

# Supporting Statement for Paperwork Reduction Act Submissions

## Office of Hospital Facilities (OHF) Transactional Forms for FHA Programs 242, 241, 223(f), 223(a)(7)

### OMB Control Number 2502-XXX (new collection)

HUD-2, HUD-2205a, HUD-2434, HUD-2466GP, HUD-41901, HUD-92421(new), HUD-92422(new), HUD-92451, HUD-92453, HUD-92010, HUD-92330a, HUD-92403.1, HUD-92403, HUD-92432, HUD-92450-CA, HUD-92452, HUD-92464, HUD-92466, HUD-2576-HF, HUD-92580, HUD-3305, HUD-4128, HUD-9250, HUD-91725, HUD-92013-Hosp, HUD-92023, HUD-92415, HUD-92441, HUD-92447, HUD-92448, HUD-92452A, HUD-92457, HUD-92476.

\*\*\*With the new collection all the above document should have the suffix of "OHF" (i.e. HUD 4128-OHF)

#### A. Justification

##### 1. Why this information is necessary:

The collection is a comprehensive list of HUD Forms associated with the administration of the Hospital Insured Mortgage Program pursuant to 24 CFR 242, 241, 223(f) [proposed] and 223(a)(7).

The collection is needed as the Office of Healthcare Facilities (OHF) has used Multifamily Housing forms since its inception. Though helpful, the Multifamily forms don't take into account all the information necessary from healthcare facilities that OHF often needs during the underwriting, construction and initial/final endorsement project phases. Information is collected from OHF staff, mortgagees, mortgagors, contractors and agents to manage and monitor the application, procedure, project administration and initial/final endorsement of projects undertaken by Office of Hospital Facilities.

##### 2. How the information will be used:

HUD-2, HUD-2205a, HUD-2434, HUD-2466GP, HUD-41901, HUD-92421(new), HUD-92422(new), HUD-92451, HUD-92453, HUD-92010, HUD-92330a, HUD-92403.1, HUD-92403, HUD-92432, HUD-92450-CA, HUD-92452, HUD-92464, HUD-92466, HUD-2576-HF, HUD-92580, HUD-3305, HUD-4128, HUD-9250, HUD-91725, HUD-92013-Hosp, HUD-92023, HUD-92415, HUD-92441, HUD-92447, HUD-92448, HUD-92452A, HUD-92457, HUD-92476.

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- a. The above-listed forms are used in conjunction with the application, commitment, project as well as initial/final endorsement stages of the hospital mortgage insurance process. OHF captures administrative data to be used in determining whether the Program meets its stated goals and management objectives.

##### 3. The Department is currently working to automate this process through its current Development Application Processing System (DAP). However, this will require the implementation of a standard E-sign system. The target date of 9/30/2013 was given for implementation. This information was submitted to Congress and the approximate rollout date is 10/2013 for implementation.

OHF has already developed a number of fill-able forms in an attempt to be more responsive to needs of our external/internal clients. These improvements/updates allow much of the necessary information to be submitted electronically by the HUD client if desired.

4. Development and construction cost varies with each project. General or modified information is not acceptable. No other forms exist which can be acceptable. No other existing forms can be substituted to obtain the required information for mortgage proceeds distribution and cost certification.
5. Small Business burden consideration not applicable with this program.
6. The collection of information occurs only once for each housing project. The Department could not comply with the provisions of the law and Federal regulations if the collection were eliminated.
7. There are no special circumstances that apply to this information collection.
8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on June 10, 2011 (Volume 76, Number 112, Page 34092). Comments were received. Summary attached.

OHF solicited public comments from the following persons:

**Ms. Nicole L. Hoffpauir, Partner, Krooth & Altman, LLP, 1850 M St, #400-Washington, DC 20036; Ms. Mary Gavin, Mortgage Banker/Service., Tyll & Lavigne, Inc., #2 Clement Ave., Saratoga Springs, NY, 12866; Ms. Lisa Smith, Mortgage Banker/Service., Prudential Huntoon Paige, 2100 Ross Avenue, Ste 2500, Dallas, Texas 75201.**

HUD maintains close liaison with the American Institute of Certified Public Accountants (AICPA), the Associated General Contractors of America, the National Association of Home Builders, the Mortgage Bankers Association of America, etc. The AICPA was committed working with the Department in the revision and publication of HUD Handbook 4470.2, Cost Certification Guide for Mortgagors and Contractors of HUD-Insured Multifamily projects, and IG Handbook 2000.4, Consolidated Audits of HUD Programs. The Assistant Secretary for Housing-Federal Housing Commissioner maintains standing committees with the National Association of Home Builders, the Mortgage Bankers Association, etc., to address all industry related concerns. Cost certification is of major interest to all those committees. Other committees from which the Department receives input in cost certification and construction include, but are not limited to, the Associated General Contractors of America and the American Institute of Architects. No problems have surfaced from any of these groups relative to our present cost certifications procedures and the forms associated therewith. Consultation with representatives of interested groups from the private sector is continuous with special HUD/FHA committees.

“HUD contacted several external customers when compiling information necessary to updating its current forms collection. Contemporaneous to the PRA filing there had been numerous discussion as to both the use and continued relevancy of the HUD Forms and some of those comments are noted below

Nicole Hoffpauir & Rod Owens of Krooth & Altman, LLP (also the Committee on Healthcare Finance) had inquired regarding the relevancy of certain HUD documents used in conjunction with the initial and final

endorsement processes for 242 projects. Many of the unrevised documents reference requirements for residential properties rather than healthcare project which creates some confusion for mortgagee/mortgagors alike whenever a pre-closing document review is done. Namely the documents that came under scrutiny and which have been summarily altered to better apply to healthcare deals have been the following:

- 1) Agreement and Certification- HUD Form 3305
- 2) Building & Loan Agreement-HUD Form 92441
- 3) Mortgagor's Certificate-HUD Form 2205A

The Office of Hospital Facilities (OHF) had received numerous request for Mortgagees and HUD Partners to make the HUD Form 92013-HOSP a fill-able document in order to expedite the application process as to make changes as needed and directed by OHF.

A number of HUD Partners/Mortgagees requested this change to the above document to wit:

- 1) Maura Davalos, AMS Healthcare
- 2) Kim Galbraith, US Bank

9. No gifts or payments, other than remuneration to contractors, are provided to respondents.
10. The Privacy Act of 1974 provides an assurance of confidentiality to the respondents. The forms are for the Departmental use only and respondents are assured that the material is held in confidentiality unless a release order is issued under the Freedom of Information Act.
11. No questions of a sensitive nature apply.
12. Estimates of the respondents burden and costs:

Information Collection	Title	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response (Avg)	Annual Burden Hours	Hourly Cost Per Response (Avg)	Annual Cost
HUD-2	Request for Waiver of Housing Directive	15	2	30	1	30	\$75.00	\$2,250
HUD-2205A	Mortgagor's Cert	15	2	30	1	30	\$100.00	\$3,000
HUD-2434	Mortgagee's Cert	20	3	60	1	60	\$45.00	\$2,700
HUD-2466-GP	GP Reg Agreement	30	1	30	0.5	15	\$100.00	\$1,500
HUD-41901	Assurance of Compliance	45	1	45	2	90	\$200.00	\$18,000
HUD-92421	MRF Agreement	30	2	60	1.5	90	\$200.00	\$18,000
HUD-92422	Fin and Stat Data Rpt	89	5	445	1	445	\$100	\$44,500
HUD-92451	Financial Record of Mortgage Loan Transaction	30	1	30	1	30	\$50.00	\$1,500
HUD 92453	Commitment to Insure Upon Completion	15	1	15	1	15	\$100.00	\$1,500

Information Collection	Title	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response (Avg)	Annual Burden Hours	Hourly Cost Per Response (Avg)	Annual Cost
HUD 92010	Equal Employment Opportunity Certification	30	3	90	1.5	135	\$100.00	\$13,500
HUD 92330A	Contractor's Certificate of Actual Cost	15	1	15	1	15	\$100.00	\$1,500
HUD-92403.1	Mortgagor's And Architect's Certificate of Payment	30	3	90	1	90	\$45.00	\$4,050
HUD-92403	Application for Insurance of Advance of Mortgage Proceeds	30	1	30	0.25	7.5	\$50.00	\$375.00
HUD-92432	Commitment for Insurance of Advances	30	3	90	1	90	\$200.00	\$18,000
HUD 92450-CA	Completion Assurance Agreement	10	1	10	1.5	15	\$100.00	\$1,500
HUD-92452	Performance Bond-Dual Obligee	30	1	30	1	30	\$200.00	\$6,000
HUD-92464	Request for Approval of Advance of Escrow Funds	5	2	10	1	10	\$100.00	\$1,500
HUD-92466	Regulatory Agreement	30	1	30	1	30	\$200.00	\$6,000
HUD-2576-HF	Certificate for Need for Health Facility and Assurance of Enforcement of State	30	4	120	1.5	180	\$50.00	\$9,000
HUD 92580	Maximum Insurable Mortgage	30	2	60	0.5	30	\$100.00	\$3,000
HUD-3305	Agreement and Certification	30	1	30	0.5	15	\$200.00	\$3,000
HUD-4128	Environmental Assessment and Compliance Findings	10	2	20	1	20	\$50.00	\$1,000
HUD 9250	Funds Authorizations for use of Reserve for Replacement or Residual Receipts	30	1	30	0.5	15	\$75.00	\$1,125
HUD-91725	Opinion by Counsel to the Mortgagor (FHA)	30	1	30	0.5	15	\$100.00	\$1,500
HUD 92013-Hosp	Application for Hospital Project Mortgage Insurance	15	2	30	1	30	\$100.00	\$3,000
HUD-92023	Request For Final Endorsement Of Credit Instrument	45	30	1,350	1.5	2,025	\$100.00	\$202,500
HUD 92330	Mortgagor's Certificate of Actual Cost	15	2	30	1	30	\$50.00	\$1,800
HUD-92415	Request For Permission To Commence Construction Prior To Initial Endorsement For Mortgage Insurance	10	1	10	1	10	\$100.00	\$1,000

Information Collection	Title	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response (Avg)	Annual Burden Hours	Hourly Cost Per Response (Avg)	Annual Cost
HUD-92441	Building Loan Agreement	45	30	1,350	1.5	2,025	\$75.00	\$151,875
HUD-92447	Property Insurance Requirements	30	2	60	1	60	\$75.00	\$4,500
HUD-92248	Contractor's Requisition	30	1	30	1	30	\$200.00	\$6,000
HUD-92452A	Payment Bond	30	1	30	1	30	\$75.00	\$2,250
HUD-92457	Surveyor's Report	30	1	30	1	30	\$200.00	\$6,000
HUD-92476.1	Escrow Agreement	15	1	15	1	15	\$100.00	\$1,500
HUD-2530	Previous Part. Form	300	2	600	1	600	\$75.00	\$45,000
<b>Totals</b>		<b>1105</b>		<b>4460</b>		<b>5882.5</b>	<b>\$3,615.00</b>	<b>\$540,425</b>

**The hourly cost is based on an estimate of the average annual salary of respondent staff at ...\$103.00**

13. **Cost to Respondents** - There are no additional costs associated with this collection of information.

14. **Cost to the Federal Government** is based on an hourly rate of (\$45.00) per hour. There are no operational expenses. **Federal hourly rate is based on the average annual salary of a GS-13, Step 3.**

\$45.00 x 5882.5= \$264,712.50 Approximately \$265, 000.00

15. This is a new collection. However, the forms used are currently being used under existing Multifamily programs but do not accurately address the needs of OHF. Therefore, this new collection is needed to take into account the information necessary from healthcare facilities that OHF often needs during the underwriting, construction and initial/final endorsement project phases. Future form updates will be necessary as reflected in comments resulting from industry consultations.

16. The results of this collection will not be published.

17. The OMB expiration dates will be displayed on the appropriate forms.

18. There are no exceptions to the Certification Statement identified in item 19 of the OMB 83-I.

**B. Collection of Information Employing Statistical Methods.**

This collection of information does not employ statistical methods.