Authority: Secs. 512, 701(a), 52 Stat. 1055, 82 Stat. 343–351 (21 U.S.C. 360b, 371(a)); 21 CFR 5.10 and 5.83.

2. Section 510.600 is amended by removing the entry for "Ohio Medical Anesthetics" and by adding a new entry alphabetically to paragraph (c)(1) and by revising the entry for "010019" in paragraph (c)(2) to read as follows:

§ 510.600 Names, addresses, and drug labeler codes of sponsors of approved applications.

* * * * *

(c) * * *

(1) * * *

Firm name and address	Drug labeler code
* * * * *	
Anaquest, a division of BOC, Inc., Madison, WI 53713	010019
* * * * *	

(2) * * *

Drug labeler code	Firm name and address
* * * * *	
010019	Anaquest, a division of BOC, Inc., Madison, WI 53713
* * * * *	

Dated: September 18, 1985.

Marvin A. Norcross,

Acting Associate Director for Scientific Evaluation.

[FR Doc. 85-22839 Filed 9-24-85; 8:45 am]

BILLING CODE 4160-01-M

21 CFR Part 510

Animal Drugs, Feeds, and Related Products; Change of Sponsor

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect the change of sponsor of several new animal drug applications from Ralston Purina Co. to Purina Mills, Inc.

EFFECTIVE DATE: September 25, 1985.

FOR FURTHER INFORMATION CONTACT: David L. Gordon, Center for Veterinary Medicine (HFV-238), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-443-6243.

SUPPLEMENTARY INFORMATION: The Ralston Purina Co., St. Louis, MO 63164, advised FDA that its agricultural products division has become a wholly owned incorporated subsidiary, Purina Mills, Inc. The change is an administrative action which does not otherwise affect current manufacturing procedures, controls, or personnel. FDA is amending the regulations in 21 CFR 510.600 to reflect the new sponsor.

List of Subjects in 21 CFR Part 510

Animal drugs, Administrative practice and procedure, Labeling, Reporting requirements.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, Part 510 is amended as follows:

PART 510—NEW ANIMAL DRUGS

1. The authority citation for 21 CFR Part 510 continues to read as follows:

Authority: Secs. 512, 701(a), 52 Stat. 1055, 82 Stat. 343–351 (21 U.S.C. 360b, 371(a)); 21 CFR 5.10 and 5.83.

2. Section 510.600 is amended in paragraph (c)(1) by deleting the entry "Ralston Purina Co." and by adding a new entry alphabetically, and in paragraph (c)(2) by revising the entry "017800" to read as follows:

§ 510.600 Names, addresses, and drug labeler codes of sponsors of approved applications.

* * * * *

(c) * * *

Firm name and address	Drug labeler code
* * * * *	
Purina Mills, Inc., 835 South Eighth St., St. Louis, MO 63102	017800
* * * * *	

(2) * * *

Drug labeler code	Firm name and address
* * * * *	
017800	Purina Mills, Inc., 835 South Eighth St., St. Louis, MO 63102
* * * * *	

Dated: September 18, 1985.

Marvin A. Norcross,

Acting Associate Director for Scientific Evaluation.

[FR Doc. 85-22838 Filed 9-24-85; 8:45 am]

BILLING CODE 4160-01-M

21 CFR Parts 510 and 558

New Animal Drugs for Use in Animal Feeds; Pyrantel Tartrate, Tylosin, Tylosin-Sulfamethazine

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of supplemental new animal drug applications (NADA's) providing for use of additional tylosin premix concentrations and for a change of sponsor from Central Soya Co., Inc., to Good-Life Division of Central Soya Co., Inc.

EFFECTIVE DATE: September 25, 1985.

FOR FURTHER INFORMATION CONTACT: Benjamin A. Puyot, Center for Veterinary Medicine (HFV-130), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-443-4913.

SUPPLEMENTARY INFORMATION: Central Soya Co., Inc., 1300 Fort Wayne Bank Bldg., Fort Wayne, IN 46802, has filed three supplemental NADA's, one providing for use of 5- and 20-gram-per-pound tylosin premixes in addition to its currently approved 10- and 40-gram-per-pound tylosin premixes, and all three for a change of sponsor name from the parent firm to a subsidiary. Affected are NADA 110-045, tylosin; NADA 128-411, tylosin/sulfamethazine; and NADA 134-286, pyrantel tartrate. The supplements are approved. Parts 510 and 558 are amended to include the added tylosin premixes and the sponsor change.

This action concerns a change of sponsor name and does not involve any other changes in the approval, including no changes in manufacturing facilities, equipment, procedures, or production personnel.

In accordance with the freedom of information provisions of Part 20 (21 CFR Part 20) and § 514.11(e)(2)(ii) (21 CFR 514.11(e)(2)(ii)), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Dockets Management Branch (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

The agency has determined under 21 CFR 25.24(d)(1)(i) (April 26, 1985; 50 FR 16636) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

List of Subjects

21 CFR Part 510

Administrative practice and procedure, Animal drugs, Labeling, Reporting requirements.

21 CFR Part 558

Animal drugs, Animal feeds.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, Parts 510 and 558 are amended as follows:

PART 510—NEW ANIMAL DRUGS

1. The authority citation for 21 CFR Part 510 continues to read as follows:

Authority: Secs. 512, 701(a), 52 Stat. 1055, 82 Stat. 343–351 (21 U.S.C. 360b, 371(a)); 21 CFR 5.10 and 5.83.

2. In § 510.600 by adding a new entry alphabetically in paragraph (c)(1) and numerically in paragraph (c)(2) to read as follows:

§ 510.600 Names, addresses, and drug labeler codes of sponsors of approved applications.

* * * * *

(c) * * *

(1) * * *

Firm name and address	Drug labeler code
* * * * *	
Good-Life Division of Central Soya Co., Inc., Good-Life Dr., P.O. Box 687, Effingham, IL 62401	021810
* * * * *	

(2) * * *

Drug labeler code	Firm name and address
* * * * *	
021810	Good-Life Division of Central Soya Co., Inc., Good-Life Dr., P.O. Box 687, Effingham, IL 62401.
* * * * *	

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

3. The authority citation for 21 CFR Part 558 continues to read as follows:

Authority: Sec. 512, 82 Stat. 343–351 (21 U.S.C. 360b); 21 CFR 5.10 and 5.83.

4. In § 558.485 by revising paragraph (a)(14) to read as follows:

§ 558.485 Pyrantel tartrate.

(a) * * *

(14) To 021810: 9.6 grams per pound, paragraph (e) (1) through (3) of this section.

* * * * *

5. In § 558.625 by adding paragraph (b)(52) to read as follows:

§ 558.625 Tylosin.

* * * * *

(b) * * *

(52) To 021810: 5, 10, 20, and 40 grams per pound, paragraph (f)(1) (i) through (vi) of this section.

* * * * *

6. In § 558.630 by revising paragraph (b)(9) to read as follows:

§ 558.630 Tylosin and sulfamethazine.

* * * * *

(b) * * *

(9) To 021810 and 022422: 5 grams per pound each, paragraph (f)(2)(ii) of this section.

* * * * *

Dated: September 18, 1985.

Marvin A. Norcross,

Acting Associate Director for Scientific Evaluation.

[FR Doc. 85–22834 Filed 9–24–85; 8:45 am]

BILLING CODE 4160-01-M

21 CFR Part 558

New Animal Drugs for Use in Animal Feeds; Tylosin

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental new animal drug application (NADA) filed for the Ohio Farmers Grain & Supply Association, providing for the manufacture of 5- and 20-gram-per-pound tylosin premixes, in addition to its currently approved 10- and 40-gram-per-pound tylosin premixes, used to make complete feeds for swine, beef cattle, and chickens.

EFFECTIVE DATE: September 25, 1985.

FOR FURTHER INFORMATION CONTACT: Benjamin A. Puyot, Center for Veterinary Medicine (HFV–135), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–443–1414.

SUPPLEMENTARY INFORMATION: The Ohio Farmers Grain & Supply Association, P.O. Box M, Fostoria, OH 44830, is the sponsor of a supplement to NADA 137–051 submitted on its behalf by Elanco Products Co. The supplement provides for the manufacture of 5- and 20-gram-per-pound tylosin premixes used to make complete feeds for swine, beef cattle, and chickens for use as in 21 CFR 558.625(f)(1) (i) through (vi). The firm currently holds approval for manufacturing 10- and 40-gram-per-pound tylosin premixes. The supplement is approved and the regulations are amended to reflect the approval.

In accordance with the freedom of information provisions of Part 20 (21 CFR Part 20) and § 514.11(e)(2)(ii) (21 CFR 514.11(e)(2)(ii)), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Dockets Management Branch (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Lane, Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

The agency has determined under 21 CFR 25.24(d)(1)(i) (April 26, 1985; 50 FR 16636) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

List of Subjects in 21 CFR Part 558

Animal drugs; Animal feeds.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, Part 558 is amended as follows:

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

1. The authority citation for 21 CFR Part 558 continues to read as follows:

Authority: Sec. 512, 82 Stat. 343–351 (21 U.S.C. 360b); 21 CFR 5.10 and 5.83.

2. Section 558.625 is amended by revising paragraph (b)(82) to read as follows:

§ 558.625 Tylosin.

* * * * *

(b) * * *

(82) To 026439: 5, 10, 20, and 40 grams per pound, paragraph (f)(1) (i) through (vi) of this section.

* * * * *

Dated: September 16, 1985.

Marvin A Norcross,

Acting Associate Director for Scientific Evaluation.

[FR Doc. 85–22835 Filed 9–24–85; 8:45 am]

BILLING CODE 4160-01-M

21 CFR Part 558

New Animal Drugs for Use in Animal Feeds; Tylosin

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental new animal

drug application (NADA) filed for Southern Micro-Blenders, Inc., providing for the manufacture of 5- and 20-gram-per-pound tylosin premixes, used to make complete feeds for swine, beef cattle, and chickens.

EFFECTIVE DATE: September 25, 1985.

FOR FURTHER INFORMATION CONTACT: Benjamin A. Puyot, Center for Veterinary Medicine (HFV-135), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-443-1414.

SUPPLEMENTARY INFORMATION: Southern Micro-Blenders, Inc., 3801 North Hawthorne St., Chattanooga, TN 37406, is the sponsor of a supplement to NADA 133-833 submitted on its behalf by Elanco Products Co. The supplement provides for the manufacture of a new 5- and 20-gram-per-pound tylosin premix used to make complete feeds for swine, beef cattle, and chickens for use as in 21 CFR 558.625(f)(1) (i) through (vi). The supplement is approved and the regulations are amended to reflect the approval.

In accordance with the freedom of information provisions of Part 20 (21 CFR Part 20) and § 514.11(e)(2)(ii) (21 CFR 514.11(e)(2)(ii)), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Dockets Management Branch (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

The agency has determined under 21 CFR 25.24(d)(1)(i) (April 26, 1985; 50 FR 16636) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

List of Subjects in 21 CFR Part 558

Animal drugs; Animal feeds.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, Part 558 is amended as follows:

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

1. The authority citation for 21 CFR Part 558 continues to read as follows:

Authority: Sec. 512, 82 Stat. 343-351 (21 U.S.C. 360b); 21 CFR 5.10 and 5.83.

2. In § 558.625 by revising paragraph (b)(80) to read as follows:

§ 558.625 Tylosin.

* * * * *

(b) * * *

(80) To 049685: 5, 10, 20, and 40 grams per pound, paragraphs (f)(1) (i) through (vi) of this section.

* * * * *

Dated: September 18, 1985.

Marvin A Norcross,

Acting Associate Director for Scientific Evaluation.

[FR Doc. 85-22836 Filed 9-24-85; 8:45 am]

BILLING CODE 4160-01-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Assistant Secretary for Housing—Federal Housing Commissioner

24 CFR Parts 207, 232, 234, 242 and 244

[Docket No. R-85-0725; FR-2040]

Partial Payment of Claim; Multifamily Housing Mortgage Insurance

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

ACTION: Final rule.

SUMMARY: This rule implements the provisions of section 203(e) of the Housing and Community Development Amendments of 1978, as amended by section 213(e) of the Housing and Community Development Act of 1980. The rule authorizes the Secretary, with the concurrence of the mortgagee, to make partial payment of an insurance claim on a defaulted mortgage covering a multifamily housing project. The mortgagee would agree to accept partial payment in lieu of assignment and to recast the remaining mortgage balance. The mortgagor would give the Secretary a second mortgage on the property for the amount of the partial payment. This partial payment of claim option could be exercised only where the Secretary finds that such relief would be less costly to the Federal Government than other reasonable alternatives for maintaining the low- and moderate-income character of the project. This rule is applicable to all of HUD's multifamily insurance programs, except where coinsurance is involved.

EFFECTIVE DATE: October 30, 1985.

FOR FURTHER INFORMATION CONTACT: James J. Tahash, Office of Multifamily Housing Management, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, D.C. 20410, (202) 426-3970. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: Section 203(e) of the Housing and Community Development Amendments of 1978 authorizes the Secretary of HUD, in lieu of assignment of a multifamily mortgage and full payment of the insurance claim, to request that the mortgagee agree to accept partial payment of the claim under the mortgage insurance contract and to recast the remaining balance under the insured mortgage. The mortgagee would hold the reduced insured mortgage and the mortgagor would be required to give the Secretary a second mortgage on the property for the amount of the partial payment, under such terms and conditions as the Secretary may determine. As originally enacted, section 203(e) applied only to subsidized FHA-insured multifamily projects. The legislative history of this provision makes it clear that a mortgagee's participation in a partial payment arrangement is to be purely voluntary and based on its determination that such an arrangement would be in the mortgagee's own best interests (H.R. Rep. No. 95-1792 95th Congress, 2d Sess., 70).

On November 9, 1979, the Department published a proposed rule (44 FR 65081) designed to implement this provision of the 1978 Act. After publication of the proposed rule, the Congress enacted section 213(e) of the Housing and Community Development Act of 1980. One effect of section 213(e) was to expand the coverage of section 203(e) of the 1978 Act to include any multifamily rental housing project insured under the National Housing Act. This final rule implements the provisions of the 1979 proposed rule and incorporates the expanded coverage authorized by section 213(e) of the 1980 Act.

The final rule also contains revisions that respond to the comments of the Mortgage Bankers Association of America (MBA). The MBA was the only entity that provided public comments on the proposed rule. MBA expressed four primary concerns regarding the proposed rule:

(1) The preamble of the final rule should parallel the language in the Conference Report on the Housing and Community Development Amendments of 1978, by stating not only that a mortgagee's participation is voluntary, but also that it should be based on the mortgagee's determination that such an arrangement would be in its own best interest (See H.R. Rep. No. 95-1792, 95th Congress, 2d Sess., 70).

The Department agrees that there is clear legislative history to this effect.

Language added to the rule text at § 270.258(b) further clarifies the voluntary nature of this procedure and the mortgagee's right summarily to reject a partial payment offer by the Commissioner. We also note that the same Report urged the Secretary, at least during the period of initial use of its partial payment authority, to report to the appropriate committees of both the Senate and the House of Representatives on those specific instances in which the authority is being utilized (*Id.* at 70). The Department intends to administer its partial payment authority in a manner that complies with both of these provisions.

(2) It would be helpful if the final rule stated specifically which element within HUD—Central Office or Field Office—will make the determination of whether or not to request the mortgagee to accept partial payment.

The Department does not find it either necessary or desirable to incorporate into its regulation such administrative specifics. We believe it is sufficient to say that an official request from the Department will be sent to the mortgagee in appropriate cases.

(3) There is a very real possibility that investors will be discouraged from participating in FHA-insured multifamily programs if HUD uses its authority to request partial payments on other than a very limited basis, because the Federal commitment to pay an insurance claim upon default will be placed in doubt.

The Department does not find any grounds for this concern. In our view, the rights of insurance claimants are made abundantly clear both in this rule and in other HUD regulations concerned with processing claims. In any event, as noted earlier, the only authority being implemented here is the authority to *request*—to make the mortgagee an offer that can be freely accepted or rejected.

The Department also wishes to call special attention to the effect of a partial payment of claim in the context of the GNMA Mortgage-Backed Securities program. Where the mortgage that is a candidate for the partial payment procedure is backing a GNMA-guaranteed mortgage-backed security, the mortgagee should understand clearly that, while GNMA does not object to a partial payment arrangement, GNMA procedures require (1) that the full amount of the partial claim payment be passed through to security holders and (2) that the monthly payment to security holders must continue as if the partial payment arrangement had never been made. Mortgagees who agree to a recasting of the mortgage which reduces the mortgagor's monthly payment must, therefore, make up, from the mortgagees' own funds, the difference between the amount paid by the mortgagor and the amount due to the security holders, until the security holders have received all principal and interest due under the terms of the security.

(4) Another concern of the MBA was that, in its view, the proposed rule did not provide any inducements for a mortgagee to accept a partial payment in lieu of assignment. The MBA asked HUD to consider the following incentives: (a) waiver of the one percent assignment fee; (b) payment of the mortgagee's out-of-pocket expenses: *e.g.*, hazard insurance and taxes; (c) recasting the mortgage at the market rate; (d) payment of interest at the debenture rate for the 30-day grace period between the time of the last monthly payment and the time that HUD considers the mortgage to be in default.

With reference to item (a), above, the Department agrees with the comment and the final rule provides for such a waiver (see new § 207.258b(d)). With respect to item (b), the Department believes that its current policy of payment of specific out-of-pocket items under § 207.259(b)(1)—*i.e.*, taxes, MIP, reasonable payments for completion and preservation of the property—is preferable to a nonspecific reimbursement policy and provides adequate and equitable compensation to mortgagees. Recasting the mortgage at the market interest rate, as recommended in item (c), would, we believe, often defeat the basic purpose of reviving a troubled multifamily project serving low- and moderate-income tenants and would, in any case, provide an incentive only in a climate of rising interest rates. As to item (d), the Department believes the waiver of the one percent assignment fee and provision for the payment of the partial claim in cash (rather than debentures) will provide sufficient inducement to mortgagees where the terms offered by the Commissioner in a specific partial payment case are otherwise suitable to a mortgagee.

In summary, this final rule is substantially similar to the proposed rule published on November 9, 1979. Significant substantive revisions are (1) extension of program coverage to all FHA-insured multifamily rental projects—not just those that are subsidized and (2) a blanket waiver of the one percent assignment fee as an incentive to mortgagee participation in a partial payment arrangement.

As a technical matter, the final rule incorporates the provisions of the proposed rule in a new § 207.258b and in a revision to existing § 207.258(b), rather than promulgating an entirely new Part 208, as originally proposed. As indicated in both the legislative history and in the comments of the MBA, it is unlikely that this special authority will be extensively used. Because of the limited nature of the program, creation of an entire new part in the CFR does not appear to be necessary. The final rule has been extensively rewritten, although its substance remains consistent with the proposed rule. Among the additions and clarifications is a procedural provision in amended § 207.258(b) outlining the means to be used by HUD in communicating its intention to consider a partial payment of claim, and a time period during which the Commissioner would make the request to the mortgagee.

This rule is applicable to all HUD multifamily insurance programs since the regulations for these programs incorporate §§ 207.258 and 207.258(b) by reference. The rule does not apply to Department's multifamily coinsurance programs (24 CFR Parts 251 and 255), since assignment of the mortgage, which is a precondition to a partial claim payment, does not occur in the coinsurance programs. Also, exceptions are made for the Department's programs of mortgagee insurance for Nursing Homes, Intermediate Care Facilities, (24 CFR Part 232), Condominium Ownership Mortgage Insurance (24 CFR Part 234), Hospitals (24 CFR Part 242), and Group Practice Facilities (24 CFR Part 244).

This rule does not constitute a "major rule" as that term is defined in section 1(b) of Executive Order 12291 on Federal Regulation issued by the President on February 17, 1981. Analysis of the proposed 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 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, which 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 during regular business hours at the Office of the Rules Docket Clerk, Office of the General Counsel, Room 10276, Department of Housing and

Urban Development, 451 Seventh Street, SW. 20410.

This rule was listed as item H–88–84 (Sequence Number 80) under the Office of Housing in the Department's Semiannual Agenda of Regulations published on April 29, 1985 (50 FR 17286, 17309), under Executive Order 12291 and the Regulatory Flexibility Act.

The catalog of Federal Domestic Assistance program numbers are 14.103, 14.112, 14.115, 14.116, 14.123, 14.124, 14.125, 14.126, 14.127, 14.128, 14.129, 14.134, 14.135, 14.137, 14.138, 14.139, 14.151, 14.154 and 14.155.

The information collection requirements contained in this regulation have been approved by the Office of Management and Budget under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501–3520) and have been assigned OMB control number 2535–0061.

Under 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the Undersigned hereby certifies that this rule would not have a significant economic impact on a substantial number of small entities. Acceptance of partial payment of claim would be entirely voluntary and would be based upon the mortgagee's own assessment of its relative costs and benefits. The assessment of costs and benefits should be the same for both large and small entities.

List of Subjects

24 CFR Part 207

Mortgage insurance, Rental housing.

24 CFR Parts 232, 234, 242 and 244

Mortgage insurance.

PART 207—MULTIFAMILY HOUSING MORTGAGE INSURANCE

Accordingly, 24 CFR Part 207 is amended as follows:

1. The authority citation for Part 207 is revised to read as follows:

Authority: Secs. 207 and 211, National Housing Act (12 U.S.C. 1713, 1715b), and section 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)). Sections 207.258 and 207.258b are also issued under section 203(e), Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(e)).

2. Section 207.258 is amended by revising the introductory paragraph of paragraph (b), and by adding the OMB control number to the end of the section, to read as follows:

§ 207.258 Insurance claim requirements.

* * * * *

(b) *Assignment of mortgage to Commissioner.* If the mortgagee elects to assign the mortgage to the Commissioner, it shall, at any time within 30 days after the date of the notice of the election, file its application for insurance benefits and assign to the Commissioner, in such manner as the Commissioner may require, the credit instrument(s) and the realty and chattel security instruments. The Commissioner may extend this 30-day period by written notice that a partial payment of insurance claim under § 207.258b is being considered. The extension shall be for such term, not to exceed 60 days, as the Commissioner prescribes; however, the Commissioner's consideration of a partial payment of claim, or the Commissioner's request that a mortgagee accept partial payment of a claim in accordance with § 207.258b, shall in no way prejudice the morgagee's right to file its application for full insurance benefits within either the 30-day period or any extension prescribed by the Commissioner. The following requirements shall also be met by the morgagee:

* * * * *

(The information collection requirements contained in paragraph (b) of this section were approved by the Office of Management and Budget under control number 2535–0061.)

3. 24 CFR Part 207 is amended by adding immediately after § 207.258a a new § 207.258b, to read as follows:

§ 207.258b Partial payment of claim.

(a) Whenever the Commissioner receives notice under § 207.258 of a mortgagee's intention to file an insurance claim and to assign the mortgage to the Commissioner, the Commissioner may request the mortgagee, in lieu of assignment, to accept partial payment of the claim under the mortgage insurance contract and to recast the mortgage, under such terms and conditions as the Commissioner may determine.

(b) The Commissioner may request the mortgagee to participate in a partial payment of claim in lieu of assignment only after a determination that partial payment would be less costy to the Federal government than other reasonable alternatives for maintaining the low- and moderate-income character of the project. This determination shall be based upon the findings listed below and such other findings as the Commissioner deems appropriate:

(1) The mortgagee is entitled, under § 207.255, to assign the mortgage in exchange for the payment of insurance benefits;

(2) The relief resulting from partial payment, when considered with other resources available to the project, would be sufficient to restore the financial viability of the project;

(3) The project is, or can at reasonable cost be made, structurally sound;

(4) The management of the project is satisfactory to the Commissioner; and

(5) The default under the insured mortgage was beyond the control of the mortgagor.

(c) Partial payment of a claim under this section shall be made only when:

(1) The project is, or potentially could serve as, a low- and moderate-income housing resource;

(2) The property covered by the mortgage is free and clear of all liens other than the insured first mortgage and such other liens as the Commissioner may have approved;

(3) The mortgagee has voluntarily agreed to accept partial payment of the insurance claim under the mortgage insurance contract and to recast the remaining mortgage amount under terms and conditions prescribed by the Commissioner; and

(4) The mortgagor has agreed to repay to the Commissioner an amount equal to the partial payment, with the obligation secured by a second mortgage on the project containing terms and conditions prescribed by the Commissioner. The terms of the second mortgage will be determined on a case-by-case basis to assure that the estimated project income will be sufficient to cover estimated operating expenses and debt service on the recast insured mortgage. The Commissioner may provide for postponed amortization of the second mortgage.

(d) Payment of insurance benefits under this section shall be in cash. The Commissioner shall waive the deduction of one percent of the mortgage funds advanced to the mortgagor, provided for in § 207.259(b)(2)(iv), with respect to a partial payment of a claim under this section. The items referred to in § 207.258(b)(4) shall either be retained by the mortgagee or delivered to the Commissioner in accordance with instructions to be issued by the Commissioner with respect to a partial payment of claim under this section.

PART 232—NURSING HOMES AND INTERMEDIATE CARE FACILITIES MORTGAGE INSURANCE

4. The authority citation for 24 CFR Part 232 is revised to read as set forth below, and any authority citation following any section in Part 232 is removed:

Authority: Secs. 211 and 232, National Housing Act (12 U.S.C. 1715b and 1715w); sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

5. Paragraph (a) of § 232.251 is revised to read as follows:

§ 232.251 Cross-reference.

(a) All of the provisions, except § 207.258b, of Part 207, Subpart B of this chapter relating to mortgages insured under section 207 of the National Housing Act, apply to mortgages insured under section 232 of the Act.

* * * * *

PART 234—CONDOMINIUM OWNERSHIP MORTGAGE INSURANCE

6. The authority citation for 24 CFR Part 234 is revised to read as set forth below, and any authority citation following any section in Part 234 is removed:

Authority: Secs. 211 and 234, National Housing Act (12 U.S.C. 1715b and 1715y); sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

7. Section 234.751(a) is revised to read as follows:

§ 234.751 Cross-reference.

(a) All of the provisions, except § 207.258(b), of Part 207, Subpart B of this Chapter covering mortgages insured under section 207 of the National Housing Act shall apply to mortgages insured under section 234(d) of such Act.

* * * * *

PART 242—MORTGAGE INSURANCE FOR HOSPITALS

8. The authority citation for 24 CFR Part 242 is revised to read as set forth below, and any authority citation following any section is Part 242 is removed:

Authority: Secs. 211 and 242, National Housing Act (12 U.S.C. 1715b and 1715z-7); sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

9. Section 242.251 is revised to read as follows:

§ 242.251 Cross-reference.

All of the provisions of Subpart B, Part 207 of this chapter relating to mortgages insured under section 207 of the National Housing Act, apply to mortgages on hospitals insured under section 242 of the National Housing Act, except the following:

Section 207.258b—Partial payment of claims
Section 207.259—Insurance benefits

PART 244—MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES [TITLE XI]

10. The authority citation for 24 CFR Part 244 is revised to read as set forth below, and any authority citation following any section of Part 244 is removed:

Authority: Secs. 211 and 1104, National Housing Act (12 U.S.C. 1715b and 1749aaa-5); sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

11. Paragraph (a) of 244.251 is revised to read as follows:

§ 244.251 Cross-reference.

(a) All of the provisions, except § 207.258b, of Part 207, Subpart B of this chapter relating to mortgages insured under section 207 of the National Housing Act apply to a mortgage covering a group practice facility insured under Title XI of the National Housing Act.

* * * * *

Dated: September 18, 1985.

Janet Hale,

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

[FR Doc. 85-22904 Filed 9-24-85; 8:45 am]

BILLING CODE 4210-27-M

---

24 CFR Part 247

[Docket No. R-85-1076; FR-1661]

Evictions From Certain Subsidized and HUD-Owned Projects

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

ACTION: Final rule.

SUMMARY: This rule makes final the interim rule which clarified the Department's intent that evictions of tenants from certain subsidized and HUD-owned projects be effected solely by judicial action. This rule requires the landlord to advise the tenant, in a termination notice, that the tenant is entitled to a court proceeding under State or local law at which he or she may present a defense to the eviction. The landlord is prohibited from resorting to "self-help" evictions or any non-judicial process, even where these actions are authorized by State or local law. This rule is procedural only, and does not alter in any way the grounds for which the landlord may terminate a tenancy.

EFFECTIVE DATE: October 30, 1985.

FOR FURTHER INFORMATION CONTACT: James J. Tahash, Director, Program Planning Division, Office of Multifamily Housing Management and Occupancy, Department of Housing and Urban Development, Washington, D.C. 20410, (202) 426-3970. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: The Department issued an interim rule on May 23, 1983 (48 FR 22913) in compliance with a court order in *Love* v. *HUD*, Civ. No. 80-1041 B (W.D. Pa.). The interim rule amended 24 CFR Part 450 (since redesignated as Part 247), which sets forth procedures for the termination of occupancy of tenants residing in multifamily housing projects subsidized under section 221(d)(3) (BMIR) or section 236 of the National Housing Act, the Rent Supplement Program under section 101 of the Housing and Urban Development Act of 1965, or the Additional Assistance Program for Projects with HUD-Insured and HUD-Held Mortgages under Subpart A of 24 CFR Part 886. These procedures also apply to the direct loan program providing Housing for the Elderly or Handicapped under section 202 of the Housing Act of 1959, and to all multifamily projects currently owned by HUD, regardless of whether they were subsidized before HUD acquisition. The procedures do not apply where the termination of occupancy is a result of the proposed substantial rehabilitation or demolition of a project.

Background

On November 4, 1981, the U.S. District Court for the Western District of Pennsylvania (*Love* v. *HUD, supra*) directed the Secretary to promulgate interim or final regulations assuring that unreasonable provisions are not contained in leases with tenants included in the class represented by plaintiffs. An interim rule in conformity with this order was published on September 23, 1983 (48 FR 43310), corrected November 10, 1983 (48 FR 51619).

The District Court entered a second order on December 22, 1981, directing the Secretary to amend 24 CFR 450.4(a)(3) to require that the landlord's notice of termination advise the tenant that the landlord may seek to enforce the termination and evict the tenant only through a judicial proceeding at which the tenant may present a defense. In compliance with the District Court's second order and to further clarify the Department's policy, the Department promulgated an interim rule on May 23, 1983 (48 FR 22913), effective July 12, 1983 (48 FR 32006). In addition to amending 24 CFR 450.4 (*Termination notice*) to satisfy the order discussed above, the interim rule also amended § 450.1 (*Applicability*) and §450.6 (*Eviction*).

Changes made by the interim rule are explained below in the discussion of the public comments received on the interim