8,540,065.59
Special Authority/Loss Mitigation	224	560.22	125,489.28	1.00	125,489.28	\$34.16	\$4,286,713.80
Payment Supplement Promissory Note	224	558.04	125,000.96	1.00	125,000.96	\$34.16	\$4,286,713.80
Annual Payment Supplement Disclosure	224	558.04	125,000.96	0.25	31,250.24	\$34.16	\$1,067,508.20
Final Payment Supplement Disclosure	224	186.01	41,666.24	0.25	10,416.56	\$34.16	\$355,829.69
Payment Supplement Agreement Rider	224	558.04	125,000.96	1.00	125,000.96	\$34.16	\$4,270,032.79
Foreclosure	224	66.96	14,999.04	4.00	59,996.16	\$34.16	\$2,049,468.83
Property Conveyance	224	24.11	5,400.64	3.00	16,201.92	\$34.16	\$553,457.59
Electronic Form HUD-50012, New Extension Request	224	542.41	121,499.84	0.25	30,374.96	\$34.16	\$1,037,608.63
Deficiency Judgments	0	0.00	-	1.00	-	\$34.16	\$0.00
HUD -92070, SCRA Notice Disclosure	224	7,215.00	1,616,160.00	0.25	404,040.00	\$34.16	\$13,802,006.40
Electronic Form HUD-90041, New Variance Request	0	0.00	0	0.00	0.00	\$34.16	0.00
Totals	3,360		26,668,066.88	1.05	15,723,492.96		\$537,114,519.51

Note: The "Avg. Hourly Wage Rate" for each FHA-approved Mortgagee (loan officer) respondent includes a 1.46 multiplier to reflect a fully loaded wage rate.

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 \$23.40 would be multiplied by 1.46, and the entry for the "Avg. Hourly Wage Rate" would be \$34.16.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) Occupational Employment and Wage Statistics, May 2023, the wage rate category for the Mortgagee loan clerk that work with the FHA-approved Mortgagee (43-4131 Loan Interviewers and Clerks occupational category) is estimated to be (enter: \$23.40 mean hour rate(s) X 1.46 = \$34.16) per hour including the wage rate multiplier, therefore, the estimated burden hour cost to respondents (Mortgage Loan Clerks) is estimated to be \$71,043.60 (\$48,660 X 1.46) 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.

No additional costs for respondents.

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

Information Collection	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost	Annual Cost
Delinquency and Default Requirements					
Screenshot Delinquent Loan Reporting (HUD-92068-A)	9,697,184.00	0.01	96,971.84	\$60.84	\$5,899,766.75
Loss Mitigation	125,489.28	0.25	31,372.32	\$60.84	\$1,908,691.95
Property Conveyance	5,400.64	1	5,400.64	\$60.84	\$328,574.94
Screenshot Extensions of Time (HUD-50012)	121,499.84	0.1	12,149.98	\$60.84	\$739,205.03
Deficiency Judgments	0.00	0	0.00	\$60.84	\$0.00
Total	9,949,573.76		145,894.78		\$8,876,238.66

* 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 a revision of a currently approved collection. The information collection has been updated with new figures to represent the Department's current activity. As a result of this activity an increase in estimated annual burden hours occurred, and a decrease in the number of responses and respondents, particularly due to claims now being filed electronically. In response to the COVID-19 pandemic and current market conditions that have impacted a borrower's ability to refinance their loan, the Payment Supplement was introduced. To aid with this loss mitigation option, four supplemental documents have been added to this collection.

- Annual Payment Supplement Disclosure
- Final Payment Supplement Disclosure
- Payment Supplement Agreement Rider
- Payment Supplement Promissory Note and Payment Supplement Security Instrument

Form HUD-92070 was revised adding Space Force to regular members of the U.S. Armed Forces and listing the members in alphabetical order.

Two form versions were retired and changed as indicated.

Form Number	Format Change
HUD-2008-5-FHA	Pamphlet/brochure version is retired, replaced with an updated fact sheet.
HUD-90041	Paper version is retired, replaced with an electronic form submitted through EVARS. In addition, the reporting of this form has previously been captured on OMB Control Number 2502-0589, but is being incorporated to this collection form, where process more closely aligns.

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.

There are no plans to publish this collection of information for statistical use.

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 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 statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.