

Supporting Statement for Paperwork Reduction Act Submissions
Legal Instructions Concerning - Applications for Full Insurance Benefits—Assignment of
Multifamily and Healthcare Mortgages to the Secretary
OMB # 2510-0006

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.**

Under Section 207(g) of the National Housing Act (12 U.S.C. § 1713(g)), when an FHA insured multifamily or healthcare mortgage goes into default, the mortgagee may become entitled to receive mortgage insurance benefits from FHA by assigning the mortgage to HUD. Section 207(g) states that in connection with the assignment of the mortgage to HUD, the mortgagee shall assign, transfer and deliver to the Secretary:

- 1) All rights and interests arising under the mortgage so in default;
- 2) All claims of the mortgagee against the mortgagor or others, arising out of the mortgage transactions;
- 3) All policies of title or other insurance or surety bonds or other guaranties and any and all claims thereunder; and
- 4) All records, documents, books, papers, and accounts relating to the mortgage transaction.

HUD's regulations implementing these requirements are found in 24 C.F.R. § 207.258. (Copies of relevant statutes and regulations are attached.) HUD's Office of General Counsel (OGC), Office of Insured Housing, Multifamily Mortgage Division, is responsible for reviewing and approving the mortgage-related documents submitted by the mortgagee in connection with these requirements. When HUD receives the mortgagee's election to assign the mortgage and approves it, an email confirmation is sent to the mortgagee from HUD's Multifamily Delinquency and Default Report System (MDDR). That email contains a link to the Legal Instructions Concerning Applications for Full Insurance Benefits (**the "Legal Instructions"**) (<https://www.hud.gov/stat/ogc-legal-instructions-full-insurance-benefits>), which inform the mortgagee of the requirements, timelines and procedures for submission of the required documents.

Most of the documents which mortgagees are required to produce pursuant to the proposed form—e.g., the mortgage and the security agreement, are documents which the mortgagee should have in its files even in the absence of these requirements.

- 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 mortgagee must provide HUD with accurate, complete, and valid documentation on the mortgage being assigned to the Secretary so that HUD may effectively service and, if necessary, sell or foreclose the lien of the mortgage. If the documentation does not meet HUD's requirements, the enforceability and priority of the lien on the real and personal property may be compromised.

- 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.**

Electronic submission is currently permitted, and there is proposed language in the Legal Instructions that would require the mortgagee to transmit its legal documents for the initial review by HUD OGC. This proposal reflects the current practices and preferences of respondents and is an effort to reduce the burden. In addition, the information is gathered from existing mortgage documents the mortgagee has in its possession from the initial mortgage application closing process. After OGC has completed its legal review, mortgagees are instructed to mail the original hard copies to HUD, because HUD must have the original loan documents to service the loan.

- 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.**

Each submission relates to a single project and individual, unique documents that are not being requested elsewhere by the Department. The information is gathered from the actual mortgage documents that the mortgagee already has in its possession as a result of applying for the insurance and providing the loan, and closing or settlement of mortgages remains a hard copy documentation process.

- 5. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.**

The collection of this information will not impact small businesses or other small entities.

- 6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information is only collected once respondents voluntarily file an FHA insurance claim with HUD. FHA insurance claims cannot be paid to mortgagees without this legally required information. Under Section 207(g) of the National Housing Act (12 U.S.C. § 1713(g)), in order to

receive the benefits of insurance, the mortgagee must assign, transfer, and delivery to HUD, within a period and in accordance with HUD rules and regulations, all rights and interests arising under the defaulted mortgage; all policies of title or other insurance or surety bonds or other guaranties and any and all claims thereunder; all records, documents, books, papers, and accounts relating to the mortgage transactions; and all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transactions. The documents are required by law to effectuate the assignment of mortgage and determine ownership of the real property and personal property secured by the mortgage. The burden cannot be reduced as each of the documents is necessary because of the legal ramifications of each individual document.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner: ANSWER ALL BULLETS INDIVIDUALLY**

There are no special circumstances applicable to this collection of information.

- **requiring respondents to report information to the agency more than quarterly;** - There are no special circumstances surrounding this collection of information.
- **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 surrounding this collection of information.
- **requiring respondents to submit more than an original and two copies of any document;** - There are no special circumstances surrounding this collection of information.
- **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 surrounding this collection of information.
- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;** - There are no special circumstances surrounding this collection of information.
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;** - There are no special circumstances surrounding this collection of information.
- **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 surrounding this collection of information.
- **requiring respondents to submit proprietary trade secret, 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 surrounding this collection of information.

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.**

The 60-Day Notice of Proposed Information Collection: Legal Instructions Concerning Applications for Full Insurance Benefits—Assignment of Multifamily and Healthcare Mortgages to the Secretary was published on April 29, 2025, at [90 FR 17830](#). The agency received a set of comments from one commentor, and most of the comments are straightforward clean up edits (attached). The comments were reviewed and almost all were incorporated, as appropriate.

- **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 the data elements to be recorded, disclosed, or reported. – N/A**
 - **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 preclude consultation in a specific situation. These circumstances should be explained. – N/A**
9. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

FHA insurance claims cannot be paid to mortgagees who are in good standing without this necessary information. The documents are required by law to effectuate the assignment of mortgage and determine ownership of the real property and personal property secured by the mortgage. The burden cannot be reduced as each of the documents is necessary because of the legal ramifications of each individual document.

10. **Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy. If the collection requires a system of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.**

All legal documents and communications submitted will be bound by the principles of confidentiality set forth in the Model Rules of Professional Conduct as well as the attorney-client privilege. This document contains no personally identifying information subject to privacy requirements. Most of the required documents are publicly available.

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 questions of a sensitive nature are included in this request.

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 covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in chart below; and**
- **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.**

The burden on each respondent will vary in proportion to the number of claims filed by the respondent. Some mortgagees hold very few FHA-insured mortgages and may file few, if any, claims for insurance benefits each year. Other mortgagees hold very large portfolios of FHA-insured mortgages and may file ten or more claims per year. For purposes of this response, however, it is assumed that in each year no mortgagee would file more than one claim.

In 2025, the number of actual respondents to date is 2; in 2024, the number was 28; and in 2023, the number was 20. Therefore, based on the number of claims in 2024 and 2023, the annual claim response was calculated at the average of 24.

The burden of no less than 50 hours per claim includes the time necessary to provide mortgage documents such as title policies, UCCs, security agreements, original mortgage and mortgage note, etc., which relate to the FHA-insured mortgage covering the project, and to complete the exhibits to the Legal Instructions. Documents must be obtained from various recording offices, land offices, title companies, and archives, etc. The annualized cost to the respondent is estimated at \$87.86 an hour (from <https://data.bls.gov/oesprofile/>) times 50 burden hours per claim times 24 responses or \$105,432.

Information Collection	Number of	Frequency	Responses	Burden	Annual	Hourly	Annual
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	Respondents	of Response	Per Annum	Hour Per Response	Burden Hours	Cost Per Response	Cost
Legal Instructions Concerning Applications for Full-Insurance Benefits - Assignment of Multifamily and Healthcare Mortgages to the Secretary HUD Form - 2510	24	1	24	50	1200	\$87.86	\$105,432

*Please note the Legal Instructions and associated Exhibits A through D form one single document (HUD 2510). The Exhibits are separated from the Legal Instructions for convenience and ease of review.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet 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 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 collection 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 capital or start-up costs. There are no cost burdens to respondents for operation and maintenance.

14. Provide estimates of annualized cost 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 also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

For each claim filed, a paralegal specialist (typically a GS12) will spend an average of 3 hours and two GS14 attorney advisors will each spend approximately 16 hours reviewing the claim documents and corresponding with mortgagee’s counsel to ensure compliance with the Legal Instructions. Assuming an hourly rate of \$55.07 (GS12, Step 5) for the paralegal specialist and an hourly rate of \$77.38 (GS14, Step 5) for the attorney advisors, the labor cost will be approximately \$2,641.37 for staff review of the insurance claim. An additional 2 hours of the supervising attorney (\$91.02 for a GS15, Step 5) adds approximately an additional \$182.04 to the claim review. (See OPM table of federal wages which provide an hourly rate https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/25Tables/html/DCB_h.aspx) Therefore, the HUD employee wage cost per application is \$2,823.41, which reflects the total cost to the federal government per insurance claim.

Total estimated annualized costs to the Federal government are \$67,761.84 based on 37 hours processing time at \$2,823.41 per claim for 24 responses.

Information Collection 2510-0006	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Paralegal Specialist (GS 12 Step 5)	24	1	24	3	72	\$55.07	\$3,965.04
Attorney Advisor (GS 14 Step 5)	24	1	24	16	384	\$77.38	\$29,713.92
Attorney Advisor (GS 14 Step 5)	24	1	24	16	384	\$77.38	\$29,713.92
Senior Attorney Advisor (GS 15 Step 5)	24	1	24	2	48	\$91.02	\$4,368.96
Total				37	888		\$67,761.84

15. Explain the reasons for any program changes or adjustments reported in Items 12 and 14 of the Supporting Statement.

While there have been no changes in the requirements to increase the existing burden hours, we received one comment stating that “[t]he Notice provides for ‘26.5 Burden hours’ as an estimate of time to complete work for an assignment under the Legal Instructions. In our experience, such estimate is very low and the actual preparation time is at least double such estimate. The time spent to complete the legal work for a simple assignment under the Legal Instructions is closer to 50 hours.” In response to this comment, we are updating the burden hours from 26.5 to 50 hours to more accurately reflect a respondent’s experience in preparing a response.

Sample documents reflecting existing HUD requirements and policies are being provided to assist with compliance with the Legal Instructions (see new Exhibit D to the Legal Instructions). However, the burden for drafting, whether by using the new sample documents or not, has already been accounted for in the existing calculation of burden hours.

- 16. For collection 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.**

None of the information collected will be published.

- 17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

No Exemption is requested.

- 18. Explain each exception to the certification statement identified in item 19. - N/A**