

information technology, *e.g.*, permitting electronic submission of responses.

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.

#### John Gibbs,

*Principal Deputy Assistant Secretary for Community Planning and Development.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7024-N-55]

### 30-Day Notice of Proposed Information Collection: Quality Control Requirements for Direct Endorsement Lenders; OMB Control No.: 2502-0600

**AGENCY:** Office of the Chief Information Officer, 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: January 19, 2021.

**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/StartPrintedPage15501PRAMain](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, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410; email [Colette.Pollard@hud.gov](mailto:Colette.Pollard@hud.gov) or telephone 202-402-3400. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339. This is not a toll-free number. Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

**SUPPLEMENTARY INFORMATION:** This notice informs the public that HUD is

seeking approval from OMB for the information collection described in Section A.

### A. Overview of Information Collection

*Title of Information Collection:* Quality Control Requirements for Direct Endorsement Lenders.

*OMB Approval Number:* 2502-0600.

*Type of Request:* Revision.

*Form Number:* Not Applicable.

*Description of the need for the information and proposed use:* Per 24 CFR 202.8(3), a Direct Endorsement (DE) lender that sponsors third party originators (TPOs) is, “responsible to the Secretary for the actions of its third party originators or mortgagees in originating loans or mortgages, unless applicable law or regulation requires specific knowledge on the part of the party to be held responsible.” As a result, DE lenders are responsible for conducting quality control reviews on TPO originations of FHA-insured mortgage loans and ensuring that their Quality Control Plans contain this oversight provision. This creates an information collection burden on DE lenders, since these institutions must also conduct quality control on loans they originate and underwrite.

DE lenders must conduct quality control reviews on a sample of loans that they originate or underwrite, including loans originated by TPOs. For the purposes of this information collection, it is assumed that the number of loans reviewed by each DE lender will comply with the Sample Size Standard and Sample Composition Standard described in HUD Handbook 4000.1, Section V.A.3.a.

In addition, under 24 CFR 203.255(c) and (e), HUD conducts both pre- and post-endorsement reviews of loans submitted for FHA insurance by DE lenders. As part of those reviews, the Secretary is authorized to determine if there is any information indicating that any certification or required document is false, misleading, or constitutes fraud or misrepresentation on the part of any party, or that the mortgage fails to meet a statutory or regulatory requirement. In order to assist the Secretary with this directive, FHA requires that lenders self-report all findings of fraud and material misrepresentation, as well as any material findings concerning the origination, underwriting, or servicing of the loan that the lender is unable to mitigate or otherwise resolve. The obligation to self-report these findings creates an additional information collection burden on DE lenders.

In accordance with the requirements of 5 CFR 1320.8(d), a Notice soliciting comments on this collection of

information was initially published in the **Federal Register** on December 21, 2010 (Volume 75, Number 244, page 80066). At that time, FHA still allowed for loan correspondents to participate in its programs and had not yet transitioned to the use of TPOs. Therefore, FHA estimated information collection burdens based on the estimated used of TPOs by DE lenders. FHA has since revised these estimates with real data that captures TPO originations of FHA-insured single-family mortgage loans. This revision has increased the information collection burden associated with OMB Control Number 2502-0600.

*Respondents:* Active Title II Direct Endorsement (DE) lenders.

*Estimated Number of Respondents:* 3,641.

*Estimated Number of Responses:* 118,952.

*Frequency of Response:* Annually.

*Average Hours per Response:* 25.

*Total Estimated Burdens:* 29,738.

### 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.

#### Colette Pollard,

*Department reports Management Officer, Office of the Chief Information Officer.*

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