

Supporting Statement for Paperwork Reduction Act Submissions

Housing Counseling Program – Application for Approval as a Housing Counseling Agency OMB No. 2502-0573 (HUD-9900)

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. Include a statement regarding the changes for this submission**

The Office of Housing Counseling is responsible for administration of the Department's Housing Counseling Program, authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701w and 1701x). The Housing Counseling Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and the homeless. The primary objective of the program is to educate families and individuals in order to help them make smart decisions regarding improving their housing situation and meeting the responsibilities of tenancy and homeownership, including through budget and financial counseling. Counselors also help borrowers avoid predatory lending practices, such as inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and possible foreclosure. Counselors may also provide reverse mortgage counseling to elderly homeowners who seek to convert equity in their homes to pay for home improvements, medical costs, living expenses or other expenses. Additionally, housing counselors may distribute and be a resource for information concerning Fair Housing and Fair Lending. The Housing Counseling Program is instrumental to achievement of HUD's mission. The Program's far-reaching effects support numerous departmental programs, including Federal Housing Administration (FHA) single family housing programs.

Approximately 1,900 HUD-participating agencies provide housing counseling services nation-wide currently. Of these, approximately 920 have been directly approved by HUD. HUD maintains a list of these agencies so that individuals in need of assistance can easily access the nearest HUD-approved housing counseling agency via HUD's website, an automated 1-800 Hotline, or a smart phone application. HUD Form 9900, *Application for Approval as a Housing Counseling Agency*, is necessary to make sure that people who contact a HUD approved agency can have confidence they will receive quality service and these agencies meet HUD requirements for approval.

- 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.**

To participate in HUD's Housing Counseling Program, a housing counseling agency must first be approved by HUD. Approval entails meeting various requirements relating to experience and capacity, including nonprofit status, a minimum of one year of housing counseling experience in the target community, and sufficient resources to implement a housing counseling plan. Eligible organizations include local housing counseling agencies, private or public organizations (including grassroots, faith-based and other community-based organizations) such as nonprofit, state, local or public housing authorities that meet the Program criteria. HUD uses form HUD-9900 to evaluate whether applying organizations meet minimum requirements to participate in the Housing Counseling Program. The instruction on how to become a HUD approved Housing Counseling Agency is found at <https://www.hudexchange.info/programs/housing-counseling/agency-application/>.

HUD uses this information to populate Agency profile data in the Housing Counseling System (HCS) database. This data populates the HUD's website, automated 1-800 Hotline, and smart phone application.

- 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.**

The collection of information is not automated. HUD plans to streamline the information collection and automate the approval application process when funds become available. The application form will be updated to reflect a streamlined, fillable PDF interactive version and will continue to require electronic submission of applications through email in place of paper submissions. Office of Housing Counseling has also created an electronic file folder on its Sharepoint site to store these files.

- 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.**

Form HUD-9900, Application for Approval as a Housing Counseling Agency, is the first contact a housing counseling agency has with HUD, so no "similar information" is already available, and no duplication occurs.

- 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.**

The information collection is the same for all entities, regardless of size. The Information requested represents the minimum necessary to make an effective evaluation.

- 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.**

Failure to collect the information described in this submission would prevent HUD from screening potential housing counseling agencies through which HUD depends solely to provide critical housing counseling services to clients. The collection is needed to ensure applicants meet particular eligibility criteria and possess the capability to deliver effective and efficient services. This is critical since HUD refers individuals and households in need of assistance to these HUD approved counseling agencies. If the collection is not conducted, HUD would not approve any new agencies as part of the program.

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

There are no special circumstances involved in this collection.

- requiring respondents to report information to the agency more than quarterly; Non-Applicable
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; Non-Applicable
- requiring respondents to submit more than an original and two copies of any document; Non-Applicable
- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; Non-Applicable
- 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; Non-Applicable

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

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 on 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 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on July 14, 2017, Volume 82, No. 134, Pages 32568. (0) Comment received.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There are no payments to respondents.

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

The Application for Approval as a Housing Counseling Agency Form HUD-9900 is subject to the Privacy Act, which requires the records to be maintained with appropriate administrative, technical and physical safeguards to ensure their security and confidentiality.

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.

There are no questions of a sensitive nature.

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

Information Collection	Number of Respondents	Frequency of Response	Responses Per Year	Average Burden Hours Per Response	Annual Burden Hours	Hourly Cost Per Response	Total Annual Cost
HUD-9900	800.00	1.00	800.00	8.00	6400.00	\$39.19*	\$250,816.00
TOTALS	800.00		800.00		6400.00		\$250,816.00

*Salary cost for Federal Employees is based on a average of GS-12 step 5.

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

There are no additional costs to respondents.

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

Information Collection	Number of Respondents	Frequency of Response	Responses Per Year	Burden Hours Per Response	Annual Burden Hours	Hourly Cost Per Response	Total Annual Cost
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TOTALS	800.00		800.00		6400.00		\$250,816.00

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

This is a revision request of a currently approved collection. The numbers of respondents, responses, and associated burden hours for the application to become a HUD-approved housing counseling agency have changed since the last OMB approval due to the congressionally mandated Statute of 2010 and the subsequent Housing Counseling: New Certification Requirements Final Rule released December 14, 2016. Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) (Section 106) was amended by Subtitle D of title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111–203, 124 Stat. 1376, approved July 21, 2010) to strengthen and improve the effectiveness of housing counseling that is required under or provided in connection with HUD programs (Section 106 amendments). Specifically, the Section 106 amendments were enacted for the purpose of improving, by the following, the quality, consistency, and effectiveness of housing counseling delivered to consumers: (1) Establishing within HUD the Office of Housing Counseling and vesting in that office responsibility for all activities and matters related to housing counseling under all programs and laws administered by HUD; (2) defining certain terms related to housing counseling for purposes of clarity and consistency; (3) requiring that the individuals providing housing counseling required under or provided in connection with HUD programs be certified by taking and passing an examination administered by HUD’s Office of Housing Counseling (HUD certified housing counselors); (4) requiring that all housing counseling required under or provided in connection with HUD programs (Other HUD Programs) be provided by agencies approved to participate in HUD’s Housing Counseling program, referred to as housing counseling agencies (HCAs);¹ and (5) placing new requirements on the distribution and use of housing counseling grant funds awarded to HCAs. This final rule implements the Section 106 amendments by requiring that, within 36 months of the issuance of the certification examination, “housing counseling,” as defined in this final rule and that is “required by or in connection with” HUD programs, may only be provided by HUD certified housing counselors working for HCAs that are approved to provide such housing counseling by HUD’s Office of Housing Counseling. This rule codifies the Section 106 amendments in HUD’s General HUD Program Requirements, in 24 CFR part 5, and in HUD’s Housing Counseling Program regulations in 24 CFR part 214. While this rule focuses on updating HUD’s Housing Counseling Program regulations, the rule makes limited conforming regulatory changes to some of the HUD programs covered by these new requirements.

As mention, there have been no changes in program eligibility requirements. For this revision, the HUD-9900 form has been updated to reflect a streamlined, fillable PDF interactive version that will continue to require electronic submission of applications through email in place of paper submissions. The streamline

version has been revised to remove the burden of narratives and reflects the changes in HUD Housing Counseling Regulations 24CFR214, HUD handbook 7610.1, the Housing Counseling: New Certification Final Rule and feedback from the users and HUD staff.

16. For collections 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.

Collection of information will not be published. HUD maintains a web site, automated 1-800 hotline, and smart phone app listing of all Housing Counseling agencies.

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.

HUD is not seeking approval to avoid displaying the OMB expiration date.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83.

There is no exception to Item # 19 "Certification of Paperwork Reduction Act Submission."

B. Collections of Information Employing Statistical Methods.

The collection of information does not employ statistical methods.