

individual's maintenance for purposes of establishing eligibility for certain veterans' benefits. Section 622(c) of the "USA Patriot Act," Public Law No. 107-56, amended the Victims of Crime Act of 1984 to also exclude amounts received as crime victim compensation from consideration when determining an individual's resources or assets (*i.e.*, net worth) for purposes of assistance under any federally funded program. This document amends 38 CFR 3.261, 3.262, 3.263, 3.272 and 3.275 to reflect these statutory changes.

This final rule merely restates statutory provisions. Accordingly, there is a basis for dispensing with prior notice and comment and the delayed effective date provisions of 5 U.S.C. 552 and 553.

Unfunded Mandates

The Unfunded Mandates Reform Act requires, at 2 U.S.C. 1532, that agencies to assess anticipated costs and benefits before developing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of \$100 million or more in any given year. This final rule would have no such effect on State,

local, or tribal governments, or the private sector.

Executive Order 12866

This document has been reviewed by the Office of Management and Budget under Executive Order 12866.

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521).

Regulatory Flexibility Act

Because no notice of proposed rulemaking was required in connection with the adoption of this final rule, no regulatory flexibility analysis is required under the Regulatory Flexibility Act (5 U.S.C. 601-612). Even so, the Secretary hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act.

Catalog of Federal Domestic Assistance Program Numbers

The Catalog of Federal Domestic Assistance program numbers for this final rule are 64.104, 64.105, and 64.110.

List of Subjects in 38 CFR Part 3

Administrative practice and procedure, Claims, Disability benefits, Health care, Pensions, Veterans, Vietnam.

Approved: August 4, 2003.

Anthony J. Principi,
Secretary of Veterans Affairs.

■ For the reasons set forth in the preamble, 38 CFR part 3 is amended as follows:

PART 3—ADJUDICATION

Subpart A—Pension, Compensation, and Dependency and Indemnity Compensation

■ 1. The authority citation for part 3, subpart A continues to read as follows:

Authority: 38 U.S.C. 501(a), unless otherwise noted.

■ 2. In § 3.261, paragraph (a) is amended by adding entry (41) at the end of the table to read as follows:

§ 3.261 Character of income; exclusions and estates.
* * * * *
(a) * * *

Income	Dependency (parents)	Dependency and indemnity compensation (parents)	Pension; old-law (veterans, surviving spouses and children)	Pension; section 306 (veterans, surviving spouses and children)	See
*	*	*	*	*	*
(41) Income received under the Victims of Crime Act of 1984 (42 U.S.C. 10601-10605)..	Excluded ¹	Excluded ¹	Excluded ¹	Excluded ¹	§ 3.262(z)

¹ The compensation received through a crime victim compensation program will be excluded from income computations unless the total amount of assistance received from all federally funded programs is sufficient to fully compensate the claimant for losses suffered as a result of the crime.

* * * * *
■ 3. Section 3.262 is amended by adding paragraph (z) immediately following the first authority citation at the end of paragraph (y) to read as follows:

§ 3.262 Evaluation of income.

* * * * *
(z) *Victims of Crime Act.* For purposes of old law pension, section 306 pension, and parents' dependency and indemnity compensation, amounts received as compensation under the Victims of Crime Act of 1984 will not be considered income unless the total amount of assistance received from all federally funded programs is sufficient to fully compensate the claimant for losses suffered as a result of the crime.

(Authority: 42 U.S.C. 10602(c))
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■ 4. Section 3.263 is amended by adding paragraph (h) immediately following the first authority citation at the end of paragraph (g) to read as follows:

§ 3.263 Corpus of estate; net worth.

* * * * *
(h) *Victims of Crime Act.* There shall be excluded from the corpus of estate or net worth of a claimant any amounts received as compensation under the Victims of Crime Act of 1984 unless the total amount of assistance received from all federally funded programs is sufficient to fully compensate the claimant for losses suffered as a result of the crime.

(Authority: 42 U.S.C. 10602(c))
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■ 5. Section 3.272 is amended by adding paragraph (v) immediately following the authority citation at the end of paragraph (u) to read as follows:

§ 3.272 Exclusions from income.

* * * * *
(v) *Victims of Crime Act.* Amounts received as compensation under the Victims of Crime Act of 1984 unless the total amount of assistance received from all federally funded programs is sufficient to fully compensate the claimant for losses suffered as a result of the crime.
(Authority: 42 U.S.C. 10602(c))
■ 6. Section 3.275 is amended by adding paragraph (j) immediately following the