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Dated: July 10, 2017.

Chuck Rosenberg,

Acting Administrator.

[FR Doc. 2017–14878 Filed 7–13–17; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 982 and 983

[Docket No. FR–5976–C–06]

Housing Opportunity Through Modernization Act of 2016: Implementation of Various Section 8 Voucher Provisions; Correction

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Implementation and request for comments; correction.

SUMMARY: On January 18, 2017, HUD published a document in the **Federal Register** making several Housing Choice Voucher (HCV) provisions of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) effective and requesting comment. This document makes technical corrections to the January 18, 2017, document.

DATES: *Effective date:* The effective date for the implementation guidance of April 18, 2017 is unchanged.

FOR FURTHER INFORMATION CONTACT: With respect to this supplementary document, contact Ariel Pereira, Associate General Counsel for Legislation and Regulations, Department of Housing and Urban Development, 451 7th Street SW., Room 10238, Washington, DC 20410; telephone number 202–708–1793 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800–877–8339.

Please direct all questions about the January 18, 2017 document to *HOTMAquestionsPIH@hud.gov.*

SUPPLEMENTARY INFORMATION

I. Background Information

On July 29, 2016, HOTMA was signed into law (Pub. L. 114–201, 130 Stat. 782). HOTMA made numerous changes to statutes that govern HUD programs, including section 8 of the United States Housing Act of 1937 (1937 Act) (42 U.S.C. 1437f). HUD issued a notice on October 24, 2016, at 81 FR 73030, announcing to the public which of the statutory changes made by HOTMA could be implemented immediately, and which statutory changes required further guidance from HUD before owners, public housing agencies (PHAs), or other grantees may use the new statutory provisions.

On January 18, 2017, HUD published a second document at 82 FR 5458, making multiple HOTMA provisions impacting the HCV program effective and requesting comments. Several of the comments pointed out the need for technical corrections or clarifications to the January 18, 2017, implementation document. This document makes several technical corrections and clarifications to the January 18, 2017, implementation document, in part based on the public comments. HUD also received comments recommending changes that were not technical corrections or clarifications, but rather suggested alternative approaches to implementing the HOTMA provisions. HUD will take those comments under consideration.

II. Explanation of Corrections

A. Units Owned by a PHA (HOTMA § 105)—Controlling Interest

HOTMA amended section 8(o) of the 1937 Act to provide a statutory definition of units owned by a PHA, overriding the regulatory definitions at 24 CFR 983.3 and 24 CFR 982.352. HOTMA establishes three categories under which a project is PHA-owned. A project is PHA-owned when the project is: (1) Owned by the PHA; (2) owned by an entity wholly controlled by the PHA; or (3) owned by a limited liability company (LLC) or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner. The January 18, 2017, implementation document (page 5463, section B), used the phrase ''50 percent or more'' to define a level of control that constitutes a controlling interest and would thus indicate PHA ownership. The threshold for control should be ''more than 50 percent'' rather than ''50 percent or more.''

This document also corrects a typographical error contained in the January 18, 2017, implementation document in the definition of ''controlling interest'' for purposes of establishing PHA ownership. Specifically, the implementation document incorrectly refers to equivalent levels of control in other ''organizational'' structures. This document corrects the definition to refer to ''ownership'' structures.

B. Units Not Subject to Project-Based Voucher (PBV) Program Unit Limitation (HOTMA § 106(a)(2)) and Projects Not Subject to Project Cap (HOTMA § 106(a)(3))—Flexible Subsidy Projects

HOTMA amended the 1937 Act to except certain units from both the PHA program unit percentage limitation at section 8(o)(13)(B) and the income-mixing requirement at section 8(o)(13)(D). Specifically, HOTMA excepts units of project-based assistance that ''are attached to units previously subject to federally required rent restrictions or receiving another type of long-term subsidy or project-based assistance provided by the Secretary.'' The January 18, 2017, implementation document (page 5465, section C.2.C, and page 5467, section C.3.D, respectively) inadvertently excluded from the list of excepted units those units that have received assistance under section 201 of the Housing and Community Development Amendments of 1978. Therefore, HUD is correcting the January 18, 2017, implementation document to add the Flexible Subsidy Program in both lists.

C. Units Not Subject to PBV Program Unit Limitation (HOTMA § 106(a)(2))—Replacement Housing

In discussing the units that are not subject to the PBV program unit limitation, the January 18, 2017, implementation document describes the circumstances under which PBV new construction units will qualify as replacement housing for the covered units and likewise are exempt from the program limitation (page 5465, section C.2.C(2)). One of the requirements is that the newly constructed unit is located on the same site as the unit it is replacing. In describing this requirement, the January 18 2017, implementation document inadvertently referred to the ''site of the original public housing development'' instead of ''site of the original development.'' To avoid any indication that this requirement is only applicable to former public housing units as opposed to all the covered forms of HUD assistance listed earlier in the January 18, 2017, implementation document, C.2.C(2)(b) is revised to strike ''public housing'' from the paragraph.

D. Changes to Income-Mixing Requirements for a Project (Project Cap) (HOTMA § 106(a)(3))—Supportive Services Exception

HOTMA amends the 1937 Act with respect to the threshold for exemption from the income-mixing requirement. The income mixing requirement

exception for supportive services now applies to dwelling units assisted under the contract that are exclusively made available to ''households eligible for supportive services that are made available to the assisted residents of the project, according to the standards for such services the Secretary may establish.'' HOTMA requires that families must be ''eligible'' for the supportive services, rather than ''receiving'' the supportive services, for the units made available to such families to be excluded from the income-mixing requirement. As clarified in the January 18, 2017, implementation document (page 5467, section C.3.B(2)), this HOTMA change means that a PHA may not require family participation in the supportive services as a condition of living in an excepted unit. Therefore, a PHA may not rely solely on a supportive services program that would require a family to engage in the supportive services once the family enrolls in the program, such as Family Self-Sufficiency (FSS), for the unit to meet the supportive services exception.

The January 18, 2017, implementation document states that ''if the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently *is no longer eligible* for the supportive services, the family must vacate the unit . . . and the PHA shall cease paying housing assistance payments on behalf of the ineligible family.'' Upon further consideration, HUD is concerned that the sentence may be misinterpreted to imply that a PHA could, under HOTMA, establish a supportive services exception based exclusively on participation in FSS (where participation in the supportive services is required as opposed to voluntary), rather than in combination with another supportive services option where participation in the supportive services is voluntary. Additionally, HUD has determined that this provision could be wrongly construed in a way that conflicts with current FSS requirements, which do not allow termination from the housing assistance program for failure to complete the FSS contract of participation. See the **Federal Register** notice entitled, ''Waivers and Alternative Requirements for the Family Self-Sufficiency Program'', published on December 29, 2014, at 79 FR 78100.

Therefore, HUD is correcting the language on page 5467 to remove the ambiguities and better express the requirements of the HOTMA changes.

E. Changes to Income-Mixing Requirements for a Project (Project Cap) (HOTMA § 106(a)(3))—Units in Low-Poverty Census Tract Exception

HOTMA amended the 1937 Act with respect to the types of units that are exempt from the income-mixing requirement. The January 18, 2017, implementation document (page 5467, section C.3.B(3)), noted that ''projects that are in a census tract with a poverty rate of 20 percent or less'' are excluded from the cap. However, the January 18, 2017, implementation document should have clarified that while PBV projects located in a census tract with a poverty rate of 20 percent or less are excluded from the 25 percent unit cap, those projects are subject to an alternative income mixing requirement that is the greater of 25 units or 40 percent of the units. HUD is adding a sentence to this section as a clarification.

F. Changes to Income Mixing Requirements for a Project (Project Cap) (HOTMA § 106(a)(3))—Grandfathering of Certain Properties

There are two typographical errors in the last sentence of section C.3.C on page 5467. The word ''contact'' should be ''contract'' and the last word of the sentence should be ''project'' and not ''unit''.

G. Projects Not Subject to a Project Cap (HOTMA § 106(a)(3))—Replacement Housing

HOTMA amended the language in section 8(o)(13)(D) to exempt certain types of units receiving PBV assistance from having a project cap entirely. These are PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD. The January 18, 2017, implementation document (page 5468, section C.3.D(2)), provided an incorrect definition of new construction units that qualify for the exception as replacement housing. The definition in section C.3.D(2)(b) was supposed to match the definition provided on page 5465, section C.2.C(2)(b).

H. Attaching PBVs to Structures Owned by PHAs (HOTMA § 106(a)(9))

HOTMA amended the 1937 Act to add a new section 8(o)(13)(N), which allows a PHA that is engaged in an initiative to improve, develop, or replace a public housing property or site to attach PBVs to projects in which the PHA has an ownership or controlling interest, without following a competitive process. In the January 18, 2017, implementation document (page 5471, section C.6), HUD stated that, in order to avail itself of this exemption from the competitive award of PBVs, a PHA must ''be planning rehabilitation or construction on the project with a minimum of $25,000 per unit in hard costs.'' However, this minimum per unit cost would not be applicable in a situation where a PHA is replacing a public housing property or site with existing housing owned or controlled by the PHA.

Accordingly, in FR Doc. 2017–0091, beginning on page 5458 of the **Federal Register** of Wednesday, January 18, 2017, the following corrections are made:

1. On page 5463, in the first column, the final sentence of paragraph (3) is corrected to read as follows:

A ''controlling interest'' is—
(A) holding more than 50 percent of the stock of any corporation;
(B) having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a non-profit corporation);
(C) where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA;
(D) holding more than 50 percent of all managing member interests in an LLC;
(E) holding more than 50 percent of all general partner interests in a partnership; or
(F) equivalent levels of control in other ownership structures.

2. On page 5465, beginning in the first column, paragraph C(1)(b)(i) is corrected by adding at the end a new paragraph, to read as follows:

(VII) Flexible Subsidy Program (section 201 of the Housing and Community Development Amendments of 1978).

3. On page 5465, beginning in the second column, paragraph (b) is corrected by removing ''public housing'' in the second sentence.

4. On page 5467, in the second column, the last two paragraphs of paragraph B(2) are corrected to read as follows:

A PHA may not require participation in the supportive services as a condition of living in an excepted unit, although the family must be eligible to receive the supportive services, and the supportive services must be offered to the family. As such, a PHA may not rely solely on a supportive services program that would require the family to engage in the services once enrolled, such as FSS, for the unit to qualify for the supportive services exception. In the case of a family that chooses to participate in the supportive services, as described by the PHA in the administrative plan, and successfully completes the supportive services objective, the unit continues to be an excepted unit for as long as the family resides in the unit even though the family is no longer eligible for the service.

However, if a family becomes ineligible for the supportive services during their tenancy (for reasons other than successfully completing the supportive services objective), the unit will no longer be considered an excepted unit under this category. If the PHA does not want to reduce the number of excepted units in their project-based portfolio, the PHA may: (i) Substitute the excepted unit for a non-excepted unit if it is possible to do so in accordance with 24 CFR 983.207(a), so that the unit does not lose its excepted status, or (ii) temporarily remove the unit from the PBV HAP contract and provide the family with tenant-based assistance. Note that the family would have to be ineligible for *all* the supportive services made available for the unit to lose its excepted status. For example, consider a project where the supportive services made available to assisted families in the project include both FSS supportive services (for families that voluntarily join the FSS program) and non-FSS supportive services (where, unlike FSS, participation in supportive services is not mandatory). If a family joined the FSS program but later dropped out of the FSS program, the unit would continue to be an exception unit provided the family is eligible for the non-FSS supportive services.

5. On page 5467, in the second column, paragraph B(3) is corrected by adding a new sentence at the end, to read as follows:

''For these projects, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project.''

6. On page 5467, in the third column, the last sentence of paragraph (C) is corrected to read as follows:

The PBV HAP contract may not be changed to the HOTMA requirement if the change would jeopardize an assisted family's eligibility for continued assistance at the project (*e.g.,* excepted units at the project included units designated for the disabled, and changing to the HOTMA standard would result in those units no longer being eligible as an excepted unit unless the owner will make supportive services available to all assisted families in the project.

7. On page 5467, beginning in the third column, paragraph D(1)(b)(i) is corrected by adding at the end a new paragraph, to read as follows:

(VII) Flexible Subsidy Program (section 201 of the Housing and Community Development Amendments of 1978).

8. On page 5468, in the second column, the second sentence of paragraph (b) is corrected by removing the parentheses and correcting it to read as follows:

An expansion of or modification to the prior project's site boundaries as a result of the design of the new construction project is acceptable as long as a majority of the replacement units are built back on the site of the original development and any units that are not built on the existing site share a common border with, are across a public right of way from, or touch that site.

9. On page 5471, in the third column, the second paragraph of section 6 is corrected to read as follows:

In order to be subject to this non-competitive exception, the PHA must be planning: (A) rehabilitation or construction of the project or site with a minimum of $25,000 per unit in hard costs; or (B) replacement of the project or site with existing housing that substantially complies with HUD's housing quality standards. The PHA must detail in its administrative plan how it intends to use PBVs to improve, develop, or replace any public housing property or site, and, if applicable, must detail what works it plans to do on the property or site and how many units of PBV it is planning an adding to the site.

Dated: June 28, 2017.

Jemine A. Bryon,

General Deputy Assistant, Secretary for Public and Indian Housing.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 982 and 983

[Docket No. FR–5976–N–03]

Housing Opportunity Through Modernization Act of 2016; Implementation of Various Section 8 Voucher Provisions

Correction

Rule document 17–00911 was inadvertently published in the Proposed Rules section of the issue of Wednesday, January 18, 2017, beginning on page 5458. It should have appeared in the Rules section.

[FR Doc. C1–2017–00911 Filed 7–13–17; 8:45 am]

BILLING CODE 1505–01–D

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4022

Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This final rule amends the Pension Benefit Guaranty Corporation's regulation on Benefits Payable in Terminated Single-Employer Plans to prescribe interest assumptions under the regulation for valuation dates in August 2017. The interest assumptions are used for paying benefits under terminating single-employer plans covered by the pension insurance system administered by PBGC.

DATES: Effective August 1, 2017.

FOR FURTHER INFORMATION CONTACT: Deborah C. Murphy (*Murphy.Deborah@pbgc.gov*), Assistant General Counsel for Regulatory Affairs, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005, 202–326–4400 ext. 3451. (TTY/TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4400 ext. 3451.)

SUPPLEMENTARY INFORMATION: PBGC's regulation on Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) prescribes actuarial assumptions—including interest assumptions—for paying plan benefits under terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions in the regulation are also published on PBGC's Web site (*http://www.pbgc.gov*). PBGC uses the interest assumptions in Appendix B to Part 4022 to determine whether a benefit is payable as a lump sum and to determine the amount to pay. Appendix C to Part 4022 contains 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. Currently, the rates in Appendices B and C of the benefit payment regulation are the same.

The interest assumptions are intended to reflect current conditions in the financial and annuity markets. Assumptions under the benefit payments regulation are updated monthly. This final rule updates the benefit payments interest assumptions for August 2017.[1]

The August 2017 interest assumptions under the benefit payments regulation will be 0.75 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. In comparison with the interest assumptions in effect for July 2017, these assumptions represent a decrease of 0.25 percent in the immediate rate and are otherwise unchanged.

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

[1] Appendix B to PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes interest assumptions for valuing benefits under terminating covered single-employer plans for purposes of allocation of assets under ERISA section 4044. Those assumptions are updated quarterly.