

Supporting Statement for Paperwork Reduction Act Submissions

Title:

OMB Control Number: 2502-0302

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) authorizes the Secretary of Department of Housing and Urban Development (HUD) to insure single family mortgages offered to HUD and sets eligibility parameters. The parameters include limits to the mortgage amounts that Federal Housing Authority (FHA) may insure, which is governed by section 203(b)(2) of the National Housing Act and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)).

The parameters for mortgage limits are tied to median home prices reflected in the sales price data for home sales across the country. The statutes are codified at 24 CFR Sec. 203.18b and include an appeal process from the public. Any interested party may submit a request for the mortgage limits to be increased in a particular area if they believe that the present limit does not accurately reflect the median house prices in that locale. Any request for an increase must be accompanied by sufficient housing sales price data to justify higher limits. Typically, this data includes housing sales data extracted from multiple listing services (MLS) that includes all or nearly all one-family dwelling and condominium sales in the area for a specified period and those involving two or more family units.

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.

These requests are usually submitted by housing industry groups, such as homebuilders, real estate professionals, and mortgage lenders. Most often, the housing sales price data is necessary to support a request for a higher mortgage limit, which may be obtained from existing local industry sources such as the MLS.

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 requests are submitted by mail or e-mail exclusively to FHA's Santa Ana Homeownership Center (HOC), located in Santa Ana, California.

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 similar information is available. Each request for appeal of FHA's loan limits contains supporting documentation for a specific jurisdiction, county, township, etc.

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.

This information collection will have no significant impact on small businesses or other small entities. Generally, the requests come to HUD from housing industry groups, such as homebuilders, real estate professionals, and mortgage lenders, and not from 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.

This information is collected only when a housing industry group submits an appeal to the current year's loan limit.

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 not required to report information more than quarterly.

- * requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - respondents are not required to prepare a written response in less than 30 days.

- * 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;
 - respondents are not required to retain records 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;
 - respondents are not required to provide a statistical survey.

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

- respondents are not required to submit information that includes a pledge of confidentiality that is not supported by authority established in a 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.

- respondents are not required 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. In accordance with 5 CFR 1320.8(d), a 60-day Federal Register Notice soliciting public comments was announced in the Federal Register on Monday, June 3, 2024, Volume 89, No. Page 47584. No comments were received.

9. There are no payments or gifts to respondents.

10. No assurances of confidentiality are provided to respondents.

11. No questions of a sensitive nature are asked of respondents.

12. Estimate of the respondent burden and cost of the collection of information:

Estimated Annualized Burden Hours and Costs

Information Collection / Affected Public	Form Name / Form Number Collection Tool	Number of Respondents (Requests from CY 2021-2024)	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
Local Appeals to Mortgage Limits/ Businesses or other for-profits	N/A	1	1	2	7	7	\$48.05	\$672.70

TOTALS

Note: The hourly cost is based on an estimate of the average salary of homebuilders, real estate professionals, and mortgage lenders, of approximately \$68,460 per year U.S. Department of Labor, Bureau of Labor Statistics website (https://www.bls.gov/oes/current/oes_nat.htm). The "Avg. Hourly Wage Rate" for each respondent includes a 1.46 multiplier to reflect a fully-loaded wage rate.

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).

There are 3,233 counties and areas, each with its loan limit that could be appealed. Members of the public that would likely submit an appeal request include FHA-approved lenders (approximately 2,300) and an unknown number of real estate professionals and advocacy groups.

HUD received six (6) requests for loan limit increases during calendar years 2021 through 2024. The total volume of appeal requests is very low, primarily because of the accuracy of the data and the variety of data sources, allowing HUD efficient and accurate compliance with the legal framework on calculating the limits.

Based on its most recent volume of appeal requests, HUD estimates that it could receive 1 appeal to increase local loan limits. HUD will seek a reduction in regulatory costs and burden and consider a public benefit for allowing any person or entity an opportunity to request an increase to the loan limits based on additional data that may be available.

Annual Cost Burden to Respondents or Recordkeepers

Data Collection Activity / Instrument	Annual Capital Start-Up Cost (investments in overhead, equipment, and other one-time expenditures)	Annual Operations and Maintenance Cost (such as recordkeeping, technical/professional services, etc.)	Annual Non-Labor Cost (expenditures on training, travel, and other resources)	Total Annual Cost to Respondents
TOTALS	\$0	\$0	\$0	\$0

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]	\$0
Staff Salaries* [1 of GS-13, Step 1 employee spending approximately .5 % of time annually reviewing appeals for this data collection] [1 GS-13, Step 1) x \$49.55 per hour x 10 hours = \$495.50 x 1.46 (wage rate multiplier) = \$723.43 (fully-loaded) x .50 (50% of time spent) = \$361.72]	\$361.72
Facilities [cost for renting, overhead, etc. for data collection activity]	\$0
Computer Hardware and Software [cost of equipment annual lifecycle]	\$0
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	\$0
Travel	\$0
Printing [number of data collection instruments annually]	\$0
Postage [annual number of data collection instruments x postage]	\$0
Other	\$0
Total	\$361.72

* 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 renewal of a currently approved collection. There were only five (5) appeals in 2021 through 2023, and one (1) appeal in 2024.

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.

Not applicable.

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.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19,

"Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not applicable.