

PHA's counsel, should provide the certification.

HUD Response. It is the responsibility of the PHA to determine that the program that it has submitted for approval complies with law, particularly given the variety of state and local laws that conceivably could apply. HUD has given this comment careful consideration, but declines to revise the rule to incorporate it. The requirement for a legal opinion is found at § 906.40(f) of this final rule.

Comment: The preamble to the September 14, 1999, NPRM specifically invited comments on whether HUD should specify underwriting standards or the types of documents to be used to secure that the investment of HUD funds in a property ultimately serves program purposes (*see* 64 FR 49932, third column). Four commenters responded that HUD should not specify underwriting standards or the types of documents to be used. These commenters stated the local mortgage industry should retain the discretion to provide loan products needed for the success of low-income homeownership programs. One commenter stated that cooperatives should be able to set their own requirements on the basis of their unique circumstances.

HUD Response. Pursuant to these comments, HUD has not at this time implemented specific underwriting standards or types of documents required. However, if, after further experience, it becomes clear that questionable practices are occurring or that standardized practices will enhance the program, HUD will propose further regulations in this area.

Findings and Certifications

Paperwork Reduction Act Statement

The information collection requirements contained in §§ 906.17, 906.19, 906.33, 906.39, 906.40 (906.41 in the NPRM), 906.41, and 906.49 of this rule have been approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), and assigned OMB control number 2577–0233. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

Executive Order 12866

The Office of Management and Budget (OMB) reviewed this final rule under Executive Order 12866, *Regulatory Planning and Review*. OMB determined that this final rule is a “significant regulatory action,” as defined in section

3(f) of the Order (although not economically significant, as provided in section 3(f)(1) of the Order). Any changes made to the final rule subsequent to its submission to OMB are identified in the docket file, which is available for public inspection in the office of the Department's Rules Docket Clerk, Room 10276, 451 Seventh Street, SW., Washington, DC 20410–0500.

Regulatory Flexibility Act

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed and approved this final rule, and in so doing certifies that this rule will not have a significant economic impact on a substantial number of small entities. The rule provides the parameters for the use of public housing properties to create homeownership opportunities for low-income residents of public housing and other low-income families should a public housing agency choose to do so with, at most, an incidental effect on small entities.

Environmental Impact

At the time of publication of the proposed rule, a finding of no significant impact with respect to the environment was 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 proposed rule is adopted by this final rule without significant change. Accordingly, the initial finding of no significant impact remains applicable, and is available for public inspection between 8 a.m. and 5 p.m. weekdays in the office of the Rules Docket Clerk, Office of the General Counsel, Department of Housing and Urban Development, Room 10276, 451 Seventh Street, SW., Washington, DC 20410.

Federalism

Executive Order 13132 (entitled “Federalism”) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This rule would not have federalism implications and would not impose substantial direct compliance costs on state and local governments or preempt state law within the meaning of the Executive Order.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4; approved March 22, 1995) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments, and on the private sector. This final rule does not impose any Federal mandates on any state, local, or tribal governments, or on the private sector, within the meaning of the UMRA.

List of Subjects in 24 CFR Part 906

Grant programs—housing and community development, Low- and moderate-income housing, Public housing, Reporting and recordkeeping requirements.

The Catalogue of Federal Domestic Assistance number for the public housing program is 14.850.

For the reasons discussed in the preamble, HUD revises part 906 of title 24 to read as follows:

PART 906—PUBLIC HOUSING HOMEOWNERSHIP PROGRAMS

Subpart A—General

Sec.

906.1 Purpose.

906.2 Definitions.

906.3 Requirements applicable to homeownership programs previously approved by HUD.

Subpart B—Basic Program Requirements

906.5 Dwelling units and types of assistance that a PHA may make available under a homeownership program under this part.

906.7 Physical requirements that a property offered for sale under this part must meet.

906.9 Title restrictions and encumbrances on properties sold under a homeownership program.

Subpart C—Purchaser Requirements

906.11 Eligible purchasers.

906.13 Right of first refusal.

906.15 Requirements applicable to a family purchasing a property under a homeownership program.

906.17 PHA handling of homeownership applications.

906.19 Requirements applicable to a purchase and resale entity (PRE).

Subpart D—Program Administration

906.23 Protections available to non-purchasing public housing residents.

906.24 Protections available to non-purchasing residents of housing other than public housing.

906.25 Ownership interests that may be conveyed to a purchaser.

906.27 Limitations applicable to net proceeds on the sale of a property acquired through a homeownership program.