

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 280

[Docket No. FR-4090-F-01]

RIN 2502-AG76

Office of the Assistant Secretary for Housing-Federal Housing Commissioner; Streamlining of the Nehemiah Housing Opportunity Grants Program

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

ACTION: Final rule.

SUMMARY: This final rule amends HUD's regulations governing the Nehemiah Housing Opportunity Grants Program (NHOP). Congress is no longer authorizing grants under NHOP. Accordingly, this final rule removes HUD's obsolete regulations

implementing NHOP from title 24. Those provisions which are necessary to the administration of existing NHOP grants will be retained. This rule will make HUD's regulations governing NHOP clearer and more concise.

EFFECTIVE DATE: September 18, 1996.

FOR FURTHER INFORMATION CONTACT: Richard K. Manuel, Office of Insured Single Family Housing, Room 9272, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC, 20410, telephone number (202) 708-2700. (This is not a toll-free telephone number.) Hearing- or speech-impaired individuals may access this number via TTY by calling the toll-free Federal Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

HUD's regulations at 24 CFR part 280 describe the requirements for the

Nehemiah Housing Opportunity Grants Program (NHOP). Under the NHOP, HUD made grants to nonprofit organizations to be used to provide loans to families purchasing homes constructed or substantially rehabilitated in accordance with HUD approved programs. Section 289(a) of the National Affordable Housing Act (42 U.S.C. 12839) repealed the NHOP. Accordingly, HUD is no longer making new NHOP grants. This final rule removes the obsolete regulations at 24 CFR part 280. However, those regulatory provisions which are necessary to the administration of existing NHOP grants are being retained.

For the convenience of readers, the following table summarizes the changes made by this final rule to 24 CFR part 280:

Section	Section title	Summary of changes to section
§ 280.1	Applicability and Scope	Amended to reflect elimination of the NHOP.
§ 280.5	Definitions	Amended to remove obsolete definitions.
§ 280.100	NHOP Assistance	Redesignated as § 280.10. Amended to reflect elimination of the NHOP.
§ 280.103	Assistance under other HUD programs	Redesignated as § 280.15.
§ 280.105	Program size	Removed.
§ 280.110	Program location	Removed.
§ 280.115	Home quality	Redesignated as § 280.20.
§ 280.200	Notice of fund availability	Removed.
§ 280.205	Application requirements	Removed.
§ 280.207	Other Federal requirements	Redesignated as § 280.25.
§ 280.210	Selection process	Removed.
§ 280.215	Threshold requirements	Removed.
§ 280.220	Ranking criteria	Removed.
§ 280.225	Final selection	Removed.
§ 280.300	Obligation of funds	Removed.
§ 280.303	Grant agreement	Redesignated as § 280.30.
§ 280.305	Minimum participation	Redesignated as § 280.35.
§ 280.315	Eligible purchasers	Redesignated as § 280.40.
§ 280.320	Sales contract and downpayment requirements.	Redesignated as § 280.45. Amended to reflect changes made by this final rule.
§ 280.322	Loan requirements	Redesignated as § 280.50. Amended to reflect changes made by this final rule.
§ 280.330	Repayment of loan	Redesignated as § 280.55.
§ 280.335	Funding amendments and deobligation of funds.	Redesignated as § 280.60.

II. Justification for Final Rulemaking

It is HUD's policy to publish rules for public comment before their issuance for effect, in accordance with its own regulations on rulemaking found at 24 CFR part 10. However, part 10 provides for exceptions to the general rule if HUD finds good cause to omit advance notice and public participation. The good cause requirement is satisfied when prior public procedure is "impracticable, unnecessary, or contrary to the public interest" (24 CFR 10.1.). HUD finds that good cause exists to publish this rule for effect without first soliciting public comment. This final

rule merely removes obsolete regulatory provisions from title 24. The rule does not establish or affect substantive policy. Therefore, prior public comment is unnecessary.

III. Findings and Certifications

Regulatory Flexibility Act

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed and approved this final rule, and in so doing certifies that this rule will not have a significant economic impact on a substantial number of small entities. This rule merely streamlines regulations by

removing obsolete provisions. Specifically, this rule removes HUD's outdated regulations at 24 CFR part 280, which govern participation in NHOP. HUD is only retaining those provisions which are necessary to the administration of existing NHOP grants. The final rule will have no adverse or disproportionate economic impact on small businesses.

Environmental Impact

This rulemaking does not have an environmental impact. This rulemaking simply amends existing regulations by removing obsolete provisions and does not alter the environmental effect of the

regulations being amended. A Finding of No Significant Impact with respect to the environment was made in accordance with HUD regulations in 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) at the time of development of the regulations implementing NHOP. This finding remains applicable to this rule and is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC.

Executive Order 12612, Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that this rule will not have substantial direct effects on States or their political subdivisions, or the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. This final rule removes the outdated regulations governing NHOP from title 24. No programmatic or policy changes will result from this rule that would affect the relationship between the Federal Government and State and local governments.

Executive Order 12606, The Family

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this rule will not have the potential for significant impact on family formation, maintenance, or general well-being, and thus is not subject to review under the Order. This final rule streamlines HUD's regulations governing NHOP at 24 CFR part 280. Specifically, this rule removes outdated provisions from part 280. No significant change in existing HUD policies or programs will result from promulgation of this rule.

Unfunded Mandates Reform Act

The Secretary has reviewed this rule before publication and by approving it certifies, in accordance with the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532), that this rule does not impose a Federal mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year.

List of Subjects in 24 CFR Part 280

Community development, Grant programs—housing and community development, Loan programs—housing and community development, Low and moderate income housing, Nonprofit organizations, Reporting and recordkeeping requirements.

Accordingly, 24 CFR part 280 is amended as follows:

PART 280—NEHEMIAH HOUSING OPPORTUNITY GRANTS PROGRAM

1. The authority citation for 24 CFR part 280 continues to read as follows:

Authority: 12 U.S.C. 1715l note; 42 U.S.C. 3535(d).

2. The headings for subparts A, B, C, and D are removed.

3. Section 280.1 is amended by revising paragraph (a) to read as follows:

§ 280.1 Applicability and scope.

(a) This part sets forth the requirements for existing grants under the Nehemiah Housing Opportunity Grants Program (NHOP). NHOP was established by title VI of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l). Under NHOP, HUD made grants to nonprofit organizations to be used to provide loans to families purchasing homes constructed or substantially rehabilitated in accordance with a HUD approved program. NHOP was repealed by Section 289(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12839). Accordingly, no new grants are being awarded under the program.

* * * * *

§ 280.5 [Amended]

4. Section 280.5 is amended by removing the definitions of "Applicant", "Contiguous parcels of land", and "Financial and other contributions to the program."

§ 280.100 [Redesignated]

5. Section 280.100 redesignated as § 280.10 and is revised to read as follows:

§ 280.10 NHOP assistance.

Recipients may only use assistance under this part to provide loans to families purchasing homes constructed or substantially rehabilitated in accordance with an approved program.

§ 280.103 [Redesignated]

6. Section 280.103 is redesignated as § 280.15.

§§ 280.105 and 280.110 [Removed]

7. Sections 280.105 and 280.110 are removed.

§ 280.115 [Redesignated]

8. Section 280.115 is redesignated as § 280.20.

§§ 280.200 and 280.205 [Removed]

9. Sections 280.200 and 280.205 are removed.

§ 280.207 [Redesignated]

10. Section 280.207 is redesignated as § 280.25.

§§ 280.210, 280.215, 280.220, 280.225, and 280.300 [Removed]

11. Sections 280.210, 280.215, 280.220, 280.225, and 280.300 are removed.

§ 280.303 [Redesignated]

12. Section 280.303 is redesignated as § 280.30.

§ 280.305 [Redesignated]

13. Section 280.305 is redesignated as § 280.35 and amended by revising the introductory text to read as follows:

§ 280.35 Minimum participation.

Except as provided in paragraph (a) or (b) of this section, the recipient may not begin the construction or substantial rehabilitation of homes until 25 percent of the homes to be constructed or substantially rehabilitated under the program are contracted for sale to purchasers who intend to live in the homes and the downpayments required under § 280.45(b) have been made.

* * * * *

§ 280.315 [Redesignated]

14. Section 280.315 is redesignated as § 280.40.

§ 280.320 [Redesignated]

15. Section 280.320 is redesignated as § 280.45 and amended by revising paragraphs (a)(2) and (b)(2) to read as follows:

§ 280.45 Sales contract and downpayment requirements.

(a) * * *

(2) The repayment provisions described in § 280.55 of this part.

* * * * *

(b) * * *

(2) *Date of downpayment.* The downpayment must be made on the date required by the recipient. Under § 280.35, however, no construction or rehabilitation may be begun until at least 25 percent of the homes constructed or substantially rehabilitated under the program are contracted for sale to purchasers who intend to live in the homes and the downpayments are made.

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16. Section 280.322 is redesignated as § 280.50 and amended by revising

paragraphs (a)(4) and (a)(6) to read as follows:

§ 280.50 Loan requirements.

(a) * * *

(4) Is repayable to HUD upon the sale, lease, or other transfer of the property; except, as an alternative, the nonprofit organization may elect to provide the Homeowner Incentive under § 280.55(c) for subsequent sale or transfer of the property (the Homeowner Incentive is not available upon the lease of the property).

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(6) May not be used by the family to provide the downpayment required under § 280.45.

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§ 280.330 [Redesignated]

17. Section 280.330 is redesignated as § 280.55.

§ 280.335 [Redesignated]

18. Section 280.335 is redesignated as § 280.60.

Dated: August 6, 1996.

Nicolas P. Retsinas,
*Assistant Secretary for Housing-Federal
Housing Commissioner.*

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