

“required use” definition in the November 17, 2008, final rule. HUD reviewed and gave careful consideration to all views expressed. Following consideration of the comments and HUD’s further evaluation of the definition and application of “required use” HUD has decided to withdraw the revised definition and, leave in place the definition of “required use” as found in HUD’s codified regulations in 24 CFR 3500.2, and which has remained in effect since the revised definition of “required use” in the November 17, 2008, final rule, had not taken effect.

HUD reiterates its commitment to fair real estate settlement practices that are not misleading, prevent abuse, offer proper disclosures to homebuyers, and promote choice and competition. HUD’s intent in revising the definition of “required use” was to clarify its interpretation of RESPA’s requirements with respect to transactions involving affiliated businesses in order to promote more competition among settlement service providers. After further evaluation and consideration of the concerns voiced by consumers and industry participants from various fields about the application of the revised definition of “required use,” HUD has concluded that all would benefit by HUD withdrawing the revised definition and addressing “required use” through new rulemaking.

HUD recognizes that the affiliations of businesses involved in complex home purchase transactions can themselves be complex arrangements, and that consumers may have difficulty understanding whether there is value in using affiliated businesses in mortgage transactions. HUD has determined that further development of the concept of “required use” is necessary to assure that, especially in the affiliated business context, its application protects consumers by eliminating abusive practices that increase costs for unsuspecting consumers. The comments submitted in response to the March 10, 2009, rule provide HUD with a good starting point for going forward on this issue. Consumers and industry and the public generally will have further opportunity to offer feedback when HUD issues a new proposed rule on this subject.

Although HUD is withdrawing the revised definition of “required use,” a definition of “required use” remains part of HUD’s RESPA regulations. That definition, which focuses its discount language on settlement services, is the one that was in place in HUD’s RESPA regulations prior to HUD’s issuance of the November 17, 2008, final rule, and which has remained in place since the

revised definition of “required use” never took effect. Additionally, although HUD is withdrawing the revised definition of “required use”, the withdrawal should not be interpreted to signal any lessening of HUD oversight or enforcement of existing statutory and regulatory provisions in this area. HUD interprets its definition generally as aiming to distinguish the features of legitimate incentives and discounts offered to consumers from those that may result in undisclosed or higher costs to consumers. The public comments on this subject underscore the need for greater attention to and understanding of the treatment of discounts to consumers under RESPA and HUD’s RESPA regulations.

With respect to the more specific issues expressed by commenters on the subject of “required use”, HUD will defer further discussion of such issues to any new rulemaking. Generally, however, HUD notes that it revised the definition of “required use” to more effectively realize Congress’s intent in passing RESPA. RESPA’s principal goal is consumer protection. RESPA provides HUD with the requisite authority to promulgate a revised definition of “required use” that meets the goals of RESPA and HUD’s mandate to enforce RESPA. Today’s final rule will enable HUD to reconsider all of the issues involved in the application of the required use concept and to better craft requirements and limitations that address the valid concerns raised in the preceding rulemaking.

#### IV. Findings and Certifications

##### *Federalism Impact*

This rule does not have Federalism implications and does not impose substantial direct compliance costs on state and local governments or preempt State law within the meaning of Executive Order 13132 (entitled “Federalism”).

##### *Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) (UMRA) requires Federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and on the private sector. This rule does not, within the meaning of the UMRA, impose any Federal mandates on any state, local, or tribal governments nor on the private sector.

##### **List of Subjects in 24 CFR Part 3500**

Consumer protection, Condominiums, Housing, Mortgagees, Mortgage servicing, Reporting and Recordkeeping requirements.

■ Accordingly, 24 CFR part 3500 is amended as follows:

#### **PART 3500—REAL ESTATE SETTLEMENT PROCEDURES ACT**

■ 1. The authority citation for part 3500 continues to read as follows:

**Authority:** 12 U.S.C. 2601 *et. seq.*: 42 U.S.C. 3535(d).

■ 2. Section 3500.1(b)(1) is revised to read as follows:

##### **§ 3500.1 Designation and applicability.**

\* \* \* \* \*

(b) \* \* \*

(1) Sections 3500.8(b), 3500.17, 3500.21, 3500.22 and 3500.23, and Appendices E and MS–1 are applicable commencing January 16, 2009.

\* \* \* \* \*

■ 3. Effective July 16, 2009, in § 3500.2, revise the definition of “*Required use*” to read as follows:

##### **§ 3500.2 Definitions.**

\* \* \* \* \*

*Required use* means a situation in which a person must use a particular provider of a settlement service in order to have access to some distinct service or property, and the person will pay for the settlement service of the particular provider or will pay a charge attributable, in whole or in part, to the settlement service. However, the offering of a package (or combination of settlement services) or the offering of discounts or rebates to consumers for the purchase of multiple settlement services does not constitute a required use. Any package or discount must be optional to the purchaser. The discount must be a true discount below the prices that are otherwise generally available, and must not be made up by higher costs elsewhere in the settlement process.

\* \* \* \* \*

Dated: May 7, 2009.

**Ronald Y. Spraker,**

*Acting General Deputy Assistant Secretary for Housing—Deputy Federal Housing Commissioner.*

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#### **PENSION BENEFIT GUARANTY CORPORATION**

##### **29 CFR Part 4022**

#### **Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** Pension Benefit Guaranty Corporation's regulation on Benefits Payable in Terminated Single-Employer Plans prescribes interest assumptions for valuing and paying certain benefits under terminating single-employer plans. This final rule amends the benefit payments regulation to adopt interest assumptions for plans with valuation dates in June 2009. Interest assumptions are also published on PBGC's Web site (<http://www.pbgc.gov>).

**DATES:** Effective June 1, 2009.

**FOR FURTHER INFORMATION CONTACT:** Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:** PBGC's regulations prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions are intended to reflect current conditions in the financial and annuity markets.

These interest assumptions are found in two PBGC regulations: the regulation on Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) and the regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044). Assumptions under the asset allocation regulation are updated quarterly; assumptions under the benefit payments regulation are updated

monthly. This final rule updates only the assumptions under the benefit payments regulation.

Two sets of interest assumptions are prescribed under the benefit payments regulation: (1) A set for PBGC to use to determine whether a benefit is payable as a lump sum and to determine lump-sum amounts to be paid by PBGC (found in Appendix B to Part 4022), and (2) a set for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using PBGC's historical methodology (found in Appendix C to Part 4022).

This amendment (1) adds to Appendix B to Part 4022 the interest assumptions for PBGC to use for its own lump-sum payments in plans with valuation dates during June 2009, and (2) adds to Appendix C to Part 4022 the interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using PBGC's historical methodology for valuation dates during June 2009.

The interest assumptions that PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 3.75 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. These interest assumptions represent an increase (from those in effect for May 2009) of 0.25 percent in the immediate annuity rate and are otherwise unchanged. For private-sector payments, the interest assumptions (set forth in Appendix C to part 4022) will be the same as those used by PBGC for determining and paying lump sums (set forth in Appendix B to part 4022).

PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public

interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during June 2009, PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

**List of Subjects in 29 CFR Part 4022**

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

■ In consideration of the foregoing, 29 CFR part 4022 is amended as follows:

**PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS**

■ 1. The authority citation for part 4022 continues to read as follows:

**Authority:** 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 188, as set forth below, is added to the table.

**Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments**

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
188	6-1-09	7-1-09	3.75	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, Rate Set 188, as set forth below, is added to the table.

**Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments**

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
188	6-1-09	7-1-09	3.75	4.00	4.00	4.00	7	8

Issued in Washington, DC, on this 7th day of May 2009.

**Vincent K. Snowbarger,**

*Acting Director, Pension Benefit Guaranty Corporation.*

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**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 165**

[Docket No. USCG-2008-1272]

RIN 1625-AA00

**Safety Zone; Underwater Object, Massachusetts Bay, MA**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is extending the duration of a temporary safety zone surrounding the location of the sunken fishing vessel PATRIOT located approximately 17 miles northeast of Scituate, Massachusetts in Massachusetts Bay. This action is necessary to ensure that vessels are not endangered by conducting dredging, diving, anchoring, fishing or other activities in this area. This temporary rulemaking is needed to protect the environment, the commercial fishing industry, and the general public from potential hazards associated with the underwater object and from the hazards associated with planned salvage of the vessel.

**DATES:** This rule is effective from 11:59 p.m. March 14, 2009 through midnight May 20, 2009.

**ADDRESSES:** Documents indicated in this preamble as being available in the docket are part of docket USCG-2008-1272 and are available online by going to <http://www.regulations.gov>, selecting the Advanced Docket Search option on the right side of the screen, inserting USCG-2008-1272 in the Docket ID box, pressing Enter, and then clicking on the item in the Docket ID column. They are also available for inspection or copying two locations: the Docket Management Facility (M-30), U.S. Department of

Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this temporary rule, call or e-mail Chief Eldridge McFadden, United States Coast Guard, Sector Boston, Waterways Management Division; telephone 617-223-5160, e-mail [Eldridge.C.McFadden@uscg.mil](mailto:Eldridge.C.McFadden@uscg.mil). If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

**SUPPLEMENTARY INFORMATION:**

**Regulatory Information**

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest." Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because initial immediate action was needed to protect the public from the hazards posed by an unknown underwater object located in Massachusetts Bay. This object was later identified as the F/V Patriot. The F/V PATRIOT is located in approximately 95 feet of water 17 miles northeast of Scituate, Massachusetts. This rule extends the duration of the existing safety zone, which would have expired on May 6, 2009, to ensure, to the extent practicable, the immediate, continued protections for the environment, the commercial fishing industry, and the general public from the hazards associated with the F/V PATRIOT, while investigative efforts continue, risk mitigation strategies are further explored and implemented, and salvage efforts are conducted. Specifically, this rule is being extended to facilitate and protect planned commercial salvage operations, which were unable to be completed during the prior extension. It

would be contrary to the public interest for the existing safety zone to lapse on the eve of such operations.

For the same reasons, 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

**Background and Purpose**

On January 3, 2009, the F/V PATRIOT, a 54-foot steel-hull boat, sank with the loss of two crewmembers onboard. The vessel was reported to have an estimated 5000 gallons of fuel onboard. There were no survivors and the exact position of the vessel was not immediately known. On January 8, 2009, the Coast Guard established a temporary safety zone around a reported underwater object believed to be the F/V PATRIOT, located in Massachusetts Bay approximately 17 miles northeast of Scituate, Massachusetts, in position 42°24'27.34" N, 70°27'17.23" W. This underwater object created an immediate and significant danger to the environment, the commercial fishing industry, and the general maritime public, as mariners unaware of its presence could make contact with the object and cause damage to their vessel, equipment below the water or fishing gear. On January 14, 2009, the Coast Guard extended the temporary safety zone until March 14, 2009, while investigative efforts continued and risk mitigation strategies were further explored.

On January 23, 2009, underwater exploratory operations with photographic equipment confirmed that the object was the F/V PATRIOT. The owners of the vessel intend to conduct dive and salvage operations on the vessel. On April 14, 2009, the Coast Guard received a request to extend the safety zone until May 6, 2009 in order to conduct a salvage operation for the vessel. On May 6, 2009, the Coast Guard received an additional request to extend the safety zone as the operations had not yet been started. The Coast Guard has agreed to this extension of this zone, which will help ensure the planned dive and salvage operations can be conducted safely.