



United States Department of Agriculture

August 18, 2022

TO: Austin Mudd
Senior Desk Officer
Office of Management and Budget

THROUGH: Levi Harrell
USDA Information Collection Officer

FROM: Michele L. Brooks
Director
Innovation Center, Rural Development, USDA

DATE Request for Emergency Approval of a New Information Collection Request for
The American Rescue Plan Act, 2021 (ARPA), Direct Single Family Housing
Section 502 and 504 Loan Programs

The Rural Housing Service (RHS), an agency in the Rural Development (RD) Mission Area within the United States Department of Agriculture (USDA), is requesting emergency review and approval of a new information collection for the refinancing of existing Single Family Housing loans for Section 502 direct and Section 504 borrowers who have been granted and received a COVID-19 payment moratorium, as authorized by Section 3202 of the American Rescue Plan Act, 2021 (ARPA). The Administration, Congress, and the USDA have indicated that implementation of this ARPA provision is a priority to ensure the maximum use of ARPA funds, which are only available until September 30, 2023.

Approval of this emergency request for approval is important because there is an urgency to provide staff with updated guidance that will provide several streamlined measures to expedite the ARPA application process. Without this approval, the program will not be able to refinance existing loans as efficiently as possible with a lower interest rate and extended terms, which in turn will have negative consequences on the intended recipient borrowers - low- and very-low-income borrowers - that need relief so that mortgage payments are more affordable post-moratorium. Rural Development has restarted the Single Family Housing (SHF) direct loan acceleration process, which had been paused since the beginning of the pandemic. Pre notices have been mailed to borrowers as of early July 2022. The program anticipates a high-volume response from borrowers requesting refinancing as a relief measure from acceleration.

The American Rescue Plan (ARP) Act of 2021 (Pub.L. 117-2; Sec. 3207, H.R. 1319) appropriated additional funds for the Single Family Housing (SFH) Section 502 and 504 Direct Loan Program borrowers, of which funds remain available until September 30, 2023. The stated purpose of the American Rescue Plan Act (ARPA) of 2021 is to provide “additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses.” The Agency’s objective under the ARPA is to refinance the existing Section 502 direct and Section 504 borrowers who have been granted and received a COVID-19 payment moratorium. Refinancing these loans with a lower interest rate and extended terms will help provide needed relief to low- and very-low-income borrowers, so that mortgage payments are more affordable post-moratorium. The Agency has made every effort to streamline the ARPA application process by using existing direct application processes, documents, etc., and eliminate requirements which are not applicable for ARPA (e.g., credit verifications), and modify some items specific to the ARPA.

In lieu of the critical need to assist low- and very-low-income rural borrowers, USDA is requesting approval by no later than September 18, 2022. An emergency approval for this new collection is urgent because staff will not be able to implement the updated guidance as efficiently as possible which will streamline measures to expedite the ARPA application process to ensure the maximum use of ARPA funds, which are only available until September 30, 2023. The use of normal clearance procedures is likely to prevent the collection of information from applicants which, in turn, will have negative consequences on the intended recipients.

The 60-day notice for comments will be published once OMB provides approval of the request for emergency approval request. Comments on the ARPA SFH Direct Loan Program information collection is requested to submit the regular request to obtain a 3-year approval from OMB after receiving the 6-month OMB emergency approval. Due to the need to consider comments received and then issue another notice for the Federal Register for an additional 30-days of comment, the Agency would not be able to complete the information collection process. Please note that after the 60-day comment period closes, the agency will submit the collection package for a 3-year approval addressing any comments received.

Should you have any questions, please do not hesitate to contact Michele Brooks, Director, Regulations Management Division, Innovation Center - Rural Development by telephone at (202) 690-1078 or by email at Michele.Brooks@usda.gov. or MaryPat Daskal, Chief, Branch 1, Regulations Management Division, Innovation Center - Rural Development by telephone at (202) 720-7853.

Thank you.

Attachments