

2013 SUPPORTING STATEMENT
7 CFR Part 3560, "Rural Development Voucher Program"
OMB No. 0575-####
(Proposed Rule)

A. Justification

1. Explain the circumstances that make the collection of information necessary. The Rural Development Voucher Program (RDVP) is administered by the United States Department of Agriculture as authorized under Section 542 of the Housing Act of 1949, as amended (42 U.S.C. 1471). The RDVP, administered by USDA's Rural Development (RD) mission area, provides a rent subsidy to tenants of properties financed through Rural Development's Section 515 Rural Rental Housing Program after prepayment or foreclosure of the Section 515 mortgage. The collection of information is necessary to demonstrate and document compliance with program rules.

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. Information is completed by tenants, voucher holders, and housing owners to obtain or renew an RD voucher. The forms and information provide the basis for determining the eligibility of the tenant for an RD voucher, voucher holder/owner responsibilities, the eligibility of a unit, the RD voucher amount, and the use of the RD voucher. Information is collected to assure compliance with the terms and conditions of the lease, Housing Assistance Payments contract, and the voucher itself.

The collection of the following information will ensure that these federally funded grants are made to eligible applicants for authorized purposes. This information will enable the Agency to provide the necessary guidance and supervision to tenants, voucher holders, and owners to assure Congress and the public that RD vouchers will be used for the purposes for which they are intended.

Specifically, the burden to be cleared with this regulation is as follows:

REPORTING REQUIREMENTS - NO FORMS

Extension of Search Time for a Unit. The tenant may request in writing to the Agency an extension of the search time to find an eligible unit.

HUD Disclosure of Lead-Based Paint. If the unit was built before 1978, all tenants and owners are required to complete and sign a Disclosure of Lead-Based Paint form.

Notification of Change in Rental Unit. The voucher holder must promptly notify the Agency of a change in rental unit that is voluntary (e.g. moving from one unit to another) or mandatory (e.g. eviction by the owner).

Change of Ownership of Rental Unit. The owner must inform the Agency of a change in ownership of the rental unit. A change in ownership results in the termination of the HAP contract and the deobligation of funds for those HAP contract payments. The owner must return the following documents to the Agency: Change of ownership form; documentation of sale; tenant signed Voucher Obligation Forms; tenant and owner signed Tenancy Addendum; owner

signed HAP Contract; and a copy of lease (with lease start date matching HAP Contract start). Payments to the new owner will not begin until ALL required documents are received.

Transfer of Voucher in Event of Death or Household Break Up. In the event of the voucher holder's death or household break up, the voucher may be transferred to another individual listed on the lease. This individual must provide a copy of the death certificate or other appropriate documentation to the Agency in order to have the voucher transferred.

Notification of Re-inspection. If a unit has failed the initial inspection, RHS sends a letter to the owner, with a copy to the tenant, stating the items that caused the unit to fail and explains that the owner has 20 days to correct the items and notify RHS that a re-inspection is needed.

Notification by Tenant of Termination of Lease. If the voucher holder terminates tenancy during the lease term, the voucher holder must document owner consent to the termination of the lease, and the voucher holder must notify the Agency immediately upon terminating tenancy.

Notification by Owner of Termination of Tenant. The owner must notify the Agency if the owner terminates the tenant for cause.

Monitoring of Accounts/Records. Upon request from the Agency, tenants, voucher holders, and/or owners must assist RHS in accessing any accounts or records.

Appeals. To appeal a decision, the tenant/voucher holder/owner must provide information to show that the Agency's determination was incorrect.

REPORTING REQUIREMENTS - FORMS APPROVED IN THIS DOCKET

Form RD 3560-66, Voucher Obligation Form (VOF). Tenants must sign and return a VOF along with proof of citizenship documentation to RD in order to obtain an RD voucher. Voucher holders must sign and return a VOF if they want to move into another unit. Voucher holders must also sign and return a VOF annually in order to have voucher funds obligated for the coming year.

Form RD 3560-67, Rural Development Voucher. The RD Voucher form is the tenant's authorization to search for housing. The voucher form includes the amount of assistance and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the tenant obligations under the program. The voucher is evidence that the tenant is eligible for the RDVP and subsidy will be available if the tenant selects a unit that can be approved under program requirements. RD is under no obligation to either the tenant or the owner to approve any specific unit, but the voucher is a contractual agreement between the RD and the tenant, obligating RD to provide assistance if the tenant locates an approvable unit and complies with the tenant obligations. The tenant must date, sign and return the signed original voucher to the Agency.

Form RD 3560-68, Request for Tenancy Approval (RTA). This form is used by the tenant and the owner to request inspection of a unit for occupancy by a voucher holder. When the tenant finds a unit to rent, the tenant should present the RTA to RHS, signed by both the tenant and prospective landlord.

Form RD 3560-69, HAP Contract. The HAP contract is a written agreement between RD and the owner of a unit occupied by a RDVP participant. Under the HAP contract, RD agrees to make

housing assistance payments to the owner on behalf of a specific tenant leasing a specific unit. The term of the HAP contract should run concurrently with the term of the lease, including any extensions of the lease term. Initial leases and the HAP contract should be for a period of one year. The owner and RHS execute the HAP contract.

Tenancy Addendum. The Tenancy Addendum sets forth the tenancy requirements for the program and the composition of the household. The owner must sign the lease and Tenancy Addendum with the prospective tenant. The terms of the Tenancy Addendum prevail over any other provisions of the lease. The Tenancy Addendum is part of the HAP contract.

RECORDKEEPING REQUIREMENTS

Retain Tenant, Voucher Holder, Owner Information. Tenants, Voucher Holders, Owners must retain all RDVP-related information for at least three years. The Agency may require tenants/voucher holders/owners to submit program-related information for Agency review.

Retain Copies Of Correspondence And A Record Of Conversations Regarding Unauthorized Assistance Received By Tenants, Voucher Holders, Owners. Tenants, Voucher Holders, Owners must retain correspondence and records of conversations regarding unauthorized assistance for at least three years. The Agency may require tenants, voucher holders, owners to submit correspondence and records of conversations for Agency review in order to recoup any unauthorized assistance received and paid back by the tenant.

REPORTING REQUIREMENTS – UNDER OTHER BURDEN PACKAGES

Proof of Citizenship (0575-0189). All individuals residing in the tenant’s household must provide proof that they are U.S. citizens, U.S. non-citizen nationals, or qualified aliens, as required by Section 214 of the Housing and Community Development Act of 1980 [42 U.S.C. §1436a].

Lease (0575-0189). Voucher holders and owners must enter into and sign a written lease for the rental unit. The lease term must be for one year and include the following information: Names of the owner and tenants; unit address; term of the lease, including initial term and provisions for renewal; and the amount of monthly rent to the owner.

Notification of Absence from Unit over 90 Consecutive Days (0575-0189). The voucher holder must inform the Agency if the voucher holder will be absent from the unit for more than 90 consecutive days.

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. All of the forms will be available via the USDA web site to the public. With the implementation of the Management Interactive Network Connection, the Agency is meeting the Government Paperwork Elimination Act (GPEA) requirement of making the necessary data available electronically. The Agency encourages automation of any or all information collection and report forms that can be automated.

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. Wherever feasible, the Agency uses standard conventional forms of HUD or other government forms to reduce duplication; however, where the Rural Development Voucher Program (RDVP) rules differ from HUD rules, unique RD forms were necessary. For example the RDVP uses an adapted form of HUD's HAP contract and Tenancy Addendum. However the voucher obligation form (VOF) is unique to the RDVP.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden. No small businesses or other small entities are impacted by the regulation.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden. RHS could not effectively ensure the eligibility of voucher holders or rental units. Lack of information upon which to base eligibility could lead to unauthorized assistance and potential fraud, waste, and abuse in the program.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- a. Requiring respondents to report information more than quarterly. RHS does not require reporting more often than quarterly.
- b. Requiring written responses in less than 30 days. RHS information requirements provide for at least a 30-day response period.
- c. Requiring more than an original and two copies. RHS does not require more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years. RHS does not require respondents to retain records for more than 3 years.
- e. Not utilizing statistical sampling. RHS has no such requirements.
- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. RHS has no such requirements.
- g. Requiring a pledge of confidentiality. RHS has no such requirements
- h. Requiring submission of proprietary trade secrets. RHS has no such requirements.

8. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

The 60 day notice for comments is embedded in the proposed rule.

RHS consulted with Quadel Consulting Corporation and ICF International regarding the operation of this program. Since 2006, funding terms and conditions for the RDVP have previously been governed under an annual Notice of Funding Availability (NOFA) rather than a permanent regulation. Several approaches have been tested since this program began to determine how RD can best help tenants and wisely and effectively use government funds to assist tenants as they transition to the conventional rental market with the help of RD vouchers.

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9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees. RHS makes no remuneration to respondents other than contractors or grantees.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy. RHS makes no such assurances.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. RHS does not require information of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

See attached spreadsheet.

Information is completed by tenants, voucher holders, and owners seeking approval for an RD voucher. Based on this information, the overall hourly wage and the cost to the public were broken down by the following wage classes:

Tenants - \$10.00
Voucher Holders – \$10.00
Owners - \$25.00

These figures are based on the Bureau of Labor Statistics web site. The hourly cost was then multiplied by the burden hours. Based on this computation, the projected annualized cost to the public is \$109,351.88.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. There are no capital/startup or operation and maintenance costs.

14. Provide estimates of annualized cost to the Federal Government. The estimated annualized cost for RHS to develop and administer this regulation is \$684,931.19 and is determined as follows:

NATIONAL OFFICE

	No. of People	Grade/ Salary	Time %	Cost
Portfolio Management Director	1.00	15	0.0500	\$6,187.90
		\$123,758.00		
Portfolio Management Assistant Director	1.00	14	0.2000	\$21,042.20
		\$105,211.00		
Portfolio staff	1.00	13	0.2000	\$17,806.60
		\$89,033.00		
Regs/Forms staff	0.50	9	0.0500	\$1,290.75
		\$51,630.00		
NATIONAL OFFICE SUBTOTAL				\$46,327.45

STATE OFFICE

	No. of People	Salary/grade	Time	Cost
State Director	47.00	15	0.0100	\$53,455.45
		\$113,735.00		
MFH Director/Coordinator	47.00	12	0.0300	\$97,020.69
		\$68,809.00		
Loan Specialist	47.00	9	0.1000	\$223,005.60
		\$47,448.00		
STATE OFFICE SUBTOTAL				\$373,481.74

SERVICING OFFICES

	No. of People	Salary/grade	Time	Cost
Area Office Managers	50.00	9	0.0300	\$71,172.00
		\$47,448.00		
Loan Specialist/Technician	50.00	7	0.1000	\$193,950.00
		\$38,790.00		
SERVICING OFFICE SUBTOTAL				\$265,122.00

TOTAL AGENCY COST

\$684,931.19

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1. This is a new information collection.

16. For collection of information whose results will be published, outline plans for tabulation and publication. RHS collects information for use in RD voucher selection and processing and for the monitoring of existing RD vouchers. There are no plans for publication of collected information.

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. These forms are used in other Rural Development information collections; therefore, it is not practical to include an OMB expiration date because of the different expiration dates for each collection. RHS is seeking approval to not display the OMB expiration date on these forms.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1. There are no exceptions requested.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept? The Service Center Initiative will have no effect on how we administer this program. The information contained in this collection cannot be shared because it is program specific to our agency only.