

Compliance With Regulatory Flexibility Act; Executive Orders 12612, 12778, and 12866; and the Paperwork Reduction Act.

This rule has been reviewed under Executive Order 12866. SBA certifies that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 15 U.S.C., *et seq.* The SBA has made this determination based on the fact that a limited number of Federal contracts would likely be awarded to small businesses as a direct result of this action. Thus, even though this proposed rule, if adopted as final, would make eligible previously ineligible firms for SBA procurement preference programs, SBA does not expect the number of affected firms to be significant. For purposes of Executive Order 12612, SBA certifies that this proposed rule would not have Federalism implications warranting the preparation of a Federalism assessment. For purposes of Executive Order 12778, SBA certifies that this proposed rule is drafted, to the extent practicable, in accordance with the standards set forth in section 2 of that Order. For purposes of the Regulatory Flexibility Act, the SBA certifies that this proposed rule would not have a significant economic effect on a substantial number of small entities for the same reason indicated above. For purposes of the Paperwork Reduction Act, the SBA certifies that this proposed rule would not impose any new reporting or recordkeeping requirements.

List of Subjects in 13 CFR Part 121

Government procurement, Government property, Grant programs—business, Loan programs—business, Small businesses.

Accordingly, part 121 of 13 CFR is amended as follows:

PART 121—[AMENDED]

1. The authority citation of part 121 continues to read as follows:

Authority: 15 U.S.C. 632(a), 634(b)(6), 637(a), and 644(c); and Pub. L. 102-486, 106 Stat. 2776, 3133.

2. § 121.401(1)(4) is revised to read as follows:

§ 121.401 Affiliation.

* * * * *

(l) * * *

(4) An ostensible subcontractor which performs or is to perform primary or vital requirements of a contract may have such a controlling role that it must be considered a joint venturer affiliated on the contract with

the prime contractor. In determining whether subcontracting rises to the level of affiliation as a joint venture, SBA considers whether the prime contractor has unusual reliance on the subcontractor. This provision does not apply to subcontracts entered into with public utility concerns providing open access to distribution facilities if such subcontracts are limited to the lease and use of telecommunication circuits, petroleum pipelines, natural gas pipelines, or electric transmission lines, and if the prime contractor contributes meaningful value to the contract.

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Dated: December 2, 1994.

Philip Lader,

Administrator.

[FR Doc. 95-1505 Filed 1-20-95; 8:45 am]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing-Federal Housing Commissioner

24 CFR Part 203

[Docket No. R-95-1759; FR-3626-P-01]

RIN 2502-AG20

Single Family Mortgage Insurance—Special Forbearance Procedures

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

ACTION: Proposed rule.

SUMMARY: This proposed rule would permit the mortgagee and the mortgagor to enter into a special forbearance agreement requiring the payment of arrearages before maturity of the mortgage without obtaining the prior approval of HUD. It would also eliminate the present gap in reimbursement of debenture interest that occurs if the mortgagor files a petition in bankruptcy after entering into a special forbearance agreement. The purpose of this change is to encourage mortgagees to make greater use of special forbearance procedures when the mortgagor is temporarily unable to make full regular mortgage payments.

DATES: Comment due date: March 24, 1995.

ADDRESSEES: Interested persons are invited to submit comments regarding this rule to the Rules Docket Clerk, Office of the General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410-0500. Communications should refer to the

above docket number and title. A copy of each communication submitted will be available for public inspection between 7:30 a.m. and 5:30 p.m. at the above address. Facsimile (FAX) comments are not acceptable.

FOR FURTHER INFORMATION CONTACT: Joseph Bates, Director, Single Family Servicing Division, Room 9178, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, D.C. 20410, (202) 706-1672, or, for hearing and speech impaired, (202) 706-4594. (These are not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This rule would revise current HUD regulations governing forbearance procedures in connection with FHA insurance of single-family homes. Under the present forbearance procedures (24 CFR 203.614 (a) and (b)), the mortgagee may suspend or reduce the mortgagor's required payments for the forbearance period, but may not increase payments to recover arrearages until after mortgage maturity unless the mortgagee obtains prior approval from HUD. This rule proposes to add a new paragraph (c) to § 203.614, which would permit the mortgagee to reduce the required payments to an amount not less than 50% of the regular mortgage payments for a forbearance period of up to 6 months. On expiration of the forbearance period, the mortgagee may increase the required payments to not more than 1½ times the regular payment amount until all arrearages are repaid.

Limitations

The new procedure contains several limitations that are intended to avoid arrearages accumulating to an amount that the mortgagor cannot reasonably be expected to repay before maturity. These limitations include:

- Not more than four monthly payments may be due and unpaid at the time of execution of the forbearance agreement;
- The monthly payments may be reduced but not suspended;
- The period of reduced payments may not exceed 6 months;
- The increase in payments may not be required until 6 months after execution of the agreement; and
- The first monthly payment must be made at the time of execution of the agreement.

If greater forbearance relief is needed, the mortgagee may utilize the existing forbearance procedures, under which the mortgagee may not recover

arrearages until after mortgage maturity without HUD's prior approval.

Conditions for New Procedures

The conditions for granting the new form of forbearance relief are as follows:

(1) As under the current regulations, the mortgagor must establish to the satisfaction of the mortgagee that the mortgagor does not own other property subject to a FHA-insured mortgage and that the default was caused by circumstances beyond the control of the mortgagor.

(2) During the period established, the forbearance agreement must provide for payment of not less than 50 percent of the regular mortgage payments, nor more than the regular mortgage payments. The Secretary may adjust the required minimum percentage on a national or regional basis as economic conditions may indicate.

(3) The period of reduced payments may not exceed 6 months after execution of the forbearance agreement.

(4) The agreement must provide for an increase in payments, in order to recover arrearages accruing prior to and during the forbearance period. The increase in the payments is to begin no earlier than 6 months after execution of the agreement.

(5) The increased payments may not exceed 1½ times the regular mortgage payments.

(6) The agreement must provide for resumption of the regular mortgage payments after the total amount of arrearages is repaid.

(7) The agreement must be executed no later than the date on which four full monthly payments are due and unpaid.

(8) At the time the agreement is executed, the mortgagor must pay an amount agreed upon by the mortgagor and the mortgagee, but not less than the first monthly installment due under the agreement.

Other Changes

Current regulations (§§ 203.650–.660) have the effect that if State law, bankruptcy, or assignment considerations preclude a mortgagee from initiating foreclosure within 90 days after the mortgagor fails to meet the requirements of a special forbearance agreement, then neither mortgage or debenture interest is paid on the insurance claim for the period from 90 days after the date of the mortgagor's failure to meet the requirements of a special forbearance agreement until the date foreclosure is initiated (§§ 203.402a and 203.410(a)(3)). The proposed rule would avoid this lapse in interest payments by revising § 203.410(a)(3) to provide that debenture interest

payments will begin the day after the date to which mortgage interest is computed.

In addition, the current regulations do not specifically identify assignment consideration as a possible cause for delaying foreclosure initiation; the proposed rule has been expanded to do so.

Finally, the rule would make a conforming revision to § 203.355(c). This section currently requires mortgagees to commence foreclosure within 60 days after the expiration of any prohibition on foreclosure that is found in State law or Federal bankruptcy law. The rule would also apply this 60-day requirement to foreclosures that are commenced due to the mortgagor's failure to meet the requirements of a special foreclosure agreement.

Other Matters

Executive Order 12866

This proposed rule was reviewed by the Office of Management and Budget (OMB) under Executive Order 12866, Regulatory Planning and Review. Any changes made to the proposed rule as a result of that review are clearly identified in the docket file, which is available for public inspection in the office of the Department's Rules Docket Clerk, room 10276, 451 Seventh Street, SW, Washington, DC 20410.

Environmental Impact

In accordance with 40 CFR 1508.4 of the regulations of the Council on Environmental Quality and 24 CFR 50.20 (a) and (l) of the HUD regulations, the policies and procedures contained in this rule relate only to loan terms and individual actions involving single-family housing and, therefore, are categorically excluded from the requirements of the National Environmental Policy Act.

Executive Order 12612, Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies contained in this rule would 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. As a result, the rule is not subject to review under the Order. Specifically, the requirements of this rule are directed to lenders and do not impinge upon 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 would not have potential for significant impact on family formation, maintenance, and general well-being, and, thus, is not subject to review under the Order. No significant change in existing HUD policies or programs would result from promulgation of this rule, as those policies and programs relate to family concerns.

Impact on Small Entities

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed and approved this proposed rule, and in so doing certifies that this rule would not have a significant economic impact on a substantial number of small entities. The rule would permit, but would not require, use of a special forbearance procedure by mortgagees. In addition, the number of cases to which the procedure would apply is limited.

Regulatory Agenda

This rule was listed in the Department's Semiannual Agenda of Regulations published on April 25, 1994 (59 FR 202424, 20443), in accordance with Executive Order 12866 and the Regulatory Flexibility Act.

The Catalog of Federal Domestic Assistance program number is 14.117.

List of Subjects in 24 CFR Part 203

Hawaiian Natives, Home improvement, Loan programs—housing and community development, Mortgage insurance, Reporting and recordkeeping requirements, Solar energy.

Accordingly, part 203 of title 24 of the Code of Federal Regulations is proposed to be amended as follows:

PART 203—SINGLE FAMILY MORTGAGE INSURANCE

1. The authority citation for part 203 would continue to read as follows:

Authority: 12 U.S.C. 1709, 1715b; 42 U.S.C. 3535(d).

2. In § 203.355, the introductory text of paragraph (a) and paragraph (c) would be revised and new paragraph (h) would be added, to read as follows:

§ 203.355 Acquisition of property.

(a) *In general.* Except as provided in paragraphs (b) through (h) of this section, upon default of a mortgage the mortgagee shall take one of the following actions. Such action shall be taken within 9 months from the date of

default, or within any additional time approved by the Secretary or authorized by §§ 203.345, 203.346, or 203.650 through 203.660:

* * * * *

(c) *Prohibiting of foreclosure within time limits.* If assignment consideration under §§ 203.650 through 203.660, the laws of the State in which the mortgaged property is located, or Federal bankruptcy law:

(1) Do not permit the commencement of foreclosure within the time limits described in paragraphs (a), (b), (g), and (h) of this section, the mortgagee must commence foreclosure within 60 days after the expiration of the time during which foreclosure is prohibited; or

(2) Require the prosecution of a foreclosure to be discontinued, the mortgagee must recommence the foreclosure within 60 days after the expiration of the time during which foreclosure is prohibited.

* * * * *

(h) *Special forbearance.* The mortgagee must commence foreclosure or obtain a deed-in-lieu of foreclosure, with title being taken in the name of the mortgagee or the Secretary, within 90 days following the date the mortgagor fails to meet the requirements of a special forbearance under § 203.614.

3. Section 203.402a would be revised to read as follows:

§ 203.402a Reimbursement for uncollected interest.

The mortgagee shall be entitled to receive an allowance in the insurance settlement for unpaid mortgage interest if the mortgagor fails to meet the requirements of a forbearance agreement entered into pursuant to § 203.614 and this failure continues for a period of 60 days. The interest allowance shall be computed to:

(a) The earliest of the applicable following dates, except as provided in paragraph (b) of this section:

(1) The date of the initiation of foreclosure;

(2) The date of the acquisition of the property by the mortgagee by means other than foreclosure;

(3) The date the property was acquired by the Commissioner under a direct conveyance from the mortgagor;

(4) Ninety days following the date the mortgagor fails to meet the requirements of the forbearance agreement, or such other date as the Commissioner may approve in writing prior to the expiration of the 90-day period; or

(5) The date the mortgagee sends the mortgagor notice of eligibility to participate in the Pre-Foreclosure Sale procedure; or

(b) The date foreclosure is initiated or a deed in lieu is obtained, or the date such actions were required by § 203.355(c), whichever is earlier, if the commencement of foreclosure within the time limits described in § 203.355 (a), (b), (g), or (h) is precluded by:

(1) Assignment consideration under §§ 203.650 through 203.660;

(2) The laws of the State in which the mortgaged property is located; or

(3) Federal bankruptcy law.

4. In § 203.410, the heading of paragraph (a) would be italicized and paragraph (a)(3) would be revised to read as follows:

§ 203.410 Issue date of debentures.

(a) *Conveyed properties, claims without conveyance, pre-foreclosure sales—* * **

(3) As of the day after the date to which mortgage interest is computed as specified in § 203.402a, if the insurance settlement includes an allowance for uncollected interest in connection with a special forbearance.

* * * * *

5. In § 203.614, a new paragraph (c) would be added, to read as follows:

§ 203.614 Conditions of special forbearance.

* * * * *

(c) The mortgagee may grant special forbearance relief providing for increased mortgage payments without the approval of the Secretary, subject to the following conditions:

(1) The conditions of paragraph (b)(1) of this section are met;

(2) The agreement is executed not later than the date on which four full monthly payments are due and unpaid;

(3) At the time of execution of the agreement, the mortgagor must pay an amount agreed upon by the mortgagor and the mortgagee, but not less than the first monthly installment due under the agreement;

(4) The written forbearance agreement shall:

(i) Provide for the payment for a period not to exceed 6 months after execution of the agreement of:

(A) Not less than 50 percent of the regular mortgage payments; or

(B) Such percentage as the Secretary, by administrative instruction, may determine, but not more than the regular mortgage payment;

(ii) Provide for an increase of payments to not more than 1½ times the regular mortgage payments, commencing no sooner than 6 months after execution of the agreement; and

(iii) Provide for resumption of the regular mortgage payments after the total unpaid amount accruing prior to

and during the forbearance period is repaid.

Dated: November 4, 1994.

Nicolas P. Retsinas,

Assistant Secretary for Housing-Federal Housing Commissioner.

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DEPARTMENT OF JUSTICE

Office of Justice Programs

28 CFR Part 90

[OJP No. 1015c]

RIN 1121-AA27

Grants to Combat Violent Crimes Against Women

AGENCY: Office of Justice Programs, Department of Justice.

ACTION: Proposed rule; correction.

SUMMARY: On December 28, 1994 in 59 FR 66830, a proposed rule was published implementing and requesting comments on the Grants to Combat Violence Against Women Program as authorized by Sections 2001 through 2006 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended by Title IV, Section 40121 of the Violent Crime Control and Law Enforcement Act of 1994. In the section "For Further Information Contact" the incorrect telephone number for the Department of Justice Response Center was listed. This document corrects that inaccuracy and lists the proper number.

FOR FURTHER INFORMATION CONTACT: The Department of Justice Response Center at 1-800-421-6770 or (202) 307-1480.

Olga R. Trujillo,

General Counsel, Office of Justice Programs.

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DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 773

RIN 1029-AB80

Notification and Permit Processing

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior Department.

ACTION: Proposed rule; correction.

SUMMARY: The Office of Surface Mining Reclamation and Enforcement (OSM) of