

**Supporting Statement for Paperwork Reduction Act Submissions**  
HOME Investment Partnerships Program  
(OMB No. 2506-0171)

**A. Justification**

1. Why is the information necessary?

Public Law 101-625 (104 Stat. 4079), Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, (Act) established the HOME Investment Partnerships Program (HOME) (also referred to as the HOME authorizing statute). Under the HOME Program, HUD allocates funds by formula among eligible units of State and local governments to strengthen public-private partnerships for the production of affordable housing for low-income families. Participating jurisdictions (PJs) use HOME funds directly to carry out housing activities and provide funds to other eligible entities, such as Community Housing Development Organizations (CHDOs) and other nonprofit and for-profit developers. State PJs may administer their HOME programs directly, suballocate funds to local governments (State recipients) or combine the two approaches. HOME funds are used to leverage private investment in affordable housing. PJs are required to match Federal HOME funds with State, local or private funds and resources. PJs and other entities may use HOME funds to carry out multi-year housing strategies with a variety of eligible uses, including rehabilitation and substantial rehabilitation of substandard housing, new construction and tenant-based rental assistance. PJs and other eligible entities may provide HOME assistance in a number of eligible forms, including grants, loans, loan guarantees, advances, equity investments, interest subsidies and other forms of investment.

The HOME statute imposes a number of data collection and reporting requirements on the Department and on program participants. Information on assisted properties as well as on the owners or tenants of the properties is needed to fulfill the statutory requirements. This burden includes making the information available to HUD for monitoring the performance of the program participants and ensuring compliance with all program requirements. While the narrative requirements for the HOME Program annual performance report have been moved to the Consolidated Plan rule (24 CFR Part 91), the Department is continuing to require that two reporting forms (HUD 40107 and HUD 40107A) be submitted under Part 92.

The data collection elements addressed in this document arise from changes that HUD has made to the HOME program regulations in 24 CFR part 92, through rulemaking that commenced with a December 16, 2011 proposed rule, published at 76 FR 78344 and codified as the HOME Final Rule on July 24, 2013. This final rule constituted the first significant amendments to the HOME regulations in 16 years. The final rule amended the HOME regulations to address many of the operational challenges facing participating jurisdictions, particularly challenges related to recent housing market conditions and the alignment of federal housing programs. The final rule also clarified certain existing regulatory requirements and established new requirements designed to enhance accountability by States and units of local government in the use of HOME funds, strengthen performance standards and require more timely housing production. The final rule also updated property standards applicable to housing assisted by HOME funds.

2. What information is to be collected?

HUD requires state and local PJs to collect information on the activities undertaken with HOME funds. The new HOME Program Oversight rule requires changes with respect to reporting and recordkeeping, which should increase accountability for the program.

Section § 91.320 requires a participating jurisdiction to include in its action plan its calculation of 95 percent of the median area purchase, in accordance with the criteria and formula provided in § 92.254(a)(2)(iii). Updated language also requires participating jurisdictions to include more information about the expenditure of HOME program funds in their action plans. The inclusion of more information about the participating jurisdiction's planned expenditure of HOME funds not only assists HUD in its monitoring of the jurisdiction's expenditure of taxpayers' funds, but allows the citizens of the jurisdiction to weigh in with their views on the proposed expenditures as part of citizens' participation in the development and review of the consolidated plan.

Terminated projects are defined, at § 92.205, as projects not completed within four years from the date of project completion. In the event that a project is not completed within these time frames, the participating jurisdiction may request a 12-month extension of the completion deadline by submitting information about the status of the project, steps being taken to overcome any obstacles to completion, proof of adequate funding to complete the project, and a schedule with milestones for completion of the project for HUD's review and approval.

Section 92.252 imposes new reporting requirements in limited situations when a Participating Jurisdiction has created rental units that are not leased to an eligible tenant within the specified time frame. HUD will require the participating jurisdiction to provide information about current marketing efforts and, if appropriate, a plan for marketing the unit so that it is leased as quickly as possible.

Section 92.254(f) requires the participating jurisdiction to have and follow written policies for underwriting standards for homeownership assistance, anti-predatory lending, and refinancing loans to which HOME loans are subordinated to ensure that the terms of the new loan are reasonable.

Section § 92.351 requires documentation by participating jurisdictions that HOME assisted rental housing must be affirmatively marketed without regard to whether the potential tenant has rental assistance. Corresponding changes would also be made to the provisions on written agreements. (§ 92.504)

Section 92.508 alters the recordkeeping requirements for required subsidy layering and underwriting.

Section 92.203 changed the documentation required for income determinations and result in a reduction in recordkeeping because the amount of past income documentation has been reduced.

In cases of troubled projects, § 92.210 was revised to add provisions that would be applicable to the efforts of participating jurisdictions to preserve HOME-assisted housing projects that have become financially unviable and, as a result, are at risk of failure or foreclosure. HUD has provided expert work-out technical assistance to a number of participating jurisdictions with projects that became troubled due to excessive debt, unsustainably high operating costs, poor physical conditions, or weak market conditions, and that were then able to avert foreclosure and were returned to financial viability. These workouts involved restructuring of private debt, investment of additional owner equity, and altering the terms of existing HOME financing. It is anticipated that the reporting requirements of this process will be less time consuming than a waiver process.

HUD added several revisions to the property standards applicable to HOME-assisted properties under § 92.251. Participating jurisdictions are required to have written rehabilitation standards, including requirements for methods and materials to be used, to conduct inspections for both new construction and rehabilitation projects to ensure that work is performed in compliance with requirements. These provisions require increased recordkeeping to be tailored to either New Construction (§ 92.251(a) or Rehabilitation Projects (§ 92.251(b)) requirements.

HUD added language to § 92.252(f)(2) to require that a participating jurisdiction must review and approve the rents for its HOME assisted rental projects each year to ensure that they comply with the HOME limits and do not result in undue increases from the previous year. Participating jurisdictions are currently required to provide the published maximum HOME rents to project owners and then to examine reports submitted by owners outlining for each HOME unit the rent being charged and the income of the tenant. The additional step codified existing practice of most participating jurisdictions, which do not permit HOME project owners to raise rents without approval or to charge the maximum permissible HOME rent.

Additionally, HUD changed language at § 92.252(j) to specify that the written agreement between the participating jurisdiction and a project owner must state whether HOME rental units will be fixed or floating during the period of affordability. The regulations state that the designation of whether units will be fixed or floating must be made at the time of commitment (i.e., the point at which the written agreement is signed). However, HUD has found that participating jurisdictions are not always documenting the determination or including the specific designation in its written agreement, sometimes resulting in uncertainty among owners.

Section § 92.254(a)(5)(i) was amended to require the participating jurisdiction's resale requirements to specifically define "fair return on investment" and "affordability to a reasonable range of low-income buyers," and to address how it will make the housing affordable if the resale price that is needed for a fair return on investment is too high to be within the affordable range. Section 215(b)(3)(A) of NAHA specifically requires resale provisions to provide a fair return and remain affordable for a reasonable range of low-income buyers. Requiring participating jurisdictions to develop specific standards for these requirements will improve their ability to design resale requirements that meet statutory and regulatory requirements.

HUD added a provision to § 92.502(a) that clarified that participating jurisdictions are required to report all program income earned on HOME funds in the Integrated Disbursement and Information System (IDIS). HUD has found that some participating jurisdictions were not consistently reporting program income they earn in IDIS and were not always expending program income before drawing down additional HOME funds from their HOME Treasury Accounts.

Section 92.504(a) was revised to require participating jurisdictions to develop and follow written policies, procedures, and systems, including a system for assessing risk of activities and projects and a system for monitoring entities, to ensure that the requirements of this part are met. While the existence of such written policies and procedures does not guarantee that a participating jurisdiction's program will be compliant and efficient, HUD's monitoring has shown that the absence of or failure to follow systemic program procedures for assessing risk and monitoring participating entities is strongly correlated with poor performance and noncompliance with HOME regulations.

Section 92.504(c) was revised to require that written agreements between state participating jurisdictions and state recipients include a provision to carry out the existing requirement in § 92.201(b)(3)(i). Under the existing requirement, states must require the state recipient to comply with either requirement established by the State or, alternatively, may require the state recipient to establish and comply with its own requirements to comply with part 92. The revision would specify that under either alternative, the requirements must include provisions for income determinations, underwriting and subsidy layering review, rehabilitation standards, refinancing standards, homebuyer program policies, and affordability.

Section 92.504(c)(1)(i) was revised to require agreements with state recipients to include greater detail about the state recipients' use of HOME funds, including amounts and uses for specific programs and activities, the number of housing projects to be funded, and any requirements for matching contributions. Under § 92.504(c)(1), the agreement is required to specify whether repaid and recaptured HOME funds must be returned to the state or retained by the state recipient and expended on eligible activities. Section 92.504(c)(1)(xi) was revised to clarify that the written agreement required under that paragraph as a condition of providing HOME funds to other entities and persons must be in place before the HOME funds are provided, and new § 92.504(c)(1)(xiii) requires inclusion of a

provision to implement the prohibition on charging fees in § 92.214(b), as revised under this rule.

HUD added a new paragraph at § 92.504(d)(2) to require participating jurisdictions to examine, at least annually during the HOME period of affordability, the financial condition of rental projects with at least 10 HOME-assisted units.

3. Is the information submitted electronically? If not, why?

The collection of HOME Program information (collection of data on funds management, project and tenant characteristics, and owner data) has been automated by IDIS. IDIS eliminates the need for PJs to submit paper reports. The submission of Action Plan related documents by PJs to the Field Office is also automated. All of the data elements of the IDIS systems and Consolidated Plan are required under Title II or related authorities.

4. Is this information collected elsewhere? Review current information collection packages for potential consolidation.

No similar information exists. The information collected through IDIS is project-specific and, therefore, unique to each PJ's local HOME program. Other recordkeeping requirements (e.g., property standards, written agreements, tenant protections) are project- or program-specific and unique to local HOME programs. Documentation relating to nondiscrimination, displacement and relocation and lead-based paint are unique to individual program designs and do not result in duplication of effort.

5. Does the collection of information impact small businesses or other small entities (item 5 of OMB form 83-i)? Describe any methods used to minimize burden.

There is no burden to small businesses or other small entities.

6. Why can't the information be collected less frequently – or not at all?

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.

The information is collected on a project-by-project basis to permit PJs to draw down HOME funds from the U.S. Treasury and to ensure that HOME funds are used for eligible purposes. It is not possible to collect the information less frequently.

7. Explain any special circumstances requiring:

- response more than quarterly; N/A
- response in fewer than 30 days; N/A
- more than an original and two copies of any document; N/A
- retain records for more than three years (*other than health, medical, government contract, grant-in-aid, or tax records*); N/A
- statistical surveys not designed to produce results that can be generalized to the universe of study; N/A

- statistical data classification not been approved by OMB; N/A
  - a pledge of confidentiality that is not supported by 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; N/A
  - respondents to submit proprietary trade secret, or other confidential information: N/A
8. Date and page number of the *Federal Register* notice (provide a copy) soliciting comments and public input. Summarize any public comments and describe response to comments.

Describe all efforts to consult with persons outside the agency to obtain their input.

This information collection was announced in the Federal Register, Volume 81; Page 47815, on July 22, 2016. In response to the Proposed Information Collection HUD received submissions no comments

9. Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.

There have been no gifts or payments in association with this program

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

Recipients of the assistance will collect and maintain records of information. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

11. Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private

There are no questions of a sensitive nature in association with this program.

12. Estimate public burden:

Reg. Section	Paperwork Requirement	Number of Responses	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost*	Annual Cost
§ 92.61	<b>Program Description and Housing Strategy for Insular Areas</b>	4	1	4	10.00	40.00	\$37.00	\$1,480.00
§ 92.66	<b>Reallocation - Insular Areas</b>	4	1	4	3.00	12.00	\$37.00	\$444.00
§ 92.101	<b>Consortia Designation</b>	36	1	36	5.00	180.00	\$37.00	\$6,660.00

§ 92.201	State Designation of Local Recipients	51	1	51	1.50	76.50	\$37.00	\$2,830.50
§ 92.200	Private-Public Partnership	594	1	594	2.00	1,188.00	\$37.00	\$43,956.00
§ 92.201	Distribution of Assistance	594	1	594	2.00	1,188.00	\$37.00	\$43,956.00
§ 92.202	Site and Neighborhood Standards	594	1	594	2.00	1,188.00	\$37.00	\$43,956.00
§ 92.203	Income Determination	85,000	1	85,000	0.75	63,750.00	\$37.00	\$2,358,750.00
§ 92.205(e)	Terminated Projects	180	1	180	5.00	900.00	\$37.00	\$33,300.00
§ 92.206	Eligible Costs - Refinancing	100	1	100	4.00	400.00	\$37.00	\$14,800.00
§ 92.210	Troubled HOME-Assisted Rental Projects	25	1	25	0.50	12.50	\$37.00	\$462.50
Reg. Section	Paperwork Requirement	Number of Responses	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost*	Annual Cost
§ 92.251(a)	Rehabilitation Projects – New Construction	3,400	1	3,400	3.00	10,200.00	\$37.00	\$377,400.00
§ 92.251(b)	Rehabilitation Projects – Rehabilitation	5,100	1	5,100	2.00	10,200.00	\$37.00	\$377,400.00
§ 92.252	Qualification as affordable housing: Rental Housing:	50	1	50	25.00	1,250.00	\$37.00	\$46,250.00
§ 92.252(j)	Fixed and Floating HOME Rental Units	45	1	45	1.00	45.00	\$37.00	\$1,665.00
§ 92.251	Written Property Standards	6,667	1	6,667	3.00	20,001.00	\$37.00	\$740,037.00
§ 92.253	Tenant Protections (including lease requirement)	6,667	1	6,667	5.00	33,335.00	\$37.00	\$1,233,395.00
§ 92.254	Homeownership - Median Purchase Price	80	1	80	5.00	400.00	\$37.00	\$14,800.00
§ 92.254	Homeownership - Alternative to Resale/recapture	100	1	100	5.00	500.00	\$37.00	\$18,500.00
§ 92.254(a)(5)	Homeownership – Approval of Resale & Recapture	2,000	1	2,000	1.50	3,000.00	\$37.00	\$111,000.00
§ 92.254(a)(5)	Homeownership – Fair Return & Affordability	2	1	2	1.00	2.00	\$37.00	\$74.00
§92.254(f)	Homeownership program policies	600	1	600	5.00	3,000.00	\$37.00	\$111,000.00
§ 92.300	CHDO Identification	594	1	594	2.00	1,188.00	\$37.00	\$43,956.00
§ 92.300	CHDO Project Assistance	594	1	594	2.00	1,188.00	\$37.00	\$43,956.00
§ 92.303	Tenant Participation Plan	4,171	1	4,171	10.00	41,710.00	\$37.00	\$1,543,270.00
§ 92.351	Affirmative Marketing	1,290	1	1,290	5.00	6,450.00	\$37.00	\$238,650.00
§ 92.354	Labor	6,667	1	6,667	2.50	16,667.50	\$37.00	\$616,697.50
Reg. Section	Paperwork Requirement	Number of Responses	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost*	Annual Cost
§ 92.357	Debarment and Suspension	6,667	1	6,667	1.00	6,667.00	\$37.00	\$246,679.00

§ 92.504	Participating Jurisdiction's Written Agreements	6,667	1	6,667	10.00	66,670.00	\$37.00	\$2,466,790.00
§ 91.616	Confirm first-time homebuyer status	427	1	427	0.50	213.50	\$37.00	\$7,899.50
§ 92.300	Designation of CHDOs	480	1	480	1.50	720.00	\$37.00	\$26,640.00
§ 92.501	HOME Investment Partnership Agreement (HUD 40093)	598	1	598	1.00	598.00	\$37.00	\$22,126.00
§ 92.502	Homeownership and Rental Set-Up and Completion	594	1	594	16.00	9,504.00	\$37.00	\$351,648.00
§ 92.502	Tenant-Based Rental Assistance Set-Up (IDIS)	225	1	225	5.50	1,237.50	\$37.00	\$45,787.50
§ 92.502	Performance Measurement Set-Up and Completion Screens (IDIS)	6,671	1	6,671	21.00	140,091.00	\$37.00	\$5,183,367.00
§ 92.502	Input first-time homebuyer status (IDIS)	427	1	427	0.50	213.50	\$37.00	\$7,899.50
§ 92.502	IDIS Access Request form (HUD 27055)	50	1	50	0.50	25.00	\$37.00	\$925.00
§ 92.502(a)	Required Reporting of Program Income	645	1	645	12.00	7,740.00	\$37.00	\$286,380.00
<b>Reg. Section</b>	<b>Paperwork Requirement</b>	<b>Number of Responses</b>	<b>Frequency of Response</b>	<b>Responses Per Annum</b>	<b>Burden Hour Per Response</b>	<b>Annual Burden Hours</b>	<b>Hourly Cost*</b>	<b>Annual Cost</b>
§ 92.504(c)	Written Agreement	8,500	1	8,500	1.00	8,500.00	\$37.00	\$314,500.00
§ 92.504(d)(2)	Financial Oversight and HOME Rental projects	18,500	1	18,500	1.00	18,500.00	\$37.00	\$684,500.00
§ 92.508	Recordkeeping-Subsidy Layering and Underwriting	13,302	1	13,302	4.00	53,208.00	\$37.00	\$1,968,696.00
§ 92.508	Recordkeeping (Additional)	10,110	1	10,110	1.00	10,110.00	\$37.00	\$374,070.00
§ 92.509	Annual Performance Reports (HUD 40107)	598	1	598	2.50	1,495.00	\$37.00	\$55,315.00
§ 92.509	Management Reports - FY Match Report (HUD 40107A)	594	1	594	0.75	445.50	\$37.00	\$16,483.50
§ 92.550 § 91.525	HUD Monitoring of Program Documentation and Activities	645	1	645	0.25	161.25	\$37.00	\$5,966.25
§ 91.220	Describe the use of ADDI funds	427	1	427	1.00	427.00	\$37.00	\$15,799.00
§ 91.220	Describe the plan for outreach	427	1	427	1.00	427.00	\$37.00	\$15,799.00
§ 91.220	Describe plan to ensure suitability	427	1	427	1.00	427.00	\$37.00	\$15,799.00
§ 91.604	Describe prior commitment	37	1	37	1.00	37.00	\$37.00	\$1,369.00
	Direct Deposit Sign up form (SF 1199A)	10	1	10	0	0	\$0	\$0
<b>Totals</b>		<b>202,237</b>				<b>545,488.75</b>		<b>\$20,183,083.75</b>

Annual cost is based on Actual Burden Hours (545,441) \* the hourly rate for a GS-12 (\$37)

13. Estimate of the average, annual cost beyond the cost of hour burden shown in Items 12. Read the complete instructions on the form 83i.

There are no additional costs to the respondents (other than the cost shown in item 12 above)

14. Estimate annualized costs to HUD of collecting the information, including processing the information.

§92.101	Consortia Applications and Certification		
	Field Office Cost:	2 hours X 12 applications	24.00 hours
§ 92.501	Investment Partnership Agreement		
	Field Office Cost:	1 hour X 639 agreements	639.00 hours
§ 92.502	IDIS Program Management Reports		
	Field Office Cost:	14 hours / month X 12 months X 43 Offices	7,224.00 hours
	Headquarters Cost:	250 hours / month X 12 months	3,000.00 hours
§ 92.509	Management Reports		
	Field Office Cost:	.5 hour X 639 reports	319.50 hours
	Headquarters Cost:	.25 hour X 639 reports	159.75 hours
<b>Total hours</b>			<b>11,366.25 hours</b>

**Total cost to the Federal Government: 11,366.25 hours at \$44/hour\* (\*This figure is based on GS-13 salary) \$500,115**

15. Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i.

The implementation of the HOME Final Rule has resulted in a decrease in the number of hours required to comply with HOME regulations to ensure compliance with federal statutes.

16. If the information will be published, outline plans for tabulation and publication.

Not later than 120 days after the end of each fiscal year, the Department is required at Section 284(b) of the Act to report to Congress on the overall progress of program participants in meeting statutory and regulatory provisions of the HOME Program. The report must include a description of the action taken by PJs to establish and oversee minority outreach programs as required by Section 281 of the Act and include an assessment of the fiscal year performance of the program based upon the data identified herein.

17. Explain any request to not display the expiration date.

There is no request to not display the expiration date.

18. Explain each exception to the certification statement identified in item 83i-19.  
This includes, specifically, providing the required information to respondents:

There are no exceptions being requested for the certification statements.