IV. Statutory Authority

The amendments to Rule 12h–3 are adopted by the Commission pursuant to Sections 12(g)(4), 12(h), 13(a), 15(d), and 23(a) of the Exchange Act.

(Secs. 12(g)(4), 12(h), 13(a), 15(d), 23(a), 48 Stat. 892, 894, 895, 901; sec. 203(a), 49 Stat. 704; secs. 3, 8, 49 Stat. 1377, 1379; secs. 3, 4, 6, 78 Stat. 565–568, 569, 570–574; sec. 18, 89 Stat. 155; sec. 204, 91 Stat. 1500; 15 U.S.C. 78/(g)(4), 78/(h), 78m(a), 78o(d), 78w(a))

Dated: March 22, 1984.

By the Commission.

George A. Fitzsimmons,

Secretary.

[FR Doc. 84–8534 Filed 3–29–84; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 389

[Docket No. RM84–11–000]

Commission Information Collection Requirements Under the Paperwork Reduction Act; OMB Control Numbers

March 26, 1984.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule; notice of OMB Control Numbers.

SUMMARY: The Federal Energy Regulatory Commission is codifying the control numbers that have been issued by the Office of Management and Budget (OMB) for information collection requirements in Commission rules that are approved under the Paperwork Reduction Act. Control numbers will no longer appear as part of the section or part containing the information collection requirement, but will be centrally located in a table in new Part 389.

EFFECTIVE DATE: March 30, 1984.

FOR FURTHER INFORMATION CONTACT: Kenneth J. Malloy, Office of General Counsel, Federal Energy Regulatory Commission, 825 North Capitol St., NE., Washington, D.C. 20426, (202) 357–8033.

SUPPLEMENTARY INFORMATION: The Paperwork Reduction Act of 1980, 44 U.S.C. 3501–3520 (1982) and the Office of Management and Budget's (OMB) regulations, 5 CFR Part 1320 (1983), requires that OMB review certain information collection requirements imposed by agency rules. Upon approval of the agency requirement, OMB issues a control number. The agency must display this control number in its regulations to inform the public that the agency's information collection requirements have been approved by OMB.

In the Commission's initial implementation of the Paperwork Reduction Act, control numbers were published in either of two fashions. For control numbers that applied only to specific sections of the Commission's regulations, the Commission inserted a parenthetical after the section, stating that the information collection requirement in that section was approved under a certain control number. For information collection requirements that cover an entire Part of Commission's regulations, the Commission inserted a similar parenthetical after the Table of Contents of that Part.

The Commission will no longer display its control numbers in this manner. Rather, the Commission is establishing a new Part 389 which will contain all the control numbers that have been issued for its regulations. The Commission believes that it will be easier for the Commission to update this table and that it will be easier for members of the public to determine which regulations have been approved by OMB. Accordingly, the Commission is removing any control numbers which appear as part of individual Parts and Sections and adding a new Part 389 that lists all control numbers in a single table.

List of Subjects in 18 CFR Part 389

Paperwork Reduction Act, OMB Control Numbers.

In consideration of the foregoing, a new Part 389 is added to Chapter 1, Title 18, Code of Federal Regulations, as set forth below.

Lois D. Cashell,

Acting Secretary.

1. The Authority Citation for Part 389 reads as follows:

Authority: Paperwork Reduction Act of 1980, 44 U.S.C. 3501–3520(1982).

2. A new Part 389 is added to read as follows:

PART 389—OMB CONTROL NUMBERS FOR COMMISSION INFORMATION COLLECTION REQUIREMENTS

§ 389.101 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

(a) *Purpose.* This part collects and displays control numbers assigned to information collection requirements of the Commission by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1980. This Part fulfills the requirements of Section 3507(f) of the Paperwork Reduction Act, which requires that agencies display a current control number assigned by the Director of OMB for each agency information collection requirement.

(b) *Display.*

18 CFR part or section where the information collection requirement is located	Current OMB control number (all numbers begin with 1902–)
2.56a	0055
2.69	0060
2.75	0052
2.76	0056
2.77	0056
2.78	0066
2.79	0060
2.80	0128
2.82	0128
Part 4 Subpart D	0073
Part 4 Subpart E	0058
Part 4 Subpart F	0058
Part 4 Subpart G	0115
Part 4 Subpart H	0115
Part 4 Subpart J	0115
Part 4 Subpart L	0058
Part 4 Subpart L	0115
4.30	0073
4.31	0073
4.32	0073
4.33	0073
4.34	0073
4.80	0073
4.81	0073
4.82	0073
Part 6	0068
Part 9	0069
11.26	0087
11.31	0087
13.1	0087
24.1	0079
Part 33	0082
Part 34	0043
Part 35 Subpart A	0096
35.12	0096
35.13	0096
Part 45	0083
46.3	0114
46.6	0099
Part 101	0092
Part 104	0029
Part 116	0021
Part 125	0098
141.1	0021
141.2	0029
141.14	0106
141.61	0024
Part 152	0116
Part 153	0062
154.38	0070
154.61	0070
154.62	0070
154.63	0070
154.64	0070
154.65	0070
154.66	0070
154.67	0070
154.91	0052
154.92	0055
154.93	0055
154.94	0055
154.95	0055
154.96	0055
154.97	0055
154.98	0055
154.99	0055
154.100	0055
154.101	0055
154.102	0055
Part 156	0061
157.5	0060
157.6	0060
157.7	0060
157.8	0060
157.9	0060
157.10	0060
157.11	0060
157.12	0060

18 CFR part or section where the information collection requirement is located	Current OMB control number (all numbers begin with 1902-)
157.13	0060
157.14	0128
157.15	0060
157.16	0060
157.17	0060
157.18	0060
157.20	0060
157.21	0060
157.22	0060
157.23	0052
157.24	0052
157.25	0052
157.26	0052
157.27	0052
157.28	0052
157.29	0052
157.30	0051
157.40	0052
157.100	0060
157.201	0060
158.202	0060
157.203	0060
157.204	0060
157.205	0060
157.206	0060
157.207	0060
157.208	0060
157.209	0060
157.210	0060
157.211	0060
157.212	0060
157.213	0060
157.214	0060
157.215	0060
157.216	0060
157.217	0060
157.218	0060
Part 158	0098
159.1	0060
160.1	0098
Part 201	0092
Part 204	0030
Part 216	0028
Part 225	0098
250.5	0052
250.7	0051
250.9	0055
250.10	0052
250.13	0008
250.14	0036
260.1	0028
260.2	0030
260.4	0027
260.7	0037
260.8	0005
260.9	0004
260.11	0026
260.12	0025
260.15	0101
Part 270	0057
Part 271 Subpart K	0057
271.503	0124
271.603	0124
271.903	0124
Part 273	0111
273.302	0084
Part 274	0112
Part 274 Subpart B	0038
275.204	0093
276.108	0098
277.210	0098
Part 281	0066
Part 282	0110
282.502	0028
Part 284 Subpart A	0086
284.105	0066
284.106	0086
284.107	0060
284.125	0086
284.126	0086
284.127	0060
Part 284 Subpart D	0066
Part 284 Subpart E	0086
Part 284 Subpart F	0086
284.221	0060
284.222	0060
Part 284 Subpart H	0086
Part 290	0042
Part 292	0075
300.10	0088
300.11	0088
Part 340	0089
Part 341	0089
Part 342	0089
Part 343	0089
Part 344	0089
Part 345	0089
Part 346	0003
Part 347	0089
Part 351	0022
Part 352	0022
Part 356	0096
Part 360	0003
360.100	0015
360.101	0016
360.102	0017
360.103	0014
360.104	0013
361.100	0011
361.101	0018
361.102	0010
361.103	0009
Part 385 Subpart N	0089

[FR Doc. 84-8498 Filed 3-29-84; 8:45 am]

BILLING CODE 6717-01-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing—Federal Housing Commissioner

24 CFR Parts 200, 201, 203, 204, 205, 207, 220, 221, 232, 234, 242, 244, and 250

[Docket No. R-84-1149; FR-1911]

Introduction; Mutual Mortgage Insurance and Rehabilitation Loans; Multifamily Housing Mortgage Insurance; Correction of Structural Defects—Eligibility for Assistance; Insurance of Loans and Mortgages in American Samoa; Nonoccupant Mortgagors—Maximum Mortgage Amounts; Payment of MIP; Occupancy Requirements—Manufactured Home Parks; Removal of Refinancing Limitations on Certain Multifamily Projects; Assignments of Certain Mortgages Under the National Housing Act

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

ACTION: Final rule.

SUMMARY: This final rule implements recent statutory amendments that change or clarify certain existing regulatory provisions respecting (1) the eligibility of mortgagors to make claims for structural defects in connection with one- to four-family dwellings that were approved for VA guaranty, insurance or direct loans before construction, but were ultimately insured by FHA; (2) eligibility of loans and mortgages for insurance in American Samoa along with an expanded definition of jurisdictional eligibility; (3) the maximum insurable amount on mortgages on one- to four-family dwellings that are executed by non-occupant mortgagors; (4) the relationship of the one-time mortgage insurance premium (MIP) to the determination of maximum insurable mortgage amounts; (5) the provision of mortgage insurance on manufactured home parks designed exclusively for the elderly; (6) the removal of refinancing limitations previously governing substantial rehabilitation of certain multifamily projects; and (7) elimination of the "buy-back" feature contained in Section 221(g)(4) of the National Housing Act and the procedures to be used by those with outstanding mortgages who choose to exercise the option to assign their mortgages to HUD.

EFFECTIVE DATE: May 10, 1984.

FOR FURTHER INFORMATION CONTACT: John Coonts, Director, Single Family Development Division, Room 9270, telephone number (202) 755-6720; or April LeClair, Director, Development Division, Office of Multifamily Housing Development, Room 6132, telephone number (202) 755-6500. (These are not toll-free numbers.) Written communications to the above-named persons should be sent to the Department of Housing and Urban Development, 451 Seventh Street SW., Washington, D.C. 20410.

SUPPLEMENTARY INFORMATION: This final rule implements the following provisions of the Housing and Urban-Rural Recovery Act of 1983, Pub. L. 98-181, approved November 30, 1983 (the "1983 Act"):

1. Section 427 of the 1983 Act amends Section 518(a) of the National Housing Act (NHA) (12 U.S.C. 1735b(a)(B)). Section 518(a) authorizes the Secretary to make expenditures for, among other things, the correction of structural defects in one- to four-family dwellings that were approved for FHA mortgage insurance before construction. Section 203(b)(2) of the NHA provides that the mortgage on a one- to four-family dwelling approved for guaranty, insurance, or a direct loan by the Veterans Administration is eligible for FHA insurance. Before the 1983 Act's amendment, section 518(a) of the NHA provided that the Secretary's authority to make expenditures to correct structural defects existed only if the

housing had been approved for mortgage insurance before the beginning of construction. This provision created an ambiguity, since it was unclear whether a dwelling originally approved by VA, but ultimately insured by FHA, was eligible for the protection afforded by section 518(a).

Section 427 of the 1983 Act makes clear that expenditures and reimbursements may be made for correcting defects in FHA-insured dwellings even though they were approved for guaranty, insurance, or a direct loan by the Veterans Administration before construction, instead of having been given preconstruction approval by FHA. Accordingly, 24 CFR 200.507(b) is revised to reflect Section 427 of the 1983 Act.

2. Section 407 of the 1983 Act amends Sections 9, 201(d) and 207(a)(7) of the NHA (12 US.C. 1706d, 1707, 1713) to add American Samoa to the list of jurisdications to which the Department's loan and mortgage insurance authorities in titles I and II of the NHA are applicable. Amendments are included in this rule for definitions in 24 CFR Parts 201, 203, 204, 205, 232, 234, 242, 244, and 250 to reflect this change. The rule also spells out for the first time (in sections 201, 203, and 220) the names of all eligible jurisdictions in which HUD-approved or HUD-insured property may be located.

3. Section 425 of the 1983 Act amends section 203(b)(8) of the NHA (12 U.S.C. 1709(b)(8)) to provide that a mortgage on a dwelling owned by a non-occupant mortgagor is eligible for insurance if the principal obligation is no greater than the lesser of: (1) The amount prescribed under Section 203(b)(2) of the NHA (i.e., the insurable amount for an occupant mortgagor), or (2) 85 percent of the appraised value of the property on the date the mortgage is accepted for insurance. Previously, Section 203(b)(8) had provided that the principal obligation could not, under most circumstances, exceed 85 percent of the amount computed under Section 203(b)(2). This amendment, by increasing the insurable mortgage amount for investors, should heighten investor interest in single-family homes, thereby resulting in an increased supply of rental housing. The amendment is implemented by changes in 24 CFR 203.18(c).

4. Section 423 of the 1983 Act added a new subsection (d) to Section 203 of the NHA. This new subsection allows the maximum insurable mortgage amount determined under any provision of title II of the NHA for a mortgage secured by a one- to four-family dwelling to be increased "by the amount of the mortgage insurance premium (MIP) paid at the time the mortgage is insured."

The Department recently published a final rule that established a new system for collecting MIPs for certain single family mortgages that HUD insures under Section 203. See 48 FR 28794 (June 23, 1983). Under this system, the borrower pays a single MIP when the mortgage loan is closed, which represents the total premium obligation for the insured loan.

As part of implementing the new system, HUD proposed in 1982 to amend certain sections of the NHA to increase the otherwise applicable maximum mortgage amounts by the amount of the MIP, and to exclude the amount of the premium from "cost of acquisition" for purposes of determining minimum down payment requirements. Congress enacted these proposals as Section 201 of the Omnibus Budget Reconciliation Act of 1982, Pub. L. 97–253, approved September 8, 1982.

One of the purposes of the amendments was to permit the homebuyer to add the amount of the MIP to the amount of the insured loan, thereby enduring that implementation of the new system would not increase existing downpayment requirements. Because of their placement, however, the amendments did not completely fulfill this intent.

In addition to statutory provisions directly addressing downpayment requirements, the amount of the required downpayment is also affected by maximum loan-to-value ratios. For example, Section 203(b)(2) of the NHA generally provides that insured loans may not exceed an amount equal to the sum of 97 percent of the first $25,000 of the appraised value of the property and 95 percent of the appraised value in excess of $25,000. No amendment to this or other loan-to-value ratio requirements was included in the 1982 Reconciliation Act. The result is that, in the case of loans that are at the maximum loan-to-value ratio before consideration of the up-front premium, the required downpayment is increased by the percentage resulting from the applicable loan-to-value ratio (5 percent in the case of a loan covered by the ratio provision cited above where the value exceeds $25,000). Section 423 of the 1983 Act corrects this unintended result by providing in one place the general authority to increase, by the amount of the MIP, the otherwise applicable single family maximum mortgage amount—irrespective of whether the amount is arrived at as a result of the relevant dollar or loan-to-value limitation.

Accordingly, this rule adds a new § 203.18c to make clear that all of the one-time mortgage insurance premium amount may be added to the insured mortgage. The rule also removes § 203.18b(d), the provision included in HUD's final rule implementing procedures for one-time MIP payments (see 48 FR 28794, at 28804 June 23, 1983). § 203.18b(d) permitted maximum dollar limits to be increased by the amount of the financed one-time premium, but did not permit loan-to-value limitations to be affected by the addition of the premium to the mortgage amount. The new § 203.18c includes, and expands the reach of, the removed provision, as authorized under Section 423 of the 1983 Act. Affected mortgage insurance programs include HUD's basic home mortgage insurance program under Section 203(b) of the NHA (24 CFR 203.18, 203.18a, 203.18b, 203.29); mortgage insurance for disaster victims under Section 203(h) of the NHA (24 CFR 203.18(e)); mortgage insurance for single family homes in outlying areas under Section 203(i) (24 CFR 203.18(d)); mortgage insurance for single-unit cooperatives under Section 203(n) of the NHA (24 CFR 203.43c); mortgage insurance under title II of the NHA for qualifying manufactured homes (24 CFR 203.43f); and graduated payment mortgages under section 245 of the NHA (24 CFR 203.45, 203.46).

Section 423(c) of the 1983 Act provides that the amendments affecting the treatment of single family premiums may take effect only if the Secretary of Housing and Urban Development has determined that the program of payment of insurance premiums at the time of loan closing—with specific regard to Section 423's changes—is actuarially sound.

The one-time MIP concept was originally developed on the assumption that mortgagors would enjoy the option of including all of their MIP in the insured mortgage. As noted above, it was only a technical oversight in the authorizing legislation that obliged the Department to limit the amount of MIP financed as part of the mortgage by subjecting that amount to statutory loan-to-value limits. In submitting the original methodology paper to the Congress on January 25, 1983, the Secretary found that the option of including *all* of the MIP in the mortgage would be actuarially sound. There is no reason at this time to question or modify this finding with respect to implementing the amendments of Section 423 of the 1983 Act. The Secretary, in approving this rule for publication, has made the

determination required under Section 423(c).

5. Section 435 of the 1983 Act amended Section 207(b) of the NHA to permit the insurance of mortgages on manufactured home parks designed exclusively for occupancy by elderly persons. Formerly, Section 207(b) prohibited the provision of insurance under Section 207 unless the mortgagor certified under oath that there would be no discrimination "by reason of the fact that there are children in the family. . . ." Section 435 retains this basic rule, but provides language clarifying that exceptions may be made with regard to manufactured home parks designed exclusively for the elderly.

Accordingly, 24 CFR 207.20(a) is amended to provide that mortgagors must certify under oath that they will not discriminate against families with children, except in the case of mortgagors who own manufactured home parks designed exclusively for occupancy by the elderly.

6. Section 432 of the 1983 Act amends the mortgage limit provisions of Sections 220(d)(3), 221(d)(3), and 221(d)(4) of the NHA to facilitate refinancing to perform substantial rehabilitation. Before this amendment, the limits on mortgages for substantial rehabilitation of properties were based upon the sum of the cost of repair plus the value of the property before rehabilitation. However, where there was an existing mortgage and application to insure a new mortgage under one of these provisions was made, the mortgage limits were based upon the sum of the estimated cost of repair plus the existing indebtedness (rather than the value of the property before repair). Section 432 deletes the special mortgage limits provision, so that mortgage limits may be determined in the same manner for project refinancing as they are for new financing to carry out substantial rehabilitation.

Amendments to §§ 220.507, 220.508, 221.514, and 221.556 contained in this rule conform the regulations applicable to Sections 220(d)(3), 221(d)(3), and 221(d)(4) of the National Housing Act to reflect the 1983 statutory amendment. 24 CFR 221.515 has been removed as a result of the legislative amendment to these sections of the NHA. The amendment has rendered inapplicable the distinctions based on the status of the property contained in the now-deleted § 221.515.

7. Before it was amended by Section 409 of the 1983 Act, Section 221(g)(4) of the NHA permitted mortgagees holding mortgages insured under Section 221 to assign them to HUD and receive the benefits of insurance, if the mortgage was not in default at the expiration of 20 years from the date of endorsement for insurance. Section 409 terminates this 20-year "buy-back" provision for future insured mortgages. The 20-year "buy-back" continues to be available (under the terms of amended Section 221(g)(4)) for mortgages for which conditional or firm commitments were issued on or before November 30, 1983.

The Department issued a rule-related Notice on December 5, 1983 (48 FR 54571), explaining the effect of Section 409. Today's rule includes amendments to §§ 221.255(a) and 221.770 to conform HUD's regulations to the statutory change previously announced in the Notice. These amendments also provide for the implementation of Section 408 of the 1983 Act, which permits the Commissioner to direct mortgagees submitting claims under the buy-back provision to deliver the credit instrument and mortgage directly to GNMA, in lieu of assigning them to the Commissioner.

As a matter of policy, the Department submits most of its rulemakings to public comment, either before or after effectiveness of the action. In this instance, however, the Secretary has determined that good cause exists for publishing this document as a final rule. Public procedure is believed to be unnecessary because each of the revisions to existing HUD regulations included in this document is being made solely for the purpose of implementing new statutory direction from the Congress where the revised law is self-executing (eligibility of American Samoa (Section 407), mortgage insurance for manufactured home parks for the elderly (Section 435), and termination of the Section 221(g)(4) buy-back (Section 409)); removes ambiguity (correction of defects (Section 427)); makes technical correction of a matter previously subjected to public comment rulemaking (amortization of the one-time MIP (Section 423)); liberalizes the terms and conditions under which a client group may participate in ongoing HUD programs (mortgage limits for non-occupant mortgagors (Section 425), amortization of the one-time MIP (Section 423), and maximum mortgage amounts for the substantial rehabilitation of multifamily projects involving refinancing (Section 432)); or involves an internal administration matter not affecting the rights of regulated groups (assignment of mortgages under the buy-back option to GNMA (Section 408)). Under these circumstances, immediate implementation of these several amendments would best serve the public interest.

This rule does not constitute a "major rule" as that term is defined in section 1(b) of the Executive Order on Federal Regulations issued by the President on February 17, 1981. Analysis of the rule indicates that it does not (1) have an annual effect on the economy of $100 million or more; (2) cause a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or (3) have a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

A Finding of No Significant Impact with respect to the environment has been 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. The Finding of No Significant Impact is available for public inspection and copying during regular business hours in the Office of the Rules Docket Clerk, Room 10278, 451 Seventh Street SW., Washington, D.C. 20410.

In accordance with 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the Undersigned hereby certifies that this rule does not have a significant economic impact on a substantial number of small entities. The rule merely implements statutory amendments and conforms regulatory provisions to statutory law, without imposing any new administrative or economic burdens on small entities.

This rule was not listed in the Department's Semiannual Agenda of Regulations published on October 17, 1983 (48 FR 47422) under Executive Order 12291 and the Regulatory Flexibility Act.

The Catalog of Federal Domestic Assistance program numbers are 14.110, 14.117, 14.138, 14.157, 14.400, 14.402, 64.114, 64.118, and 64.119.

List of Subjects

24 CFR Part 200

Administrative practice and procedure, Claims, Equal employment opportunity, Fair housing, Housing standards, Loan programs: housing and community development, Mortgage insurance, Organization and functions (Government agencies), Reporting and recordkeeping requirements, Minimum Property Standards, Incorporation by reference.

24 CFR Part 201

Health facilities, Historic preservation, Home improvement, Manufactured homes, Manufactured homes and lots.

24 CFR Part 203

Home improvement, Loan programs: housing and community development, Mortgage insurance, Solar energy.

24 CFR Part 204

Mortgage insurance.

24 CFR Part 205

Community facilities, Mortgage insurance, Land development.

24 CFR Part 207

Mortgage insurance, Rental housing, Manufactured home parks.

24 CFR Part 220

Home improvement, Mortgage insurance, Urban renewal, Rental housing, Loan programs: housing and community development, Projects.

24 CFR Part 221

Condominiums, Low and moderate income housing, Mortgage insurance, Displaced families, Single family housing, Projects, Cooperatives.

24 CFR Part 232

Fire prevention, Health facilities, Loan programs: health, Loan programs: housing and community development, Mortgage insurance, Nursing homes, Intermediate care facilities.

24 CFR Part 234

Condominiums, Mortgage insurance, Homeownership, Projects, Units.

24 CFR Part 242

Hospitals, Mortgage insurance.

24 CFR Part 244

Health facilities, Mortgage insurance.

24 CFR Part 250

Intergovernmental relations, Low and moderate income housing mortgage insurance.

Accordingly, the Department amends 24 CFR Parts 200, 201, 203, 204, 205, 207, 220, 221, 232, 234, 242, 244, and 250 as follows:

PART 200—INTRODUCTION

1. Section 200.507 is revised to read as follows:

§ 200.507 Eligibility requirements.

To be eligible for consideration by the Commissioner for receiving assistance in the correction of structural defects, the mortgagor must establish that:

(a) The mortgagor is the owner of a one- to four-family dwelling covered by an individual mortgage.

(b) The dwelling was approved for mortgage insurance by the Commissioner, or for guaranty, insurance or a direct loan under chapter 37 of Title 38 of the United States Code (38 U.S.C. 1801–1827) by the Administrator of Veterans Affairs, before the beginning of construction.

(c) The mortgagor has made reasonable efforts to obtain a correction of a structural defect in his or her property by the builder, seller, or other persons, and that the defect has not been corrected.

PART 201—PROPERTY IMPROVEMENT AND MOBILE HOME LOANS

2. In § 201.6, paragraph (a) is revised to read as follows:

§ 201.6 Eligible loans.

(a) *Property location.* The property to be improved shall be located within the United States, Puerto Rico, Guam, the Trust Territory of the Pacific Islands, American Samoa, or the Virgin Islands.

* * * * *

3. In § 201.525, paragraph (a) is revised to read as follows:

§ 201.525 Mobile home location standards.

(a) *In general.* The mobile home shall be located within the United States, Puerto Rico, Guam, the Trust Territory of the Pacific Islands, American Samoa, or the Virgin Islands. The mobile home shall be placed in a mobile home park approved by the Commissioner, on a site owned by the borrower which meets certain requirements prescribed by the Commissioner, or on a site leased from a municipality or other political subdivision, where the leased site otherwise meets the requirements of paragraph (c) of this section.

* * * * *

4. § 201.1110, paragraph (k) is revised to read as follows:

§ 201.1110 Definitions.

* * * * *

(k) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

* * * * *

5. Section 201.1503 is revised to read as follows:

§ 201.1503 Eligibility requirements.

Loans shall be made only for financing, in combination, the purchase of a mobile home and a developed or undeveloped mobile home lot, or a developed or undeveloped mobile home lot by an owner of a mobile home, which mobile home is the principal residence of that owner. Furniture may not be included in the loan, or financed with the proceeds of the loan. The mobile home shall be located within the United States, Puerto Rico, Guam, the Trust Territory of the Pacific Islands, American Samoa, or the Virgin Islands.

PART 203—MUTUAL MORTGAGE INSURANCE AND REHABILITATION LOANS

6. In § 203.18, paragraph (c) is revised to read as follows:

§ 203.18 Maximum mortgage amounts.

* * * * *

(c) *Nonoccupant mortgagors.* A mortgage executed by a mortgagor who is not the occupant of the property shall not exceed:

(1) The lesser of the amount computed under paragraph (a) of this section or 85 percent of the appraised value of the property as of the date the mortgage is accepted for insurance; or

(2) The amount computed under paragraph (a) of this section (even if it is greater than 85 percent of the appraised value of the property as of the date the mortgage is accepted for insurance), if the mortgage covers a one- to two-family residence and the Commissioner is furnished with certificates indicating that:

(i) The mortgagor will not rent (except for a rental term of not less than 30 days and not more than 60 days), sell (except where the insured mortgage is paid in full as an incident of the sale), or occupy the property before the 18th amortization payment of the mortgage except with the prior written approval of the Commissioner;

(ii) Not less than 15 percent of the original principal amount of the mortgage proceeds has been deposited in an escrow, trust, or special account;

(iii) The mortgagor agrees that, if the property is not sold before the due date of the 18th amortization payment of the mortgage to a purchaser, acceptable to the Commissioner, who will occupy the property, assume, and agree to pay the mortgage indebtedness, the amount held in escrow, trust, or special account will be applied in reduction of the outstanding principal amount of the mortgage as of the due date of the 18th amortization payment of the mortgage; and

(iv) The mortgagee agrees that any portion of the fund held in escrow, trust, or special account, not applied to the mortgage in accordance with the

provisions of this paragraph, shall be deducted from the amount of the insurance benefits to which the mortgagee would otherwise be entitled if a claim for insurance benefits is filed.

* * * * *

§ 203.18b [Amended]

7. Section 203.18b is amended by removing paragraph (d).

8. Part 203 is amended by adding a new § 203.18c, to read as follows:

§ 203.18c One-time mortgage insurance premium excluded from limitations on maximum mortgage amounts.

After determining any maximum insurable mortgage amount under the provisions of this subpart, the maximum insurable amount of any mortgage subject to the provisions of § 203.259a may be increased by the amount of any one-time mortgage insurance premium that will be financed as part of the mortgage.

9. Section 203.40 is revised to read as follows:

§ 203.40 Location of property.

The mortgaged property shall be located within the United States, Puerto Rico, Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, or American Samoa. The mortgaged property, if otherwise acceptable to the Commissioner, may be located in any community where the housing standards meet the requirements of the Commissioner.

10. In § 203.251, paragraph (s) is revised to read as follows:

§ 203.251 Definitions.

* * * * *

(s) "State" includes the several States, Puerto Ricoe, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

PART 204—COINSURANCE

11. In § 204.251, paragraph (p) is revised to read as follows:

§ 204.251 Definitions.

* * * * *

(p) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

PART 205—MORTGAGE INSURANCE FOR LAND DEVELOPMENT [TITLE X]

12. In § 205.1, paragraph (p) is removed, and paragraph (m) is revised to read as follows:

§ 205.1 Definitions.

* * * * *

(m) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

PART 207—MULTIFAMILY HOUSING MORTGAGE INSURANCE

13. In § 207.20, the introductory text of paragraph (a) is revised to read as follows:

§ 207.20 Occupancy requirements.

(a) *Nondiscrimination against families with children.* Except in the case of a mortgage with respect to a manufactured home park designed exclusively for occupancy by elderly persons, the mortgagor shall certify under oath to the Commissioner that:

* * * * *

PART 220—URBAN RENEWAL MORTGAGE INSURANCE AND INSURED IMPROVEMENT LOANS

14. In § 220.103, paragraph (a) is revised to read as follows:

§ 220.103 Type and location of property.

* * * * *

9(a) Constitute real property located within the United States, Puerto Rico, Guam, the Trust Territory of the Pacific Islands, American Samoa, or the Virgin Islands.

* * * * *

15. In § 220.507, the introductory text of paragraph (d)(2) and (d)(2)(ii) are revised to read as follows:

§ 220.507 Maximum mortgage amounts.

* * * * *

(d) * * *

(2) *Property subject to existing mortgage.* If the mortgagor owns the project subject to an outstanding indebtedness that is to be refinanced with part of the insured mortgage, the maximum mortgage amount shall not exceed 90 percent of:

(i) * * *

(ii) The Commissioner's estimate of the value of the property before repair or rehabilitation; or

* * * * *

§ 220.508 [Amended]

16. In § 220.508, paragraph (d) is removed and reserved.

PART 221—LOW COST AND MODERATE INCOME MORTGAGE INSURANCE

17. In § 221.255, paragraph (a) is revised to read as follows:

§ 221.255 Assignment option.

(a) A mortgagee holding a mortgage insured pursuant to a conditional or firm commitment issued on or before November 30, 1983 has the option to assign, transfer and deliver to the Commissioner the original credit instrument and the mortgage securing it, provided the mortgage is not in default at the expiration of 20 years from the date of final endorsement of the credit instrument. In processing a mortgagee's claim for insurance benefits under this section, the Commissioner may direct the mortgagee to assign, transfer and deliver the original credit instrument, and the mortgage securing it, directly to the Government National Mortgage Association (GNMA). Upon such assignment, transfer and delivery, either to the Commissioner or to GNMA, as directed, the mortgage insurance contract shall terminate and the mortgagee shall be entitled to receive insurance benefits in accordance with this section.

* * * * *

18. In § 221.514, the introductory text of paragraph (a) and the introductory text of paragraph (a)(3) are revised as follows:

§ 221.514 Maximum mortgage amounts.

(a) The mortgage shall involve a principal obligation not in excess of the lesser of the following:

* * * * *

(3) *Repair or rehabilitation (including projects to be refinanced).*

* * * * *

§ 221.515 [Reserved]

19. Section 221.515 is removed and reserved.

20. Section 221.556 is revised to read as follows:

§ 221.556 Reduction in mortgage amount—rehabilitation.

(a) In the event the mortgage is to finance repair or rehabilitation, the mortgagor's actual cost of such repair or rehabilitation may include the items of expense permitted for new construction in accordance with § 221.550, and the applicable cost certification procedure described therein will be required.

(b) If the principal obligation of the mortgage exceeds in the case of:

(1) General or limited distribution mortgagors, 90 percent;

(2) All other mortgagors, when the mortgage is to be insured under section 221(d)(4), 90 percent; or

(3) All other mortgagors, when the mortgage is to be insured under section 221(d)(3), 100 percent.

of the actual cost of the repair or rehabilitation plus the Commissioner's estimate of the fair market value of the land and existing improvements, the mortgage shall be reduced by the amount of such excess before final endorsement for insurance.

(c) *Nonapplicability to rehabilitation sales mortgagors.* The provisions of paragraphs (a) and (b) of this section shall not be applicable to a project involving a rehabilitation sales mortgagor.

21. § 221.770 is revised to read as follows:

§ 221.770 Assignment option.

A mortgagee holding a mortgage insured pursuant to a conditional or firm commitment issued on or before November 30, 1983 (or, in the Direct Endorsement program described in 24 CFR 200.163, a property appraisal report signed by the mortgagee's approved underwriter on or before November 30, 1983) has the option to assign, transfer and deliver to the Commissioner the original credit instrument and the mortgage securing it, provided that the mortgage is not in default at the expiration of 20 years from the date of final endorsement of the credit instrument. In processing a mortgagee's claim for insurance benefits under this section, the Commissioner may direct the mortgagee to assign, transfer and deliver the original credit instrument, and the mortgage securing it, directly to the Government National Mortgage Association (GNMA). Upon such assignment, transfer and delivery either to the Commissioner or to GNMA, as directed, the mortgage insurance contract shall terminate and the mortgagee shall be entitled to receive insurance benefits in accordance with § 221.780.

PART 232—NURSING HOMES AND INTERMEDIATE CARE FACILITIES MORTGAGE INSURANCE

22. In § 232.1, paragraph (h) is revised to read as follows:

§ 232.1 Definitions.

* * * * *

(h) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

* * * * *

PART 234—CONDOMINIUM OWNERSHIP MORTGAGE INSURANCE

23. In § 234.505, paragraph (i) is revised to read as follows:

§ 234.505 Definitions.

* * * * *

(i) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

PART 242—MORTGAGE INSURANCE FOR HOSPITALS

24. In § 242.1, paragraph (g) is revised to read as follows:

§ 242.1 Definitions.

* * * * *

(g) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

PART 244—MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES (TITLE XI)

25. In § 244.1, paragraph (g) is revised to read as follows:

§ 244.1 Definitions.

* * * * *

(g) "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

PART 250—COINSURANCE FOR STATE HOUSING FINANCE AGENCIES

26. In § 250.101, paragraph (h) is revised to read as follows:

§ 250.101 Definitions.

* * * * *

(h) *"State Housing Agency (Agency)"*—Any public body, agency, or instrumentality created by a specific act of a State legislature and empowered to finance activities designed to provide housing and related facilities, through land acquisition, construction or rehabilitation, for persons and families of low and moderate income. The term "State" shall include the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territory of the Pacific Islands, American Samoa, and the Virgin Islands.

* * * * *

Authority: National Housing Act, Secs. 9, 201, 203, 207, 220, 221; 12 U.S.C. 1706d, 1707, 1709, 1713, 1715k, 1715*l*; sec. 7(d) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(d).

Dated: March 23, 1984.

Maurice L. Barksdale,

Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. 84-8421 Filed 3-29-84; 8:45 am]

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Office of Assistant Secretary for Public and Indian Housing

24 CFR Part 941

[Docket No. R-84-1063; FR-1665]

Public Housing Development; Approval of Projects With Dwelling Construction and Equipment Costs in Excess of Prototype Cost Limits

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

ACTION: Final rule.

SUMMARY: This final rule amends the regulations governing public housing development to require approval by the Assistant Secretary for Public and Indian Housing for any public housing project dwelling construction and equipment costs that will exceed 100 percent of the appropriate prototype cost limits for the area. The existing regulations permit the HUD Field Office to approve such projects.

EFFECTIVE DATE: May 10, 1984.

FOR FURTHER INFORMATION CONTACT: Raymond W. Hamilton, Director, Public Housing Development Division, Office of Public Housing, Office of Assistant Secretary for Public and Indian Housing, Department of Housing and Urban Development, Washington, D.C. 20410, (202) 426-0938. This is not a toll-free number.

SUPPLEMENTARY INFORMATION: This final rule amends (1) § 941.204(e) to require approval by the Assistant Secretary for Public and Indian Housing for all projects proposed to have dwelling construction and equipment costs (DC&E) in excess of 100 percent of the applicable project prototype cost limit published under Part 941; (2) deletes the list of factors specified in current regulations which may justify approval by Field Offices of requests to exceed prototype cost limits; and (3) conforms the regulations to the current HUD policy stated in a HUD Headquarter's memorandum to Field Offices dated October 22, 1981 and is applicable to all projects, whether funded before or after October 1, 1980. The current HUD policy permits the Deputy Assistant Secretary for Public and Indian Housing to approve DC&E costs for projects up to 110 percent of the prototype cost limits. Requests for