State programs contain rules and regulations ''consistent with'' regulations issued by the Secretary pursuant to SMCRA.

Executive Order 13211—Regulations That Significantly Affect the Supply, Distribution, or Use of Energy

On May 18, 2001, the President issued Executive Order 13211 which requires agencies to prepare a Statement of Energy Effects for a rule that is (1) considered significant under Executive Order 12866, and (2) likely to have a significant adverse effect on the supply, distribution, or use of energy. Since this rule is exempt from review under Executive Order 12866 and is not expected to have a significant adverse effect on the supply, distribution, or use of energy, a Statement of Energy Effects is not required.

National Environmental Policy Act

Section 702(d) of SMCRA (30 U.S.C. 1292(d)) provides that a decision on a proposed State regulatory program provision does not constitute a major Federal action within the meaning of section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. 4332(2)(C)). A determination has been made that such decisions are categorically excluded from the NEPA process (516 DM 8.4.A).

Paperwork Reduction Act

This rule does not contain information collection requirements that require approval by OMB under the Paperwork Reduction Act (44 U.S.C. 3507 *et seq.*).

Regulatory Flexibility Act

The Department of the Interior has determined that this rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The State submittal that is the subject of this rule is based upon counterpart Federal regulations for which an economic analysis was prepared and certification made that such regulations would not have a significant economic effect upon a substantial number of small entities. Accordingly, this rule will ensure that existing requirements previously promulgated by OSM will be implemented by the State. In making the determination as to whether this rule would have a significant economic impact, the Department relied upon the data and assumptions for the counterpart Federal regulations.

Small Business Regulatory Enforcement Fairness Act

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule: (a) Does not have an annual effect on the economy of $100 million; (b) Will not cause a major increase in costs or prices for consumers, individual industries, geographic regions, or Federal, State or local governmental agencies; and (c) Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S. based enterprises to compete with foreign-based enterprises. This determination is based upon the fact that the State submittal, which is the subject of this rule, is based upon counterpart Federal regulations for which an analysis was prepared and a determination made that the Federal regulation was not considered a major rule.

Unfunded Mandates

This rule will not impose a cost of $100 million or more in any given year on any governmental entity or the private sector.

List of Subjects in 30 CFR Part 950

Intergovernmental relations, Surface mining, Underground mining.

Dated: August 2, 2001.

Peter A. Rutledge,

Acting Regional Director, Western Regional Coordinating Center.

[FR Doc. 01–25542 Filed 10–10–01; 8:45 am]

BILLING CODE 4310–05–P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 36

RIN 2900–AK76

Loan Guaranty: Prepurchase Counseling Requirements

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: This document proposes to amend the Department of Veterans Affairs (VA) loan guaranty regulations that set forth underwriting standards for VA guaranteed loans. We propose to require first-time homebuyers to complete homeownership counseling. We also propose to add the completion of financial or homeownership counseling as a compensating factor for certain veterans who do not fully meet VA's underwriting standards. We believe these changes are necessary to ensure that homebuyers are satisfactory credit risks.

DATES: Comments must be received on or before December 10, 2001.

ADDRESSES: Mail or hand-deliver written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1154, Washington, DC 20420; or fax comments to (202) 273–9289; or e-mail comments to *OGCRegulations@mail.va.gov.* Comments should indicate that they are submitted in response to ''RIN 2900–AK76.'' All comments received will be available for public inspection in the Office of Regulations Management, Room 1158, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays).

FOR FURTHER INFORMATION CONTACT: R. D. Finneran, Assistant Director for Loan Policy and Valuation (262), Loan Guaranty Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC 20420, (202) 273–7368.

SUPPLEMENTARY INFORMATION: This document proposes to amend the underwriting standards for VA guaranteed loans found in 38 CFR part 36. We propose to require first-time homebuyers to complete homeownership counseling. We also propose to add the completion of financial or homeownership counseling as a compensating factor for certain veterans who do not fully meet VA's underwriting standards. These proposed changes are designed to help ensure that veterans obtaining VA guaranteed loans are satisfactory credit risks as required by 38 U.S.C. 3710 (b)(3).

Requirement for Homeownership Counseling for First-Time Homebuyers

On March 25, 1999, the VA's Office of the Inspector General (IG) issued an audit report entitled Attributes of Defaulted VA Home Loans (Report No. 9R5–B10–047). In this report, the IG noted that there was a higher and earlier incidence of defaults for active duty military borrowers. The report recommended establishing a prepurchase counseling requirement for all active duty military homebuyers.

After reviewing this report, the Veterans Benefits Administration (VBA) did not fully agree with that recommendation.

Based on our experience, we find that first-time homebuyers are more likely to encounter financial difficulties due to lower incomes, less experience in managing personal finances and credit, and a lack of understanding the financial responsibilities and

obligations of homeownership. This is consistent with VBA data indicating that, between Fiscal Year (FY) 1993 and FY 2000, the foreclosure rates for first-time homebuyers was 4.23 percent, while the foreclosure rates for veterans with previous homeownership experience was 2.88 percent (the data are available from the individual listed under **FOR FURTHER INFORMATION CONTACT**). Accordingly, VBA believes the data relied on by the IG regarding active duty military result in part from the fact that a significant number of active duty military personnel obtaining VA housing loans are first-time buyers.

Further, we do not think that it is equitable to subject military personnel with prior satisfactory homeownership experience to a requirement not imposed on veterans already separated from service.

We discussed these concerns informally with the IG, and the IG concurred with the provisions of this proposed rule.

Accordingly, we propose that as a condition of obtaining a VA-guaranteed home loan, a first-time homebuyer must complete a homeownership counseling course.

We also propose that the course, at a minimum, address the following subjects: the essentials of becoming a homebuyer, debt management, home maintenance, and available assistance for the homeowner who has trouble making payments. This is the essential information that we believe first-time buyers need to know in order to be prepared for the financial responsibilities of home ownership.

We also propose that the homebuyer complete the course within twelve months preceding the date of the loan. This will help ensure that the veteran understands these issues at the time of purchase.

We have indicated in the proposed rule that the course should take approximately three hours. We believe that this is a sufficient time period for understanding the necessary concepts.

We also propose that the course may be individualized, in a classroom setting, computer-based, or a correspondence course. This will provide maximum flexibility and allow veterans in remote areas to obtain the necessary counseling.

For informational purposes we noted that such courses can be obtained from: the U.S. Department of Housing and Urban Development (HUD), the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), educational institutions and entities used by state or local government housing programs.

The proposed rule requires that the veteran submit to the lender a certificate of completion from the counseling provider. This will ensure that the counseling was obtained.

Compensating Factor

Under the current regulations for underwriting standards for VA guaranteed loans (38 CFR 36.4337(c)), the veteran must meet both a debt-to-income ratio and a residual income analysis. In those cases where a veteran does not fully meet both standards, but the veteran falls within parameters specified in the regulations, the lender may approve the loan or submit the loan to VA for prior approval if the lender fully justifies the decision. The lender's justification must cite specific compensating factors that justify its decision. This document proposes to amend the regulations by adding completion of financial or homeownership counseling within the past 12 months as a compensating factor.

Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995, as amended (44 U.S.C. 3501–3520), this proposed rule includes information collection provisions in 38 CFR 36.4337. In accordance with section 3507(d) of the Act and 5 CFR 1320.11, VA has submitted a copy of this rulemaking action to OMB for its review of the collections of information.

OMB assigns a control number to collections of information it approves. VA may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Comments on the collections of information should be submitted to the Office of Management and Budget, Attention: Desk Officer for the Department of Veterans Affairs, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420. Comments should indicate that they are submitted in response to ''RIN 2900–AK76.''

Title: Prepurchase Counseling Requirements.

Summary of collection of information: In proposed 38 CFR 36.4337(i), VA would require that, as a condition of obtaining a VA-guaranteed home loan, a first-time homebuyer, within 12 months preceding the date of the loan, submit to their lender a certificate of completion of a homeownership counseling course.

Description of need for information and proposed use of information: Pursuant to 38 U.S.C. 3710, VA has a statutory duty to determine that any veteran who obtains a VA-guaranteed home loan is a satisfactory credit risk. Our experience indicates that first-time homebuyers are more likely to encounter financial difficulties due to lower incomes, less experience in managing personal finances and credit, and a lack of understanding the financial responsibilities and obligations of homeownership. VA anticipates that requiring all first-time homebuyers complete a course in homeownership counseling will make first-time homebuyers more aware of the responsibilities of homeownership and the importance of meeting financial obligations. In our experience, individuals with such knowledge are better credit risks.

Description of likely respondents: Veterans who are first-time homebuyers.

Estimated number of respondents: 101,955.

Estimated frequency of responses: Once.

Estimated total annual reporting and recordkeeping burden: 8,496 hours.

Estimated average burden per collection: 5 minutes.

The Department considers comments by the public on proposed collections of information in—

- Evaluating whether the proposed collections of information are necessary for the proper performance of the functions of the Department, including whether the information will have practical utility;
- Evaluating the accuracy of the Department's estimate of the burden of the proposed collections of information, including the validity of the methodology and assumptions used;
- Enhancing the quality, usefulness, and clarity of the information to be collected; and
- Minimizing the burden of the collections of information on those who are to respond, including responses through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

OMB is required to make a decision concerning the collections of information contained in this proposed rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the

deadline for the public to comment on the proposed rule.

Unfunded Mandates

The Unfunded Mandates Reform Act requires (in section 202) that agencies prepare an assessment of anticipated costs and benefits before developing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of $100 million or more in any given year. This rule would have no consequential effect on State, local, or tribal governments.

Executive Order 12866

The Office of Management and Budget has reviewed this proposed rule under Executive Order 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that this proposed rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. This proposed rule would affect only individuals. Accordingly, pursuant to 5 U.S.C. 605(b), this proposed rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

The Catalog of Federal Domestic Assistance Program number is 64.114.

List of Subjects in 38 CFR Part 36

Condominiums, Handicapped, Housing, Indians, Individuals with disabilities, Loan programs-housing and community development, Loan programs-Indians, Loan programs-veterans, Manufactured homes, Mortgage insurance, Reporting and recordkeeping requirements, Veterans.

Approved: July 10, 2001.

Anthony Principi,

Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 36 is proposed to be amended as set forth below.

PART 36—LOAN GUARANTY

1. The authority citation for part 36 continues to read as follows:

Authority: 38 U.S.C. 501, 3701–3704, 3707, 3710–3714, 3719, 3720, 3729, 3762, unless otherwise noted.

2. Section 36.4337 is amended by:

a. Redesignating paragraphs (i) through (n) as paragraphs (j) through (o), respectively.

b. In paragraphs (a), (b), and (e) introductory text, removing ''(j)'' and adding, in its place, ''(k)''.

c. In newly redesignated paragraph (k)(4), removing ''(j)(3)'' and adding, in its place, ''(k)(3)''; and in paragraph (k)(5), removing ''(j)(3) and (j)(4)'' and adding, in its place, ''(k)(3) and (k)(4)''.

d. In newly redesignated paragraph (l)(3), removing ''(k)(2)'' and adding, in its place, ''(l)(2)''.

e. Revising paragraph (c)(5).

f. Adding a new paragraph (i).

The revision and addition read as follows:

§ 36.4337 Underwriting standards, processing procedures, lender responsibility, and lender certification.

* * * * *

(c) * * *

(5) The following are examples of acceptable compensating factors to be considered in the course of underwriting a loan:

(i) Excellent long-term credit;

(ii) Conservative use of consumer credit;

(iii) Minimal consumer debt;

(iv) Long-term employment;

(v) Significant liquid assets;

(vi) Downpayment or the existence of equity in refinancing loans;

(vii) Little or no increase in shelter expense;

(viii) Military benefits;

(ix) Satisfactory homeownership experience;

(x) Completion of financial or homeownership counseling program within twelve months preceding the date of the loan;

(xi) High residual income;

(xii) Low debt-to-income ratio;

(xiii) Tax credits of a continuing nature, such as tax credits for child care; and

(xiv) Tax benefits of homeownership.

* * * * *

(i) *Homeownership counseling.* As a condition of obtaining a VA-guaranteed home loan, a first-time homebuyer, within twelve months preceding the date of the loan, must complete a homeownership counseling course addressing, at a minimum, the following subjects: the essentials of becoming a homebuyer, debt management, home maintenance, and available assistance for the homeowner who has trouble making payments. The course should take approximately three (3) hours and may be individualized, in a classroom setting, computer-based, or a correspondence course. Courses meeting this criteria are available from: the U.S. Department of Housing and Urban Development (HUD), the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), educational institutions, and entities used by state or local government housing programs. The veteran shall submit to the lender a certificate of completion from the counseling provider.

* * * * *

[FR Doc. 01–25459 Filed 10–10–01; 8:45 am]

BILLING CODE 8320–01–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 70

[TX–002; FRL–7079–1]

Clean Air Act Proposed Full Approval Operating Permits Program for the State of Texas

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed full approval.

SUMMARY: The EPA proposes full approval of the Operating Permit Program submitted by the Texas Natural Resource Conservation Commission (TNRCC or Commission) based on the revisions submitted on June 12, 1998, and June 1, 2001, which satisfactorily address the program deficiencies identified in EPA's June 7, 1995, and June 25, 1996, Interim Approval (IA) Rulemakings. In addition, today's document takes no action on additional provisions submitted June 1, 2001, which relate to general operating permits, public participation, compliance assurance monitoring, and periodic monitoring. The EPA will take appropriate action on these items in a separate Federal Register action.

DATES: The EPA must receive your written comments on this proposal no later than November 13, 2001. You must address your comments to the contact indicated below.

ADDRESSES: Please address your written comments on this action to Ms. Jole C. Luehrs, Chief, Air Permitting Section, Attention: Mr. Stanley M. Spruiell, at the EPA Region 6 Office listed below. You may review copies of the State's submittal and other supporting information during normal business hours at the following locations. If you wish to examine these documents, you should make an appointment with the appropriate office at least 24 hours before visiting day.

EPA, Region 6, Air Permitting Section (6PD–R), 1445 Ross Avenue, Suite 700, Dallas, Texas 75202–2733.

TNRCC, Office of Air Quality, 12124 Park 35 Circle, Austin, Texas 78753.

FOR FURTHER INFORMATION CONTACT: Mr. Stanley M. Spruiell, Air Permitting Section (6PD–R), EPA, Region 6, 1445 Ross Avenue, Suite 700, Dallas, Texas