



National Reverse Mortgage Lenders Association
1400 16th Street, N.W.
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February 26, 2024

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Department of Housing and Urban Development
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Room 8210
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RE: *Docket No. FR-7080-N-05; OMB Control No. 2502-0610; 30-Day Notice of Proposed Information Collection; Project Approval for Single-Family Condominiums*

Introduction

The National Reverse Mortgage Lenders Association (“NRMLA”) is the national voice of the reverse mortgage industry. With over 300 member companies and over 2,000 member delegates, NRMLA serves as an educational resource, policy advocate and public affairs center for lenders and related professionals. NRMLA was established in 1997 to enhance the professionalism of the reverse mortgage industry. Our mission includes educating industry participants on best practices, regulatory requirements and market dynamics; providing helpful information to consumers about reverse mortgages; enforcing our Code of Ethics and Professional Responsibility;¹ and offering insight to policymakers working on reverse mortgage matters and related issues. NRMLA members make over 90% of the reverse mortgages originated today.

Background

On January 26, 2024, the Office of the Policy Development and Research, Chief Data Officer, Department of Housing and Urban Development (“HUD”), issued a 30-Day Notice of Proposed Information Collection (“Notice”) seeking approval from the Office of Management and Budget (“OMB”) for the collection of information regarding the forms used for Project Approval for Single-Family Condominiums. In accordance with the Paperwork Reduction Act,² HUD is requesting comment from all interested parties on the proposed collection of information. Comments on the Notice are due by February 26, 2024.

The forms on which information is being collected include Form Number: HUD–9991A–LL, FHA Condominium Loan Level Certification; HUD–9991B–SUA, FHA Condominium Single-Unit Approval Questionnaire & Certification; HUD–9992, FHA Condominium Project Approval

¹ *Code of Ethics & Professional Responsibility*, NRMLA, <http://www.nrmlaonline.org/nrmla/ethics/conduct.aspx>.

² Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. § 3501 *et seq.*

Questionnaire; HUD-92544, Warranty of Completion of Construction; HUD-92541, Builder's Certification of Plans, Specifications, and Site; and HUD-96029, Condominium Rider.

The Notice solicits comments from members of the public and affected parties concerning the collection of information described above 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.

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

As the national voice of the reverse mortgage industry, and based upon feedback from our membership, we are pleased to submit the comments below, especially in the area of ways to enhance the quality, utility, and clarity of the information to be collected.

Comments

We respectfully request that HUD combine the forms HUD-9991 and HUD- 9992 into one form.³ We also suggest adding 3 signature lines on the final combined form for the following declarations to be made by the following parties to the transaction: the HOA, the Mortgagee (DELRAP or HRAP submission) and the DE underwriter for the loan level certification.

1. The HOA should identify they answered the questions to the best of their knowledge.
2. The Mortgagee can sign the attestation based on reliable sources and they can attest that the answers were verified.
3. The DE U/WER can sign the loan level certification at time of clear to close to attest that the data is still accurate as required.

In addition, HUD should clarify, in one list, all the condo forms/documents needed and make them the same for HRAP / DELRAP and SUA.

³ Our members inform us that, generally, the only difference between these forms is that the HUD-9991 has the following additional information that is currently not included on the HUD-9992: (1) a statement that confirms there are recorded documents and transfer of control, and (2) a question whether the "walls in" is included on the master insurance policy. HUD can streamline its information collection process by combining these forms into one form and incorporating the additional information that is currently on the HUD-9991, as noted above.

1. The Condo Questionnaire
2. Current annual budget approved – show an expense line item for reverse allocation.
3. Current balance sheet – Income vs. Expenses statement within 90 days of case assignment
4. Income and expense statements for the prior 2 years
5. Master Insurance with fidelity coverage if required – and building replacement cost.
6. This is what we look for on Insurances = (Liability coverage for at least \$1 million & Fidelity Bond Coverage-must be equal to 3 months HOA dues income + current reserves balance = minimum coverage – identify if walls in is covered)
7. Flood Insurance if applicable – FEMA Flood Map and Flood Cert
8. Recorded CC and R's, declarations, and Master deed.
9. Condo site plan and plat maps with legal description
10. Management agent agreement
11. Reserve analysis completed within 2 years if available

Finally, the Single Unit Condo Approval requirements for HECMs should mirror those for the forward program. For example, HUD should remove the requirements that HECM borrowers cannot qualify for a Single Unit Condo Approval with the use of compensating factors or extenuating circumstances, and no property charge penalties or interest paid.

Conclusion

NRMLA appreciates your consideration of our comments herein. We trust that you will find our comments above helpful and that you will view and act upon them with favor.

Very truly yours,



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