

Supporting Statement for Paperwork Reduction Act Submissions
Request for Prepayment of Section 202 or 202/8 Project
OMB Control Number: 2502-0554

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.**

The collection of this information is necessary to review prepayment requests for Section 202 and 202/8 direct loans. The legal authority for collecting this information is provided under Section 811 of the American Homeownership and Economic Opportunity (AHEO) Act of 2000, as amended, the Section 202 Supportive Housing for the Elderly Act of 2010 (Public Law 111-372), and by 24 CFR 891.530. 24 CFR 891.530, Prepayment Privileges, states that the prepayment (whether in whole or in part) or the assignment or transfer of physical and financial assets of any Section 202 project is prohibited, unless the Secretary gives prior written approval. The section also states that the Secretary may not grant approval unless HUD has determined that the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, until the original maturity date of the loan, in a manner that will provide rental housing for the elderly and individuals with disabilities on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law (Public Law 111-372 requires extension of the continued operation of the project for 20 years beyond the original maturity date of the loan). This requires the project owner to execute and record a Section 202 Use Agreement, which is also included in this collection. The Use Agreement provides the extended affordability of the project for 20 years beyond the direct loan's original maturity date after the prepayment occurs. In addition, the statute provides that any prepayment that involves a refinance of the project, the owner may use loan proceeds to assist other HUD-assisted senior housing, or for the construction of an addition or other facility for the elderly that is in or adjacent to the project which is the subject of prepayment, and that also includes assisted living facilities. If the project owner chooses to use funds for either of these purposes, the owner must execute the appropriate Use Agreement for a term of 10 years beyond the date of the closing of the refinance, or the date of the termination of the existing regulatory agreement, whichever is later. These two Use Agreements are also included in this collection.

- 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 information will be gathered and submitted by the owner in support of the prepayment request. The information consists of a written request for the prepayment using the form HUD-9808; submission of a copy of the Mortgage, Mortgage Note, Housing Assistance Payments Contract, Regulatory Agreement, Subordinate Mortgage/Loans that may be in place; list of the number of occupied units in Section 8 or Rent Supplement assisted units; list of any commercial renters/leases; vendors that may be in place; detailed narrative justifying the future use of the full rental assistance currently being provided to the project; detailed narrative of how new loan proceeds from a refinance will be used at the project; copy of notice to tenants of the prepayment; if the prepayment involves a refinance, evidence that the interest rate will be lower and the debt service payment will be lower after the refinance, and a draft copy of the applicable Use Agreement required for the prepayment. HUD field staff receive the owner's application and supporting documents via email, review this information to determine if approval of the prepayment request can be granted, and make a recommendation for final approval to Headquarters Office of Asset Management and Portfolio Oversight via email. Copies of the documents are stored in office files for a three-year period.

- 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.**

After a thorough review, there are no plans to automate this collection of information. Information collected consists of significant prior documentation. Owners submit documents to the local HUD office who in turn forward the prepayment request with their recommendation to HUD Headquarters' Office of Asset Management and Portfolio Oversight for review and processing. However, in an effort to automate where possible the form used for this program is pdf fillable and available electronically on HUDclips.

- 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.**

There is no duplication of similar information currently collected.

- 5. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.**

The collection of this information does not impact small businesses.

- 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.**

It would be impossible to review, process, and approve prepayment requests without a written request to determine the owner's proposal for the long-term affordability of the project after mortgage prepayment. Without the information, HUD would be unable to determine whether the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, for 20 years beyond the original maturity date of the loan, in a manner that will provide rental housing for the elderly and individuals with disabilities, on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law.

- 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 are no special timeframes for an owner to submit an application to prepay a Section 202 or 202/8 direct loan.
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it**
There are no special timeframes for an owner to submit an application to prepay a Section 202 or 202/8 direct loan.same as above
- **requiring respondents to submit more than an original and two copies of any document;**
It is not required that the owner submit more than an original copy 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 are no special circumstances associated with this information collection.

- **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;**

There are no special circumstances associated with this information collection

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

There are no special circumstances associated with this information 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 are no special circumstances associated with this information collection.

- **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 are no special circumstances associated with this information collection

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 3 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 office consulted with staff from three of HUD's Multifamily regional centers/satellite offices concerning the information collection. All advised that the criteria are sufficient, and the document is user-friendly and provides HUD staff with the information need to review and recommend approval for a prepayment. In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on **December 23, 2024, Volume 89, No. 246, Pages 104558-104559. No Comments received.**

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

There will be no gifts or payments provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy. If the collection requires a system of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 seq., and regulations promulgated thereunder at Title 12 Code of Federal Regulation. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

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 are not required to provide information of a sensitive nature.

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 covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in chart below; 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 13.**

Estimated Burden (includes both prepayments requiring HUD approval and those not requiring HUD approval.). HUD has received approximately 153 requests per year from owners of Section 202 and 202/8 direct loan projects to prepay and/or prepay/refinance their direct loans over the past 3 years. There are approximately 1,566 active Section 202 direct loans that are under their original financing that may submit an application to prepay.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
HUD-9808	1,566	1	1,566	2	3,132.00	\$39.77	\$124,559.64
Section 202 Use Agreement	1,566	1	1,566	0	0	0	0
Other Use Agreement	Less than 10						

Other Use Agreement	Less than 10						
Total	1,566		3132	2	3132		\$124,559.64

Respondent cost is based on a mean hourly wage of \$39.77 for Residential Property Manager reported at U.S. BUREAU OF LABOR STATISTICS - Occupational Employment and Wage Statistics – Dated May 2024, for Property, Real Estate, and Community Association Managers (BLS #11-9141).

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet 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.**
- *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 the 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

Estimates of annualized costs to the Federal government:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Review & process documents	153	1	153	30	4,590	\$48.59	\$223,028.10
Total	153	1	153	30	4,590	\$48.59	\$223,028.10

** Estimated cost per hour calculated using current GS Salary Table (GS-12, Step 1) for HUD staff to review and process the documents for this collection. This includes execution of the Use Agreement.*

15. Explain the reasons for any program changes or adjustments reported in Items 12 and 14 of the Supporting Statement.

This is a reinstatement without change of a currently approved collection.

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.

HUD is not seeking approval to avoid displaying the expiration date for this information collection.

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

There are no exceptions to the Certification.