

residential electric prices per Kilowatt-hour.

Natural Gas—Energy Information Agency, 2000 to 2001 annual average natural gas prices.

Water and Sewer—3/02 to 3/03 BLS Consumer Price Index Detailed Report.

The sum of the nine cost components equals 100 percent of operating costs for purposes of OCAF calculations. To calculate the OCAFs, the selected inflation factors are multiplied by the relevant state-level operating cost percentages derived from the previously referenced analysis of FHA insured projects. For instance, if wages in Virginia comprised 50 percent of total operating cost expenses and wages increased by 4 percent from June 2002 to June 2003, the wage increase component of the Virginia OCAF for 2004 would be 2.0 percent (4% X 50%). This 2.0 percent would then be added to the increases for the other eight expense categories to calculate the 2004 OCAF for Virginia. These types of calculations were made for each state for each of the nine cost components, and are included as the Appendix to this notice.

II. MAHRA and LIHPRHA OCAF Procedures

MAHRA (Title V of Pub. L. 105–65, approved October 7, 1997; 42 U.S.C. 1437f note) as amended by the Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act of 1999, created the Mark-to-Market Program to reduce the cost of federal housing assistance, enhance HUD's administration of such assistance, and ensure the continued affordability of units in certain multifamily housing projects. Section 524 of MAHRA authorizes renewal of Section 8 project-based assistance contracts for projects without Restructuring Plans under the Mark-to-Market Program, including renewals that are not eligible for Plans and those for which the owner does not request Plans. Renewals must be at rents not exceeding comparable market rents except for certain projects. For Section 8 Moderate Rehabilitation projects, other than single room occupancy projects (SROs) under the Stewart B. McKinney Homeless Assistance Act (McKinney Act, 42 U.S.C. 11301 *et seq.*), that are eligible for renewal under section 524(b)(3) of MAHRA, the renewal rents are required to be set at the lesser of: (1) The existing rents under the expiring contract, as adjusted by the OCAF; (2) fair market rents (less any amounts allowed for tenant-purchased utilities); or (3) comparable market rents for the market area.

LIHPRHA (see, in particular, section 222(a)(2)(G)(i) of LIHPRHA, 12 U.S.C. 4112 (a)(2)(G)(i) and the regulations at 24 CFR 248.145(a)(9)(i)) requires that future rent adjustments for LIHPRHA projects be made by applying an annual factor to be determined by the Secretary to the portion of project rent attributable to operating expenses for the project and, where the owner is a priority purchaser, to the portion of project rent attributable to project oversight costs.

III. Findings and Certifications

Environmental Impact

This issuance sets forth rate determinations and related external administrative requirements and procedures that do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Catalog of Federal Domestic Assistance Number

The Catalog of Federal Domestic Assistance Number for this program is 14.187.

Dated: September 9, 2003.

Mel Martinez,
Secretary.

OPERATING COST ADJUSTMENT FACTORS FOR 2004

	Percent
ALABAMA	4.9
ALASKA	3.6
ARIZONA	5.6
ARKANSAS	3.7
CALIFORNIA	3.8
COLORADO	4.8
CONNECTICUT	3.0
DELAWARE	4.0
DIST. OF COLUMBIA	5.3
FLORIDA	4.5
GEORGIA	4.0
HAWAII	4.3
IDAHO	5.6
ILLINOIS	2.7
INDIANA	3.9
IOWA	2.9
KANSAS	3.9
KENTUCKY	3.9
LOUISIANA	4.0
MAINE	3.4
MARYLAND	4.1
MASSACHUSETTS	2.0
MICHIGAN	5.3
MINNESOTA	3.1
MISSISSIPPI	4.4
MISSOURI	4.1
MONTANA	3.4
NEBRASKA	3.4
NEVADA	5.8

OPERATING COST ADJUSTMENT FACTORS FOR 2004—Continued

	Percent
NEW HAMPSHIRE	1.2
NEW JERSEY	3.9
NEW MEXICO	4.0
NEW YORK	2.6
N. CAROLINA	5.0
N. DAKOTA	2.9
OHIO	3.1
OKLAHOMA	3.0
OREGON	6.2
PENNSYLVANIA	3.6
RHODE ISLAND	1.7
S. CAROLINA	5.2
S. DAKOTA	2.7
TENNESSEE	4.7
TEXAS	3.2
UTAH	4.0
VERMONT	4.2
VIRGINIA	4.1
WASHINGTON	5.5
W. VIRGINIA	4.5
WISCONSIN	4.0
WYOMING	3.2
PACIFIC ISLANDS	4.2
PUERTO RICO	5.1
VIRGIN ISLANDS	5.3
U.S. AVERAGE	3.7

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–4513–N–13]

Credit Watch Termination Initiative

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

ACTION: Notice.

SUMMARY: This notice advises of the cause and effect of termination of Origination Approval Agreements taken by the Department of Housing and Urban Development's (HUD) Federal Housing Administration against HUD-approved mortgagees through its Credit Watch Termination Initiative. This notice includes a list of mortgagees which have had their Origination Approval Agreements (Agreements) terminated.

FOR FURTHER INFORMATION CONTACT: The Quality Assurance Division, Office of Housing, Department of Housing and Urban Development, 451 Seventh St., SW., Room B133–P3214, Washington, DC 20410; telephone (202) 708–2830 (this is not a toll free number). Persons with hearing or speech impairments may access that number via TTY by calling the Federal Information Relay Service at (800) 877–8339.