

# Supporting Statement for Paperwork Reduction Act Submissions

## Delegated Processing for Certain Capital Advance Projects

OMB Control Number 2502-00590

(HUD-90000, HUD-90001, and HUD-90002)

### 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. (Example: The changes for this submittal is as follows or the difference between this submission and the last is as follows....)**

Section 2835(b) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, amended section 202 of the Housing Act of 1959 (Section 202), 42 U.S.C. 1701q(f). Section 202, as amended by HERA, directs the Department to delegate review and processing of Section 202 Supportive Housing for the Elderly projects to selected State or local housing agencies. The Frank Melville Supportive Housing Investment Act of 2010 (SHIA), Public Law 111-374, amended section 811 of the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 U.S.C. 8013. SHIA directs the Department to delegate review and processing of certain Section 811 Supportive Housing for Persons with Disabilities multifamily projects with supportive services (but not including any project that is a group home or independent living facility) to selected State or local housing agencies. Selected State or local housing agencies are termed Delegated Processing Agencies (“DPA”). The Department did not receive any funding for neither the Section 202 or Section 811 Capital Advance programs, therefore the Department was unable to delegate the review and processing of applications.

The Delegated Processing Agreement establishes the relationship between the Department and a Delegated Processing Agency (DPA) and details the duties and compensation of the DPA. The Certifications form provides the Department with assurances that the review of the application will be conducted in accordance with HUD requirements. The Schedule of Projects form provides the DPA with information necessary to determine if they wish to process the project and upon signature commits them to such processing.

Staff of the Multifamily Regional Center, within the regional Multifamily Housing Office, will use the information to determine if a housing finance agency wishes to participate in the program and obtain certifications that the review of the application is in accordance with HUD requirements. Each form can be completed electronically, however, each form requires original signatures from both a HUD and State representative, and therefore should be mailed to the Multifamily Regional Center. The collection of information occurs only once for each multifamily housing project.

All Section 524(c) Risk Sharing Lenders are automatically approved as a DPA, therefore need only to execute a Delegated Processing Agreement, HUD -90001. Any state or

applicable housing agency that is not currently a risk-sharing lender must seek approval under Handbook 4590.1 and regulations 24 CFR 266.100, Qualified Housing Finance Agency. That process is outlined in the collection of information for the Risk Sharing Program.

**Contents of Application Package:**

The contents of the Application Package for a prospective Delegated Processing Agency include three forms. The three forms are:

- HUD-90000– Schedule of Projects
- HUD-90001- Delegated Processing Agreement
- HUD-90002- Delegated Processing Certifications

**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.***

The Delegated Processing submission requirements are necessary to assist HUD in determining an applicant's eligibility and capacity to underwrite grant applications. A thorough evaluation of an applicant's qualifications and capabilities is critical in protecting the Federal Government's financial interest and to mitigate any possibility of fraud, waste, or mismanagement of public funds.

The purpose and use of the three forms of the submission package are briefly described below:

HUD-90000– Schedule of Projects: This document is provided to the Delegated Processing Agency from HUD, to provide basic project information for each project that may be assigned to the Delegated Processing Agency. The information identifies the assigned project and provides information about the proposed project's characteristics. The Delegated Processing Agency must accept the assignment by executing the HUD-90000 and email the executed document to HUD.

HUD-90001- Delegated Processing Agreement: This document sets the terms and conditions between HUD and the Delegated Processing Agency. The Agreement outlines the responsibilities of the Delegated Processing Agency. The DPA is providing support to HUD by processing certain Capital Advance projects that are using additional sources of funds besides the capital advance to develop such project. This document is provided to the Delegated Processing Agency from HUD. The Delegated Processing Agency must execute the HUD-90001 and email the executed document to HUD by and send a hard copy with original signatures.

HUD-90002- Delegated Processing Certifications: This document is executed by all third-party staff and subcontractors working on the projects underwriting. The document requires third-party reviewers to certify that their reviews are in accordance with HUD requirements. This form should be at minimum submitted by the Appraiser, Market Analyst, and Cost Architect, who will

certified that the documentation provider is in accordance with HUD underwriting standards. All third-party staff and subcontractors must execute the HUD-90002. The certification forms will be gathered by the Delegated Processing Agency and email the executed documents to HUD.

The forms collected are in response to Handbook 2013-12, which is currently being updated. The forms will also be listed on HUD's website at [https://www.hud.gov/program\\_offices/housing/mfh/mfinfo/delegated](https://www.hud.gov/program_offices/housing/mfh/mfinfo/delegated). Currently the forms expiration date is 05/2010.

**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 Department is currently working towards establishing funding for electronic signature capabilities which will allow electronic filing of responses; however, the efforts will not be complete before the submission of this package. Therefore, each form is available through HUDCLIPS and can be completed electronically, however applicants must email their applications to the local Multifamily Regional Center.

**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.**

No duplication exists in the collection. The information is available from no 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 information collection will not have a significant economic impact on small entities. Small business or other small entities will not be participating in the delegated processing program.

**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.**

In the absence of the above information, the Department would not be able to provide details to Delegated Processing Agencies, outline the responsibility of the DPA in an executed document, and have staff and subcontractors certify that the review is being completed in accordance with HUD approved requirements. The collection of information occurs only once for each multifamily housing project. The Department could not comply with the provisions

of the law and Federal regulations if the collection were eliminated.

**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 often than quarterly; Respondents must submit Attachments in response to a NOFA. A DPA will have to report required information more often than quarterly only if a NOFA was published and selections were made quarterly.

\* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; A DPA will have to prepare a written response to a collection in fewer than 30 days after receipt only if the development timeline required an immediate assignment of the project.

\* requiring respondents to submit more than an original and two copies of any document; A DPA will have to submit more than an original and two copies of any document if the project was transferred to another HUD office for review and the submitted documents were not also transferred to that office.

\* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years; The DPA submission do not contact records, other than health, government contract, grant-in-aid, or tax records.

\* in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study; The information collection does not employ statistical methods.

\* requiring the use of a statistical data classification that has not been reviewed and approved by OMB; The information collection does not employ statistical methods.

\* 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 The information collection does not require respondents to include a pledge of confidentiality.

\* requiring respondents to submit proprietary trade secrets, 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. The information collection does not require 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 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 **April 9, 2020**, Volume **85**, No. **69**, Pages **19951**. (0) Comments received.

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

HUD does not provide any payment or gift to respondents, other than the administrative fee for underwriting the project, and the incentive payment for reaching initial closing with release of capital advance funds during construction or starting construction where capital advance funds are released upon project completion, within 18 months. All funding is subject to the availability of funds.

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

Forms HUD-90000, UD-90001, and HUD-90002 are for the Department's use only and respondents are instructed that the material will not generally be disclosed unless a release order is issued under the Freedom of Information Act.

**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.**

The application submission requirements do not contain any sensitive questions.

**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 hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

\* If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

\* 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 13.

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
Form HUD-90000-Schedule of Projects	10	1	10	2	20	\$37.63	\$752.60
Form HUD-90001-Delegated Processing Agreements	10	1	10	2	20	\$37.63	\$752.60
Form HUD-90002-Delegated Processing Certifications	30	1	30	1	30	\$37.63	\$1128.90
<b>TOTALS</b>	50		50		70		\$2634.10

**Schedule of Projects (Form HUD-90000):**

It is estimated that there will be approximately 10 respondents who will submit form HUD-90000 once for each of the projects to be processed by the Delegated Processing Agency. This estimate is based on contacts with housing finance agencies that have expressed an interest in the Delegated Processing program. This resulted in an annual response of 10.

**Delegated Processing Agreement (Form HUD-90001):**

The estimated number of respondents is 10. This is based contact with contacts with housing finance agencies that have expressed an interest in the Delegated Processing program. This document would be submitted once as this establishes the relationship between the Department and the Delegated Processing Agency and can be renewed by mutual agreement.

## **Delegated Processing Certifications (Form HUD-90002):**

The estimated number of respondents is 30 respondents who will submit form HUD-90002. The Delegated Processing Agency will collect the certifications from each third-party provider that will work on the project. At minimum, this form should be submitted by the Appraiser, Market Analyst, and Cost Architect, who will certify that the documentation provided is in accordance with HUD underwriting standards. This estimate is based on contacts with housing finance agencies that have expressed an interest in the Delegated Processing program. This resulted in an annual response of 30.

### **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).**

\* 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 and 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 collections 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.

\* 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.

### **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
Form HUD-90000-Schedule of Projects	10	1	10	2	20	\$37.63	\$752.60
Form HUD-90001-Delegated Processing Agreements	10	1	10	2	20	\$37.63	\$752.60
Form HUD-90002-Delegated Processing Certifications	30	1	30	1	30	\$37.63	\$1128.90
<b>TOTALS</b>	50		50		70		\$2634.10

The work involved in selecting a Delegated Processing Agency is performed in the Multifamily Regional/ Satellite Office Center. The significant costs attributable to the promulgation of the application requirements will be the cost involved in reviewing the information submitted by the applicants. The cost to the Federal Government is based on an average salary at the GS-12 level (\$37.63 per hour).

**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 reinstatement of a discontinued collection extension of a previously approved collection which was discontinued in 2016. There are no substantive changes made to the program. The burden and cost are expected to increase than the previous collection due to the increase in marketing of the program activities.

**15. 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 this information will not be published. Each application will be maintained with the HUD program Office in individual project files. A list of approved Delegated Processing Agencies will be made available at [https://www.hud.gov/program\\_offices/housing/mfh/mfinfo/delegated](https://www.hud.gov/program_offices/housing/mfh/mfinfo/delegated)

**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-I.**

There are no exceptions to the certification statement identified in Item 19 of the OMB 83-I

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

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed: Item 17 on the Form OMB 83-I is no checked "Yes".

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.
2. Describe the procedures for the collection of information including:
  - \* Statistical methodology for stratification and sample selection,
  - \* Estimation procedure,
  - \* Degree of accuracy needed for the purpose described in the justification,
  - \* Unusual problems requiring specialized sampling procedures, and
  - \* Any use of periodic (less frequent than annual) data collection cycles to reduce burden.
3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.
4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of test may be submitted for approval separately or in combination with the main collection of information.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.