



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7024-N-22]

### 30-Day Notice of Proposed Information Collection:

#### Application for FHA Insured Mortgages

OMB Control No.: 2502-0059

**AGENCY:** Office of the Assistant Secretary for Housing- Federal Housing Commissioner, HUD.

**ACTION:** Notice.

**SUMMARY:** HUD has submitted the proposed information collection requirement described below to the Office of Management and Budget (OMB) for review, in accordance with the Paperwork Reduction Act. The purpose of this notice is to allow for an additional 30 days of public comment.

**DATES:** Comments Due Date: **[Insert date that is 30 days after the date of publication in the Federal Register.]**

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposal. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to [www.reginfo.gov/public/do/Start Printed Page 15501PRAMain](http://www.reginfo.gov/public/do/StartPrintedPage15501PRAMain). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

**FOR FURTHER INFORMATION CONTACT:** Colette Pollard, US Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000;

telephone 202-402-3400 (this is not a toll-free number) or email at [Colette.Pollard@hud.gov](mailto:Colette.Pollard@hud.gov).

Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339. Copies of available documents submitted to OMB may be obtained from Ms. Pollard. Stakeholders may also view the proposed certification at: [https://www.hud.gov/program\\_offices/housing/sfh/SFH\\_policy\\_drafts](https://www.hud.gov/program_offices/housing/sfh/SFH_policy_drafts)

**SUPPLEMENTARY INFORMATION:** This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A. The Federal Register notice that solicited public comment on the information collection for a period of 60 days was published on October 25, 2019 at 84 FR 57464.

#### **A. Overview of Information Collection**

Title of Information Collection: Application for FHA Insured Mortgages.

OMB Approval Number: 2502-0059.

Type of Request: Revision of currently approved collection.

Form Number: HUD-92900-A, HUD-92900-B, HUD-92900-LT, HUD-92561, Model

Notice for Informed Consumer Choice Disclosure, Model Pre-Insurance

Review/Checklist, Settlement Certification (previously known as Addendum to HUD-1) and HUD-92544.

Description of the need for the information and proposed use: Specific forms and related documents are needed to determine the eligibility of the borrower and proposed mortgage transaction for FHA's insurance endorsement. The Uniform Residential Loan Application (URLA) and form HUD-92900-A (Addendum to the URLA) are used in every case by the lender to make application for FHA mortgage insurance. Together they describe the parties involved, the property, and the conditions and terms on which the mortgage insurance will be based. The form HUD-92900-A was updated to: revise certifications to reflect regulations and other legal

requirements; ensure accuracy of information provided to FHA; reduce uncertainty in the industry; maintain the ability to enforce FHA program requirements; and remove VA requirements and certifications from the 92900-A. Lenders seeking FHA's insurance prepare certain forms to collect data.

Respondents (i.e. affected public): Individuals (loan applicants) and Business or other for-profit (lenders).

Estimated Number of Respondents: 15,871.

Estimated Number of Responses: 5,798,629.

Frequency of Response: 365.3631781236.

Average Hours per Response: 0.1194309943.

Total Estimated Burdens: 692,542.

## **B. Solicitation of Public Comment**

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

- (1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility.
- (2) The accuracy of the agency's estimate of the burden of the proposed collection of information;
- (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and
- (4) Ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

(5) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

HUD encourages interested parties to submit comment in response to these questions.

**C. Authority:** Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

**D. Summary of Form HUD-92900-A Comments and HUD Responses:**

Comment: A commenter requested copies of all forms included in the collection for review.

HUD Response: HUD emailed the requested forms to the commenter.

Comment: A commenter asked how these changes would impact the Veteran's Administration URLA, VA Form 26-1802a.

HUD Response: HUD and the Department of Veterans Affairs (VA) both use the HUD/VA Addendum to Uniform Residential Application, but the form has two different form numbers and expiration dates. VA uses VA Form 26-1802a, which expires 02/29/2020 and HUD uses Form HUD-99200-A, which expires on 09/30/2022. HUD has notified VA that it was making changes to HUD's version of the form to ensure accuracy of information provided to HUD; reduce uncertainty in the industry; and maintain the ability to enforce HUD program requirements by customizing the requirements and loan-level certifications. Once, HUD's changes are final and effective, the form HUD-92900-A must be used for HUD loans. However, these changes do not affect VA form 26-1802a. HUD does not have any information on the status of VA Form 26-1802a.

Comment: A commenter shared their expectation that the revised loan-level certification, along with related reforms, will increase borrower access to FHA mortgage credit, encourage

depository institutions to return to FHA lending, and maximize compliance with FHA requirements.

HUD Response: HUD appreciates this feedback and shares the expectations for increased access to and compliance with FHA requirements.

Comment: A commenter suggested that HUD add a knowledge qualifier in the Loan Level Certification by replacing “I certify that the statements above are materially correct.” with “I certify, to the best of my knowledge, that the above statements are materially correct.”

HUD Response: HUD appreciates this comment. HUD does not believe the knowledge qualifier should be included in the certification statement because the Department has already committed to taking into account knowledge as part of the Defect Taxonomy, which provides the framework for the evaluation of all defects in loan origination.

Comment: A commenter suggested that the proposed Loan-Level Certification is too inclusive because the referenced sections are overbroad. The Commenter suggested editing the certification to read “to the extent that no material defect exists in connection with the underwriting of this mortgage such that the approval is inconsistent with the Handbook Section and with FHA standards, policies and guidance.”

HUD Response: HUD appreciates this comment. HUD does not believe the suggested language is necessary because the certification as proposed by HUD already captures the approval of the mortgage in accordance with FHA requirements and also provides that analysis of any defect would be made in light of the Defect Taxonomy. HUD does not believe that any greater clarity is afforded by the language proffered by the commenter.

Comment: A commenter stated that the Certification's references to the HUD Defect Taxonomy creates an ambiguity that suggests that the Taxonomy defines the limit of mortgagee liability only when the Department is involved. To be consistent with the Taxonomy and to support the program and mortgagees, the Commenter recommends that the reference should be more generic.

HUD Response: HUD does not believe that the reference to the Defect Taxonomy creates any ambiguity. HUD's Defect Taxonomy does not itself establish or limit liability for violations of HUD requirements, rather the Defect Taxonomy demonstrates HUD's commitment to evaluation of any defects within the confines of the framework of the Taxonomy.

Comment: A commenter provided their support for HUD's MOU with DOJ and offered assistance with implementation. Specifically the commenter suggested that the Department: 1) define the numerical trigger that accounts for differences in lender size and volume, along with attaching a defined time period over which the trigger will be assessed; and 2) clarify that "aggravating factors" means "systematic and widespread violations" and only ones that form a "pattern" of violations; and 3) specifically define the term "violation" to clarify that it means a final Department finding.

HUD Response: HUD appreciates the comment, but this issue is outside of the proposed information collection in this notice.

Comment: A commenter stated that under the MOU, the MRB will play an outsized role in acting as gatekeeper and administrator of the new focus on administrative enforcement, rather than on abusive FCA suits. The Commenter welcomes this development but believes with that increased role comes a need to design an MRB process that is open, fair to lenders, and transparent.

HUD Response: HUD appreciates the comment, but this issue is outside of the proposed information collection in this notice.

**Dated:** May 13, 2020.

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Colette Pollard,  
Department Reports Management Officer,  
Office of the Chief Information Officer.

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