

# Supporting Statement for Paperwork Reduction Act Submissions

## Home Equity Conversion Mortgage (HECM) Counseling Standardization, Application for HECM Counselor Roster and Certificate of HECM Counseling OMB Control Number: 2502-0586 Forms: (HUD-92902 and HUD-92904)

### 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.**

This information collection seeks a reinstatement through the emergency PRA process with changes of a previously approved collection, OMB 2502-0586, for which the approval expired on August 31, 2018. Section 255(f) of the National Housing Act (NHA) (12 U.S.C. 1715z-20(f)) requires the Department implement qualification standards and counseling protocols to qualify individuals as HECM counselors eligible to provide HECM counseling to prospective HECM borrowers. The implementing regulations are found at 24 CFR 206, Subpart E (HECM Counselor Roster Rule). The HECM Counselor Roster Rule establishes eligibility criteria for counselors seeking approval and for remaining on the HECM Counselor Roster along with procedures for removal for cause. The HUD-92904, currently part of this collection, enables HUD to collect the necessary information to allow HECM certified housing counselors to be added to the HECM Roster.

Additionally, this submission requests the addition of form HUD-92902, *Certificate of HECM Counseling* (expires April 30, 2024) which is currently part of OMB Collection 2502-0524, to this collection. Further, HUD's Office of General Counsel, also referred to as HUD OGC, has made recommendations to have the HUD-92902 form comply with the HECM Final Rule which was effective September 19, 2017 (82 FR7094). Since HUD's Office of Housing Counseling (OHC) administers and has oversight of the HECM Counseling Program and regulates all items pertinent to the roles of HUD-approved HECM Roster housing counselors, it is appropriate that the HUD-92902 be included in this collection. The title of this collection has been modified to include this additional form.

The HECM Counselor examination and application assist HUD in evaluating the knowledge and capacity of individuals interested in providing HECM counseling to prospective and eligible HECM borrowers thereby reducing the risk to the Federal Housing Administration (FHA) Mutual Mortgage Insurance Fund (MMIF). The collection of information also assists HUD in providing and maintaining a current roster of HUD-approved HECM counselors. This information is made available to the general public which includes prospective HECM borrowers.

**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 HECM Counseling Program and Roster**

The purpose for which the information is being collected is to qualify individuals as HECM counselors eligible to provide HECM counseling to prospective HECM borrowers and to provide the prospective HECM borrowers with the HECM housing counseling certificate required for eligibility to obtain a HECM. Counselors who meet the HECM counseling eligibility requirements will complete and transmit a completed HUD-92904, *Application for Home Equity Conversion Mortgage (HECM) Roster Counselor*, via HUD's FHA Connection (FHAC) (F17) system. Data is stored in the Computerized Homes Underwriting Management System (CHUMS).

## **Standardization of HECM Counseling**

The number of approved HECM Roster Counselors has significantly decreased following the end of the Great Recession due to reduced funding, housing counseling agency (HCA) consolidations, decisions to close their businesses, counselor attritions, turnovers, or resignations. In 2017, HUD had approximately 850 HUD-approved HECM Roster Counselors. The HUD HECM counselor roster currently shows a total of 458 HUD-approved HECM Roster Counselors. However, in actuality there currently are only 305 unique HECM Roster Counselors employed at 237 HUD-approved HCAs. The number discrepancy is due to two circumstances: firstly, HECM certified counselors can be employed part-time by different HCAs at the same time, and secondly, frequently the same approved HECM Counselor provides HECM counseling services at several different branch locations for the same Housing Counseling agency. Therefore, because one unique counselor often counts more than once on the roster, the roster currently shows 153 more HECM counselors than there actually are.

To be eligible to be placed on the HECM Counselor Roster, an individual must provide HUD with proof that he/she: 1) successfully passed the standardized HECM counselor test; 2) is employed by a HUD-approved HCA, or affiliate of a HUD-approved intermediary or state housing finance agency; 3) is receiving continuing education and providing evidence thereof, if requested by HUD; and 4) has access to and is supported by appropriate technology enabling HUD to track the results of the counseling offered to each prospective HECM borrower and other parties required to receive counseling in accordance with OHC and HECM regulations. HUD staff use the information collected to assess the eligibility of the individual to provide HECM counseling to potential HECM borrowers. The information also assists HUD staff in detecting any actual or apparent conflicts of interest that may not be permissible under HUD requirements.

To recertify eligibility to remain on the HECM Counseling Roster, a counselor must provide HUD with proof of completed HECM-related continuing education within 2 years of being placed on the roster or the most recent continuing education recertification date. OHC maintains a HECM Continuing Education List of approved courses at <https://www.hudexchange.info/programs/housing-counseling/hecm/origination/#biennial-continuing-education-requirements>

Under the HECM program, a statutory condition precedent to borrower(s) being eligible for HECM financing is that the prospective borrowers, non-borrowing spouses, and any non-borrowing owners with an interest in the mortgaged property receive HECM counseling from a HUD-approved HECM Counselor that is employed by a Participating Agency (i.e., an agency participating in the HUD Housing Counseling Program). A HECM Counselor is legally defined as an independent third party who is currently active on the FHA’s HECM Counselor Roster and is not, either directly or indirectly, associated with or compensated by, a party involved in originating, servicing, or funding the HECM, or the sale of annuities, investments, long-term care insurance, or any other type of financial or insurance product. See National Housing Act section 255(d) and 24 CFR sections 206.3 and 206.41.

An approved HECM Roster Counselor must take and successfully pass the HECM exam within three years of being placed on the roster or the most recent exam recertification date.

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

FORM	FORM TITLE	FORM DESCRIPTION
HUD-92902 OHC	Certificate of HECM Counseling	Document completed by the HECM Roster Counselor after the counselor has provided the necessary HECM counseling to the prospective borrower for purposes of HECM eligibility. To complete the form, the counselor provides the name of the individual(s) receiving the counseling, certifies that the requisite training has been provided and to whom, how the counseling was held. Both the counselor and the prospective borrower sign the Certificate. This is a necessary document for the lender to be able to provide the prospective borrower the HECM. The information collected from the counselor and the borrower is necessary to screen mortgage insurance applicants to protect the FHA mortgage insurance fund and the interests of consumers and potential borrowers.
HUD-92904 OHC	Application for HECM Counselor Roster	Document completed by a potential HECM Counselor in order to allow that individual to be placed on the HECM Counselor Roster. The information collected consists of the following: the name, address, and other personally identifying information of the prospective HECM counselor including social security number, date of birth, and contact information; the identity of the counselor’s employer; the date the counselor passed the HECM exam; and also requests some details about the HECM training the counselor has had. HUD staff use the information collected to assess the eligibility of the individual to provide HECM counseling to potential HECM borrowers. The information also assists HUD staff in detecting any actual or apparent conflicts of interest that may not be

The information below (1,2,3) is gathered in the FHA Connection system. These online collection tools are the same for all entities and are not currently separate forms. Counselors use the HUD Certified Housing Counselor Application or Update/Renewal screens in FHA Connection to update information covered by the HUD-92904 (training names, hiring dates).

1. Counseling Standardization information.
2. Reporting HECM Roster Counselor Continuing Education course for Biennial Recertification;
3. Counselor Termination.

In accordance with statutory and regulatory requirements at Section 255(f) of the NHA and 24 CFR 206.41 HECM Counselors must discuss the following topics with HECM counseling clients:

- a) the options, other than a HECM, that are available to the homeowners, including other housing, social service, health, and financial options;
- b) other home equity conversion options that are or may become available to the homeowner, such as other reverse mortgage products, HECM purchase transaction, sale-leaseback financing, deferred payment loans, and property tax deferral;
- c) the financial implications of entering into a HECM;
- d) a disclosure that a home equity conversion mortgage may have tax consequences, affect eligibility for assistance under federal and state programs, and have an impact on the estate and heirs of the homeowners;
- e) whether the prospective borrower has signed a contract or agreement with an estate planning firm that requires, or purports to require, the borrower to pay a fee on or after closing that may exceed amounts permitted by the Secretary or in 24 CFR Part 206 and the extent to which these services may not be needed or may be available at nominal or no cost from other sources, including the lender (See 24 CFR section 206.41(b));
- f) the conditions under which a non-borrowing spouse is permitted to stay in the home after the death of the borrower or if the borrower is moved to a health care facility See 24 CFR section 206.55); and
- g) the terms and conditions for the mortgage becoming due and payable and deferral requirements for non-borrowing spouses who chose to remain in the home upon the death of the last surviving borrower.

OHC's HUD Exchange's website dedicated to providing specific instructions on every aspect of HECM Counseling for housing counselors is located at <https://www.hudexchange.info/programs/housing-counseling/hecm/origination/#resources-for-hecm-counselors>. Information topics at the site include but are not limited to information on counselor eligibility and instructions on how counselors can update and maintain their counselor information.

The HECM Roster Counselor termination process no longer requires that the counselor submit a written request to HUD. HCAs may now end the employment of a HECM Roster Counselor in HUD's FHAC System. Terminations occur for a variety of reasons: the counselor is no longer employed at the HCA due to resignation, retirement, death, a decision not to recertify, or a failure to do recertify timely.

### **Certificate of HECM Counseling, Form HUD-92902**

At the conclusion of each counseling session, HECM counselors must complete a *Certificate of HECM Counseling*, form HUD-92902, in HUD's FHAC system (F17C), print the form out and have the prospective HECM borrower, non-borrowing spouse, non-borrowing owner and others required to receive counseling sign and date the form HUD-92902. The borrower must provide the signed and dated certificate to the lender for processing of the HECM loan application. (See 24 CFR 206.41)

This collection requirement does not necessitate the acquisition of specific software for HCAs; however, they must have access to HUD's FHAC system since this form is only available electronically in the system: no paper versions of the form will be accepted. Submission of the completed form to HUD is done via an automated process in FHAC.

The information collected for the HUD-92902, Certificate of HECM Counseling, is necessary to screen mortgage insurance applications to protect the FHA mortgage insurance fund and the interests of consumers and potential borrowers. Without the collection of this information, the HECM and HUD Housing Counseling Programs could be open to abuse and fraud by persons with an interest other than the interests of the HECM borrower in seeing the HECM loan transactions close.

The form HUD-92902 is valid for 180 days. For HECM loans in most states, the certificate must be current at case number assignment, but the loan can close even if the certificate has expired. Prospective HECM borrowers who allow their Certificate of HECM Counseling to expire are required to receive another full counseling session from a HECM Roster Counselor before another HUD-92902 can be issued as these forms are not eligible for extensions. These electronic certificates are stored in CHUMS. The CHUMS mainframe resides behind a firewall. Only approved HUD staff with proper security have access to files. ID security is maintained by HUD and access levels are controlled as appropriate for each user.

### **Application for HECM Counselor Roster, Form HUD-92904**

Establishing testing standards and a roster of eligible HECM counselors are necessary to comply with the statutory requirements of Section 255(f) of the NHA as implemented at 24 CFR 206, Subpart E. Because of the requirements set forth at section 255(f), HUD must be assured that individuals have the knowledge and capacity to provide this statutorily required HECM counseling to prospective HECM borrowers. These standards and the associated

information collection contribute to improving the quality of HECM counseling. HUD also bears the responsibility and is statutorily required to ensure that any risks to the FHA mortgage insurance fund are mitigated. Standards for providing adequate HECM counseling helps to ensure that elderly homeowners make more informed decisions when considering whether to pursue a HECM loan. This collection provides the means to meet HUD's statutory obligation.

Prior to completing the form HUD-92904 on-line in HUD's FHAC system, a counselor must meet these eligibility requirements:

- 1) Housing counselors must register and then successfully pass the National HECM Counseling Exam;
- 2) Additionally, prior to but by August 1, 2021, all HECM Roster Counselors must successfully have registered, successfully passed and have been approved by HUD to be a HUD Certified Counselor;
- 3) A counselor must have successfully completed at least one HUD-approved training course related to HECM Counseling within the last 2 years. HUD posts a list of approved courses at <https://www.hudexchange.info/programs/housing-counseling/hecm/origination/#biennial-continuing-education-requirements>
- 4) A counselor cannot be listed on the General Services Administration's **Excluded Parties List System (EPLS)**, HUD's **Limited Denial of Participation List (LDP)**, or HUD's **Credit Alert Interactive Voice Response System (CAIVRS)**;
- 5) Be employed by a HUD-approved HCA; and
- 6) A HECM Roster Counselor must establish an FHAC system User ID.

HUD provides specific instructions on how to complete and submit the form HUD-92904 on OHC's HUD Exchange site located at the [Roster Application Overview](#) site. Additionally, HUD provides instructions should an HCA need to officially [End the employment of a Counselor on the Roster](#).

An HCA's Roster Application Coordinator must certify a counselor's employment at the HCA electronically in FHAC prior to the counselor being HUD-approved as a HECM Roster Counselor. The [Roster Application Coordinator Responsibilities](#) are posted on OHC's HUD Exchange site.

This collection requirement does not necessitate the acquisition of specific software for HCAs, however they must have access to HUD's FHAC since this form is only available electronically in the system; no paper versions of the form will be accepted. Submission of the completed form to HUD is via an automated process in FHAC.

HUD has five (5) HECM Subject Matter Experts that are trained and authorized to access the FHAC System daily. They review the on-line HUD-92904 form and check other eligibility requirements submitted by counselors who have applied to become a HECM Roster

Counselor. HUD typically receives and reviews 305 HECM Roster Applications annually.

**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 applicants must successfully pass the standardized HECM Counselor Roster examination. The application requirement for individuals to become approved HECM counselors is minimal, and the criteria are clearly defined. This collection requirement does not necessitate the acquisition of specific software, but the HCA must have access to HUD's FHAC (F17C) system. Since this collection was last approved, OHC has created electronic versions of the HUD-92902, Certificate of HECM Counseling, and HUD-92904, Application for HECM Counselor Roster, in HUD's FHAC system. This has semi-automated the process for both forms by having data fields that can be completed on-line, improved the quality and clarity of the applications and certificates, improved record-keeping, and eliminated fraud.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

This information is not collected elsewhere. HUD/OHC makes every effort to assure no duplication of information is required. Each HECM Roster Counselor has a unique identity in FHAC system.

The *Certificate of HECM Counseling* (HUD-92902) is valid for 180 days. Since it contains Personally Identifiable Information that is located on a secure HUD System it could not be easily used or modified.

**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 collection typically does not significantly impact small businesses. It is rare that a small non-profit HCA would have a HECM Roster Counselor because of the specialized training, exam requirements, and standardization counseling requirements for HECM counseling. HUD makes every effort to minimize the burden of information collection to all organizations participating in the HECM Counseling Program. Only information critical to evaluating the eligibility requirements for a counselor to become or recertify as a HECM Roster Counselor is collected. For small businesses that have a HECM Roster Counselor, HUD has minimized the burden by having made electronic forms HUD-92902 and HUD-92904 available via HUD's FHAC system.

**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.**

Ascertaining the professional specialized knowledge required by HECM Roster Counselors is necessary to comply with the requirements of Section 255(f) of the National Housing Act (NHA) (12 U.S.C. 1715z-20(f)) that requires the Department to implement qualification standards and counseling protocols to qualify individuals as HECM counselors eligible to provide HECM counseling to prospective HECM borrowers. If this information were not collected, HUD would be unable to effectively monitor the number of qualified and approved HECM Roster Counselors. Both HUD-92902 and HUD-92904 assist OHC and the Housing Counseling Program to guard against waste, fraud, abuse, or inappropriate program practices that may pose a risk to the program. This collection provides the means to meet that obligation. HUD publishes a web list of HUD approved HECM Roster Counselors located at <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> and maintains a toll-free housing counseling hotline (800/569-4287). HECM Roster Counselors help HUD ensure that individuals seeking the mandatory HECM counseling from these HUD-approved HECM Roster Counselors can have confidence in the quality of services that they will receive.

**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 requiring this type of action;**

\* 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 requiring this type of action.**

\* requiring respondents to submit more than an original and two copies of any document;  
**There are no special circumstances requiring this type of action.**

\* 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 requiring this type of action.**

\* 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 requiring this type of action.**

\* requiring the use of a statistical data classification that has not been reviewed and approved by OMB;  
**There are no special circumstances requiring this type of action.**

\*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  
**There are no special circumstances requiring this type of action.**

\* 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 this type of action.**

**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 29, 2023, Volume 88, Page 59536. No comments were received.

A 30-day Federal Register Notice inviting public comments was published on 11-07-2023, Volume 88, Page 76844. No comments were received.

OHC has consulted with the following three (3) Not-for-profit HCA representatives listed below:

1. SPRINGBOARD NON-PROFIT CONSUMER CREDIT MANAGEMENT INC.  
Contact: Melinda Opperman [melinda.opperman@springboard.org](mailto:melinda.opperman@springboard.org).
  
2. HOUSING OPTIONS FOR THE ELDERLY  
Contact: Buz Zeman [buz.hope@gmail.com](mailto:buz.hope@gmail.com) or [buz@hotmail.com](mailto:buz@hotmail.com)
  
3. GREENPATH Contact: Nicole Caldwell [ancaldwell@greenpath.com](mailto:ancaldwell@greenpath.com)

OHC requested these representatives' views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure and reporting format, and on the data elements to be recorded, disclosed, or reported. Going forward, OHC will continue to consult with representatives from the housing counseling industry and reverse mortgage trade organizations from whom information is to be obtained or from those who must compile records at least once every 3 years even if the collection of information activity is the same as in prior period.

OHC's HECM Roster Counselors and HCAs can provide feedback to any of OHC's forms using several methods. Throughout the year, HCAs provide feedback on forms, offer suggestions, or ask questions via the OHC email address, [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov). HUD also provides external webinar training on the Housing Counseling Program which includes

webinar training on OHC forms. Feedback, comments, and suggestions are always received during the external webinar trainings and attendees are encouraged to use the OHC email address following any external webinar or in-person training as well.

**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.**

OHC currently has five (4) specialists and one (1) supervisor who are HECM Subject Matter Experts (SMEs). Only these specific OHC employees have been authorized with special access privileges to the HECM Roster Counselor and HECM Certificate functions, including access to client level data, in the FHAC system. Derogatory findings indicating the possibility of falsified records or fraud may be reported by the reviewing HECM Subject Matter Experts to the appropriate Office of the Inspector General. HUD will secure and protect the electronic transfer of sensitive information, such as client level data, by using firewall protection, encryptions, and restricted access security. The protections to be implemented will be fully compliant with all federal requirements and National Institute of Standards and Technology (NIST) guidance.

HUD's Office Single Family Housing (SFH) is responsible for FHAC ("F13") and the CHUMS systems. SFH has completed two new Privacy Impact Assessment (PIA) forms for both systems. The preliminary PIA for CHUMS was completed in September 2003. The Privacy Act Statement has been added to the HUD-92902 and HUD-92904 forms so that it now complies with the Privacy Act.

**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.**

No information of a sensitive nature is required as part of 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 13.

Information Collection 2502-0586 / Type of Respondent	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
Non-profit (National and Regional Intermediaries, Multi-State Organizations, Local HUD-approved HCAs)	Counseling Standardization	13,125	1	13,125	1.25	16,406.25	\$53.74	\$881,671.88
State, Local, or Tribal Government HCAs	Counseling Standardization	875	1	875	1.25	1,093.75	\$53.74	\$58,778.13
Non-profit (Intermediaries, Multi-State Organizations, Local HCAs)	"Certificate of HECM Counseling"/ HUD-92902	13,125	1	13,125	2	26,250	\$53.74	\$1,410,675.00
State, Local, or Tribal Govt.	"Certificate of HECM Counseling"/ HUD-92902	875	1	875	2	1,750	\$53.74	\$94,045.00
Non-profit (Intermediaries, Multi-State Organizations, Local HCAs)	"Application for HECM Counselor Roster" HUD-92904 and establishing counseling ID in FHA Connection system	244	1	244	1.30	317.20	\$53.74	\$17,046.33
State, Local, or Tribal Govt.	"Application for HECM Counselor Roster" HUD-92904 and establishing counselor ID in FHA Connection system	61	1	61	1.30	79.30	\$53.74	\$4,261.58
Non-profit (Intermediaries,	Reporting HECM Roster Counselor	122	1	122	.30.	36.60	\$53.74	\$1,966.88

Multi-State Organizations, Local HCAs)	Continuing Education course for Biennial Recertification							
State, Local, or Tribal Govt.	Reporting HECM Roster Counselor Continuing Education course for Biennial Recertification	30	1	30	.30	9	\$53.74	\$483.66
Non-profit (Intermediaries, Multi-State Organizations, Local HCAs)	Written request for Terminating a HECM Roster Counselor a HECM Roster Counselor	1	1	1	.25	.25	\$53.74	\$13.44
State, Local, or Tribal Govt.	Written request for Terminating a HECM Roster Counselor	1	1	1	.25	.25	\$53.74	\$13.44
<b>TOTALS</b>		<b>28,459</b>		<b>28,459</b>		<b>45,943</b>		<b>\$2,468,955.34</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

\*The total annual burden hours has been rounded up to **45,943** hours to be consistent with OMB's system ROCIS.\*

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

According to the U.S. Department of Labor, Bureau of Labor Statistics website ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)) the median wage rate category for Business and Financial Operations Occupations (13-0000) is estimated to be \$36.81 (hourly wage rate) x 1.46 (the wage rate multiplier) = \$53.74 (with fully loaded wage rate).

**NOTE:** OHC currently has 305 unique HECM Rosters counselors, however the number of HCAs differs because HECM Roster Counselors can be employed part-time by different HCAs at the same time.

**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 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: Salient is the federal contractor for the FHA Connection (F17C) system. Contained in this large federal contact is a specific contract task order for the Operation and Maintenance of the system. The contract doesn't have specific allocations to the HECM Counselor Roster and HECM Certificate functions contained in that HUD system. The support provided is part of general Operations and Maintenance which covers HUD's Computerized Homes Underwriting Management System (CHUMS) processing and the Counselor and Certificate functions.	<b>\$370,177.00</b>
<b>Staff Salaries* 5 FTEs</b> <b>1 FTE (GS-14, Step 3) x \$141,192 x 1.46 (wage rate multiplier) =</b> <b>\$ 206,140.32 (fully loaded) x .25 (25% of time spent) = \$51,535.08</b>  <b>4 FTE (GS-13, Step 3) employees spending approximately 25% of time</b> <b>annually monitoring this data collection: 4 FTE (GS-13, Step 3)</b> <b>x \$119,482.00 x \$ 1.46 (wage rate multiplier)</b> <b>= \$697,774.88 (fully loaded) x .25 (25% of time spent) = \$174,443.72</b>  <b>NOTE: Calculations were based upon the Office of Personnel Management's</b>	

<p>website for Salary Table 1/2023, Washington, DC/Baltimore/Arlington.  <a href="#">SALARY TABLE 2023-DCB (opm.gov)</a></p> <p><b>Annual figure for number of federal respondents (5):</b></p>	<b>\$225,978.80</b>
Facilities [cost for renting, overhead, etc. for data collection activity]	0.00
Computer Hardware and Software [cost of equipment annual lifecycle]	0.00
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	0.00
Travel	0.00
Printing [number of data collection instruments annually]	0.00
Postage [annual number of data collection instruments x postage]	0.00
Other	0.00
<b>Total</b>	<b>\$596,155.80</b>

\* 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 collection is a reinstatement with changes of OMB 2502-0586 along with the request to transfer HUD Form 92904 to this collection. HUD-92904 is currently approved in PRA Collection OMB 2502-0524, Home Equity Conversion Mortgage (HECM) Insurance Application for Reverse Mortgages and Related Documents, which expires on 4/30/2024. At the time of this collection in 2015, OHC had approximately 850 HECM Counselors and over 7,000 HUD-approved Housing Counseling Agencies (HCAs). There are now 305 HECM Roster Counselors who are working at over 200 HUD-approved HCAs. This reduction has several causes. Following the end of the Great Recession, a large amount of federal and state funding available for Foreclosure Prevention ceased which resulted in many HCAs closing their businesses due to lack of funding for the counseling services their agencies offered.

In the previous collection, Standardization of HECM Counseling was not a separate line item on the burden hours table. Also, in box number 12 on the OMB 83-I form, item "g" which refers to state, local, or tribal government was not previously captured and therefore was not a separate item on the #12 burden hour table.

**HUD-92902, Certificate of HECM Counseling:**

As noted, the HECM Final Rule went into effect on September 19, 2017. One of many significant and substantive changes to the HECM program was the defining of several terms of art for purposes of the HECM program including, but not limited to, the terms "Borrower," "Mortgagor," and "Non-Borrowing Spouse." In addition, the Final Rule makes clear who must receive HECM counseling. See 24 CFR sections 206.3 and 206.41. The updated Certificate does attempt to clarify who must be counseled as required under the Final Rule;

however, the Certificate does not incorporate the correct HECM Program terminology (*i.e.*, HECM Program terms as defined at 24 CFR 206.3), when referring to these individuals. For example, the Certificate refers to all prospective borrower(s) as “homeowner(s)” and to Non-Borrowing Spouses as “non-borrower spouse.” These latter terms, however, are clearly defined at 24 CFR Part 206 and the Certificate must be consistent with changes made by the Final Rule. Thus, we have revised the draft Certificate by incorporating the correct terminology when referring to prospective HECM borrower(s) and, when applicable, his/her non-borrowing spouse to make clear which parties are required to receive counseling. OHC has had many discussions with the Office of General Counsel regarding its concerns and OHC agreed to incorporate the changes as outlined in the attached redline version of the draft Certificate.

#### **HUD-92904, “Application for HECM Roster Counselor”**

The PRA package includes OHC’s HUD-approved Application for HECM Roster (form HUD-92904) which has also been updated and for which OHC is seeking PRA reinstatement and approval. The Application requires that applicants certify they will comply with pertinent HUD and OHC requirements. OGC recommended that the language be revised to clarify the pertinent policies in the case of the relevant Handbooks (*e.g.*, HUD Handbooks 7610.1, Rev-5 and 4235.1, as updated).

**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.**

HUD does not have any plans for publishing or publication of any results of the information being collected

**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.