

Supporting Statement for Paperwork Reduction Act Submissions 2502-0555

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 is necessary to effectively monitor withdrawals from Reserves for Replacement funds and/or Residual Receipt Funds. Regulations 24 CFR 880.601 and 880.602 govern residual receipts accounts and replacement reserve accounts and require HUD approval and compliance with HUD guidelines (HUD Handbook 4350.1) for withdrawals from the accounts. Copies of the regulatory and administrative guidelines are attached to this submission.

- 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.**

- . Currently, there are 33,901 multifamily projects. Project owners are required to submit this information when requesting a withdrawal of funds from the Reserves for Replacement and/or Residual Receipt Funds. HUD reviews this information to ensure that funds are withdrawn and used in accordance with regulatory and administrative policy. HUD annually receives form requests from approximately 27% of the project population.

Mortgagors make requests in writing using form HUD-9250, Funds Authorizations, along with supporting documentation. HUD will make reasonable effort to review and act upon the mortgagor's request within thirty days and, if approved, prepare, sign, and mail the Form HUD-9250 to the mortgagee of record. Supporting documentation must be attached to the HUD-9250. Examples of supporting documentation include a detailed description of the work done or to be done; a copy of paid invoice(s); three formal or informal bids; a copy of the bid specifications; a mortgagor's certification that funds were spent and work was done as required by HUD; and any required explanations.

Adjustments have been made due to Notice H 2012-14 "Use of "New Regulation" Section 8 Housing Assistance Payments (HAP) Contracts Residual Receipts to Offset Project-Based Section 8 Housing Assistance Payments". The new regulation and/or the various HAP contract forms used for new regulation projects explicitly permit HUD to use Residual Receipts to reduce housing assistance payments. (See 24 CFR §§ 880.205(e), 881.205(e), and 883.306(e)). This Notice sets forth the policy and procedures for the Department's use of new regulation Residual Receipts to offset housing assistance payments.

- 3. Describe whether, and to what extent the collections of information involves the use of automated, electronic, mechanical, or other the 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.**

- . There are no immediate plans to automate this process. However, the form is available in a fillable format. The request must include additional supporting documentation. No practicable automation processes are currently available to satisfy this process.

- 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.**

. The information is not available from any other source.

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 of information does not impact small businesses or other 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.

. Without this collection, HUD would be unable to monitor owner/agent withdrawals from the Reserves for Replacement and/or Residual Receipt Funds. The Department would be unable to ensure that funds are not misused.

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

- **requiring respondents to report information to the agency more than quarterly;**

There is no requirement for respondents to report the 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;**

There is no requirement for respondents to prepare a written response to a collection in fewer than 30 days.

- **requiring respondents to submit more than an original and two copies of any document;**

There is no requirement for respondents 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;**

There is no requirement for respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years.

- **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;**

This collection is not made in connection with a statistical survey.

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

There is no use of a statistical data classifications with this collection.

- **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 is no pledge of confidentiality that is not supported by authority established in statute or regulation.

- **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 is no requirement for respondents to submit proprietary trade secrets, or other confidential 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.

- **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.**

- **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three 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.**

This information is collected in a manner consistent with guidelines of 5 CFR 1320.8(d). HUD contacted members of companies outside the agency who are familiar with HUD's requirements to obtain their views.

In addition, several persons who regularly use or review the forms were contacted to inquire if the forms were easily understood, and explicit in their requirements. One company, Monarch Properties Inc., responded that they have no issues with the forms and data collection requirements as they exist. HUD also contacted the Baltimore and the Denver hubs for their experience with reviews of the data. Both of the respondents at hubs also responded that they have no issues with the forms and data collection requirements..

The Notice announcing the collection of information appeared in the *Federal Register* on February 22, 2013 (Vol. 78, No. 36, pages 12343). No comments were received.

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 offered to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

There is no assurance of confidentiality provided to the respondents; however respondents are covered by the Privacy Act of 1974.

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.

Respondents do not provide information of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private.

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 burden hours, 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 Item 13 of form OMB 83-I; 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 14.**

Estimated Annual Cost to Respondents

Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Annual Burden Hours	Hourly Cost	Total Annual Cost
33,901	Various	9,153	2.25	20,595	\$ 27	\$ 547,487

*Estimated burden hours and hourly costs for respondent’s staff to gather, review, and provide the requested information. Hourly costs are based on an estimate of the owner or owner’s staff (Property Manager) to review the instructions and complete the form. The hourly cost has been adjusted to \$27.00 per hour based on information gathered from payscale.com. Payscale.com is an online salary and benefit information resource which provides compensation data for various occupations. The hourly costs provide a good estimate for costs to the respondent as to this data, which was obtained in November 2009. HUD annually receives form requests from approximately 27% of the project population.

- 13. Provide an estimate of the total annual cost burden to respondents or record keepers 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 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.**

Cost estimates vary based on differences in project owner/managers who choose to submit requests for draws on reserves or residual receipts more frequently than annually, such as quarterly. It is estimated that approximately 21% of respondents choose to make periodic withdrawals in an effort to stabilize project cash flow in the course of a year.

- 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 additional costs to respondents.

- 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.**

Total Annual Responses	Burden Hours per Response	Total Annual Burden Hours	Hourly Cost	Total Annual Cost
9,153	0.5	4,577	\$ 29	\$ 132,621

15. Explain the reasons of any program changes or adjustments reported in Items 13 and 14 of the OMB form 83-I.

This is a revision of a currently approved collection. By Notice H 2012-14 “Use of “New Regulation” Section 8 Housing Assistance Payments (HAP) Contracts Residual Receipts to Offset Project-Based Section 8 Housing Assistance Payments”. The new regulation and/or the various HAP contract forms used for new regulation projects explicitly permit HUD to use Residual Receipts to reduce housing assistance payments. (See 24 CFR §§ 880.205(e), 881.205(e), and 883.306(e)). This Notice sets forth the policy and procedures for the Department’s use of new regulation Residual Receipts to offset housing assistance payments. This has resulted in an increase in responses and 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.

The results of this information collection will not 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.

The expiration date will be displayed on the information collection instrument.

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

There are no exceptions to the certification statement identified in item 19.

B. Collections of Information Employing Statistical Methods

There are no statistical methods used in this collection.