

**Department of Housing and Urban Development
Report on Implementation of Executive Order 13563,
Improving Regulation and Regulatory Review and
HUD Initiatives to Reducing Reporting and
Paperwork Burdens**

I. Executive Order 13563, Improving Regulation and Regulatory Review		
Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits	Status and Target Dates
Office of Housing – Federal Housing Administration (FHA)		
<p>Federal Housing Administration (FHA): Refinancing an Existing Cooperative under Section 207 Pursuant to Section 223(f) of the National Housing Act (FR-5395-F-02)</p> <p>Final Rule</p> <p>RIN 2502-AI92</p>	<p>This final rule will remove a regulatory barrier to the refinancing of existing mortgage debt with FHA insurance by owners of multifamily cooperative housing projects. Although the statutory language authorizing such insurance does not distinguish between rental or cooperative multifamily projects, HUD’s current regulations limit FHA insurance to existing rental projects. Given the current state of the capital markets and the significant downturn in the multifamily market, HUD determined it is an appropriate time to reconsider this regulatory imposed limitation with respect to the mortgage insurance for the refinancing of cooperative projects. The final rule follows publication of a February 1, 2011, proposed rule (76 FR 5518).</p> <p>Anticipated Benefits: The final rule will remove a regulatory restriction on FHA refinancing of existing mortgage debt by owners of multifamily cooperative projects, thus expanding the number of individuals eligible to participate in FHA programs. HUD anticipates the rule would increase transfers to coops and result in benefits by reducing the social costs of foreclosures (with some potential transaction and opportunity costs).</p>	<p>Final rule under development. The projected publication date of the final rule is June 2013.</p>

Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits s	Status and Target Dates
Office of Housing – Federal Housing Administration (FHA)		
<p>Streamlining Inspection and Warranty Requirements for Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of the FHA Inspector Roster and of the Ten-Year Protection Plan Requirements for High Loan-to-Value Ratio Mortgages; Proposed Rule (FR-5457-P-01)</p> <p>RIN 2502-AJ03</p>	<p>This proposed rule would streamline the inspection and home warranty requirements for FHA single family mortgage insurance. HUD’s regulations currently require the use of an inspector listed on FHA’s Inspector Roster as a condition for FHA mortgage insurance. The Inspector Roster lists inspectors selected by FHA as eligible to determine if the construction quality of a one unit property is acceptable as security for an FHA-insured loan. Current regulations also require newly constructed homes to have a 10-year protection plan in order to qualify for high loan-to-value (LTV) FHA-insured mortgages. Although such protection plans are no longer statutorily mandated, HUD continued to require the plans through regulation. The proposed streamlining changes recognize the sufficiency and quality of inspections carried out by local jurisdictions as a result of the building permit and certification of occupancy processes.</p> <p>Anticipated Benefits: The proposed rule removes the regulations for the FHA Inspector Roster and streamlines the mortgage insurance application process. By eliminating Inspector Roster list, HUD believes this rule will save the government \$42,770 in recordkeeping costs and save the public 500 burden hours. The proposed rule also removes the outdated 10-year protection plan requirement for high LTV newly constructed single family homes securing FHA-insured mortgages. By eliminating the protection plan requirement, HUD believes this rule will save the government \$10,121 in recordkeeping costs, and save the public \$29,352,615 in mandatory warranty premiums (with de minimis increases in risk) and 5,741 burden hours.</p>	<p>The proposed rule was published on February 6, 2013. The public comment due date is April 8, 2013.</p>

February 14, 2013

Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits	Status and Target Dates
Office of Housing – Federal Housing Administration (FHA)		
Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of Requests for Alternative Mortgage Amounts; (FR-5462-F-02) RIN 2502-AJ02	<p>This final rule would remove the regulations providing for requests for an alternative maximum mortgage amount in the FHA single family mortgage insurance programs and, in doing so, would establish certainty in FHA’s annual announcement of applicable maximum mortgage amounts for the calendar year. The existing regulations provide for requests to be submitted at any time with no end date provided for the submission of requests. This open-ended practice, initiated in 1980, does not bring stability to a mortgage market. Over 30 years later, the quality of FHA’s data in establishing mortgage amounts for any given geographic area is such that the requests for alternative mortgage amounts have dropped dramatically in the past few years so that no requests were submitted to FHA in calendar year 2010. The removal of this process in and of itself will signal the certainty to FHA’s annual announcement of maximum mortgage amounts.</p> <p>Anticipated Benefits: The final rule would bring certainty to and streamline the announced maximum mortgage amounts for each calendar year, by removing a regulation that is no longer relevant.</p>	<p>The projected publication date of the final rule is May 2013.</p>

February 14, 2013

Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits s	Status and Target Dates
Office of Housing – Federal Housing Administration (FHA)		
<p>Federal Housing Administration (FHA): Approval of Lending Institutions and Mortgagees— Alternative Reporting Requirements for Small Supervised Lenders Proposed Rule (FR-5536-P-01)</p> <p>RIN 2502-AJ00</p>	<p>This proposed rule would create alternative financial statement reporting requirements for FHA-approved lenders and mortgagees supervised by a Federal banking agency and possessing consolidated assets of less than \$500 million. HUD’s regulations at 24 CFR § 202.5 currently require all lenders and mortgagees to submit audited financial statements as a condition for FHA lender approval and renewal. Through this proposed rule, in lieu of an audited financial statement, smaller supervised lenders and mortgagees would be required to submit a copy of their unaudited regulatory report prepared for another Federal agency that aligns with their fiscal year end. Because the Federal banking agencies do not require an audited financial statement for financial institutions with consolidated assets less than \$500 million, this rule would align HUD practice with that of other agencies and lift an excessive regulatory burden in order to reduce the cost of participating in FHA programs. This rule would not affect the requirement that larger supervised lenders and mortgagees and all unsupervised lenders and mortgagees submit an audited financial statement and thus would not impact HUD’s strong risk management practices.</p> <p>Anticipated Benefits: The proposed rule would relieve small lenders wishing to participate in FHA programs of certain reporting requirements. The proposed rule also eliminates duplicative reporting requirements for lenders who already report to other Federal agencies, thus reducing paperwork and minimizing the burden of the process of becoming an FHA-approved lender.</p>	<p>The proposed rule is under development. The projected publication date of the proposed rule is February 2013.</p>

February 14, 2013

Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits s	Status and Target Dates
Office of Housing – Federal Housing Administration (FHA)		
<p>Streamlining Requirements Governing the Use of Funding for Supportive Housing for the Elderly and Persons with Disabilities Programs; Proposed Rule (FR-5167-F-02)</p> <p>2502-AI67</p>	<p>This final rule would amend HUD’s regulations governing the Section 202 Supportive Housing for the Elderly Program (Section 202) and the Section 811 Supportive Housing for Persons with Disabilities Program (Section 811) for the purpose of streamlining the requirements for mixed-financed Section 202 and Section 811 developments. The amendments made by this rule would attract private capital and the expertise of the private developer community to create attractive and affordable supportive housing developments for the elderly and for persons with disabilities. Specifically, the rule would remove restrictions on the portions of developments not funded through capital advances. The final rule also would remove regulatory barriers on participation by creating new exemptions to the conflict of interest provisions. Moreover, the rule will provide flexibility regarding amenities that may be provided in projects and will streamline requirements for release of capital advance funds upon completion of the project.</p> <p>Anticipated Benefits: The voluntary nature of funding units with covered amenities or developments that contain healthcare facilities makes it difficult to predict the impact of these changes on future Section 202 and 811 units. These two programs together produce a few hundred developments a year (193 in 2008 and 170 in 2009). HUD anticipates the program would attract more private capital.</p>	<p>The proposed rule published on March 28, 2012. The public comment period closes on May 29, 2012.</p> <p>The projected publication date of the final rule is June 2013</p>

February 14, 2013

Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits	Status and Target Dates
Office of Public and Indian Housing (PIH)		
<p>Revisions to the Consortia of Public Housing Agencies; Proposed Rule (FR-5578-P-01)</p> <p>RIN 2577-AC89</p>	<p>This proposed rule revises the PHA consortium regulations to provide additional flexibility and increase administrative efficiencies associated with forming a consortium. The changes will also help ensure maximum family choice in locating suitable housing. The proposed rule would allow PHAs to form a new category of cross-jurisdictional consortia for administration of the Section 8 Housing Choice Voucher (HCV) program. The current regulations do not allow for such cross-jurisdictional consortia. The proposed rule would also revise the categories of Section 8 programs eligible to be administered under a consortium. Specifically, the Section 8 programs administered by HUD's Office of Multifamily Housing programs would no longer be eligible for consortia administration. HUD also proposes to establish new requirements regarding the timeframes for the establishment and dissolution of a consortium. Further, HUD has taken the opportunity afforded by this proposed rule to make several technical, non-substantive changes to improve the clarity and organization of the consortium regulations.</p> <p>Anticipated Benefits: The proposed rule will enable PHAs to establish cross-jurisdictional consortia that would be treated as a single PHA, with a single jurisdiction and a single set of reporting and audit requirements, for purposes of administering the HCV program in a more streamlined and less burdensome fashion.</p>	<p>The proposed rule is under development.</p> <p>The projected publication date of the proposed rule is July 2013.</p>

February 14, 2013

Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits s	Status and Target Dates
Office of Public and Indian Housing (PIH)		
<p>Public Housing and Section 8 Programs: Housing Choice Voucher - Improving Portability for Voucher Families Proposed Rule (FR-5453-P-01)</p> <p>RIN 2577-AC86</p>	<p>This proposed rule would amend HUD’s regulations governing portability in the Housing Choice Voucher program (HCV program). Portability is a feature of the HCV program that allows an eligible family with a housing choice voucher to use that voucher to lease a unit anywhere in the United States where there is a public housing agency (PHA) operating a housing choice voucher program. The purpose of HUD’s proposed changes to the portability regulations is to streamline the process for such inter-jurisdictional moves. Reducing the administrative burdens involved with processing portability requests will enable initial and receiving PHAs to better serve families and expand housing opportunities.</p> <p>Anticipated Benefits: The proposed rule would remove the administrative burdens involved with processing portability requests, making it easier for low-income families to move with their vouchers The proposed changes to the HCV regulations would not have a significant incidence on the program budget. The proposed rule, however, would yield certain non-tangible benefits to program participant and, if successful, increase financial transfers between PHAs.</p>	<p>The proposed rule published on March 28, 2012. The public comment period ends May 29, 2012.</p> <p>The projected publication date of the final rule is June 2013.</p>

II. HUD Initiatives to Reduce Reporting and Paperwork Burdens		
Title	Description and Anticipated Benefits	Status and Target Dates
Office of Housing – Federal Housing Administration (FHA)		
Streamlining Section 8 Contract Renewal	<p>HUD is eliminating 13 forms from this collection of information after further evaluation of the program identified that data from these forms were being duplicated and that some data could be retrieved from, and are covered under, other collections. HUD is enhancing the integrated Real Estate Management System (iREMS) to provide owners of project-based Section 8 housing that have multi-year Section 8 contracts with automatically calculated annual Operating Cost Adjustment Factors (OCAF) rent increases, where applicable. Finally, HUD is modifying three forms and combining system data to further reduce burden.</p> <p>Anticipated Benefits: The changes will result in a reduction of 28,942 burden hours. Costs savings to the Government is \$921,922.00. Total costs savings for postage and printing to respondents is \$120,691.50.</p>	All of the changes will be implemented by February 2013.

February 14, 2013

Title	Description and Anticipated Benefits s	Status and Target Dates
Office of Public and Indian Housing		
<p>Modernizing Indian Housing Block Grant (IHBG) Program Reporting</p>	<p>HUD is revising the Word version of HUD-52737, Indian Housing Plan/Annual Performance Report (IHP/APR), by creating automated versions of the form: an Excel version and a version on HUD’s Energy and Performance Information Center (EPIC) website. All three versions of the form request the same information but have different burdens due to the automated capabilities of the Excel and EPIC versions. The automated versions reduce burden through dropdown boxes, auto calculations, and auto completion (copying programs titles from the program section to the budget lines). In addition, the EPIC version includes pre-populated recipient information as well as a copy forward feature that will copy from one year to the next all the programmatic information, so that the grantee will only be required to modify the text for program fluctuations (adjusting output and funding levels as needed).</p> <p>Anticipated Benefits: The changes will result in a reduction of 6,411 burden hours. Additionally, the changes will result in about \$115,000 in savings to the Federal Government by reducing the recordkeeping cost.</p>	<p>The changes will be implemented by March 2013.</p>

February 14, 2013

Title	Description and Anticipated Benefits s	Status and Target Dates
Office of Public and Indian Housing		
<p>Making HUD Forms Easier to Complete and Savable.</p>	<p>HUD is changing software packages to enable Public Housing Agencies (PHAs), Tribes, and State/Local Governments to save and share forms. In the past, PHAs have been forced to re-fill forms each time a submission is renewed because HUD forms were not fillable or savable. HUD has used Adobe Acrobat to post forms on HUD's website; however, the Department only provided 1000 licenses for the HUD Enterprise. Based on the results of a technical review, Adobe Acrobat Professional is being replaced by Nuance Communications PDR Converter Enterprise. Nuance enables the end user to create, convert, edit, save, redact and share PDF files. Although some PHAs and other end user shad full Adobe capabilities, HUD estimates, on average after including these users, the respondent population will save about an hour per year</p> <p>Anticipated Benefits: The changes will result in a reduction of 4,619 burden hours. Additionally, the changes will result in about \$329,000 in savings to the Federal Government for the printing and mailing of savable and fillable forms.</p>	<p>As of January 2013, forms have been converted and are currently being used.</p>