

Federal consolidated supervision by the FRB and that controls an industrial bank:

- (1) As a result of a change in bank control pursuant to section 7(j) of the FDI Act;
- (2) As a result of a merger transaction pursuant to section 18(c) of the FDI Act;
- (3) As a result of a conversion pursuant to section 5(i)(5) of the Home Owners' Loan Act;
- (4) That is granted deposit insurance by the FDIC pursuant to section 6 of the FDI Act; or
- (5) As determined by the FDIC after providing the company an opportunity to present its views in writing as to why the provisions of this part should not apply; or

(b) A company that controls an industrial bank, if, on or after [the effective date of the final rule]:

- (1) The control of such company changes, requiring a notice subject to section 7(j) of the FDI Act; or
- (2) The company is the resultant entity following a merger transaction.

* * * * *

■ 3. Amend § 354.4 by revising paragraph (a) introductory text and adding paragraph (c) to read as follows:

§ 354.4 Required commitments and provisions of written agreement.

(a) The commitments required to be made in the written agreements referenced in § 354.3 are set forth in paragraphs (a)(1) through (8) of this section. In addition, with respect to an industrial bank subject to this part, the FDIC will condition each grant of deposit insurance, each issuance of a non-objection to a change in control, each approval of a merger, each approval of a conversion, and each determination of Covered Company status on compliance with paragraphs (a)(1) through (8) of this section by the parties to the written agreement. As required, each Covered Company must:

* * * * *

(c) For each type of filing through which an industrial bank would become subject to this part, the FDIC must evaluate the appropriate statutory factors pursuant to applicable law. The required commitments, written agreement provisions, and industrial bank subsidiary restrictions, as described in this part, will be taken into account as part of the FDIC's consideration of the underlying filing, but do not replace any statutory factor applicable to an underlying filing and will not necessarily lead to the favorable resolution of any statutory factor where the facts and circumstances are otherwise unfavorable.

■ 4. Redesignate § 354.6 as § 354.7, and add a new § 354.6 to read as follows:

§ 354.6 Additional considerations.

(a) *Parent company.* The FDIC will consider the degree of risk presented to the industrial bank from the parent company and its affiliates. In assessing the degree of risk presented from the parent company and its affiliates, the FDIC will consider the following elements:

- (1) The parent company's business purpose for establishing or acquiring control of the industrial bank;
- (2) The existing and proposed relationships among the parent company and its affiliates;
- (3) The parent company's history of regulatory and consumer compliance, including the status of any significant pending or outstanding enforcement actions, investigations, administrative matters, or contingent liabilities;
- (4) The supervisory record of the parent company and any affiliates regulated by the Federal banking agencies;
- (5) The novelty of the parent company's primary businesses, and the extent to which new or innovative processes are being implemented or utilized;
- (6) The accessibility of information, including the books and records of the parent company and any affiliated domestic or foreign entities; and
- (7) Any plans or processes that mitigate risks presented by the parent company.

(b) *Industrial bank.* In every case, the FDIC will also consider the degree to which the industrial bank will have:

- (1) An independent board and management team; and
- (2) A business model that is viable on a standalone basis and that has franchise value independent of the parent organization. A business model is viable on a standalone basis and has franchise value if the main business functions of the industrial bank will not be reliant on the parent organization, including the industrial bank's operations, loans and investments, deposits and other funding sources, client sourcing, and any other primary business activities.

(c) *Rebuttable presumptions regarding shell or captive industrial banks—*(1) *Presumptions.* Any proposal for an industrial bank that presents the following characteristics will be presumed to be a shell or captive industrial bank. The industrial bank—

- (i) Could not function independently of the parent company;
- (ii) Would be significantly or materially reliant on the parent company or its affiliates; or

(iii) Would serve only as a funding channel for an existing parent company or affiliate business line.

(2) *Impact of the presumptions.* The FDIC will presume that the shell or captive nature of an industrial bank involved in a filing weighs heavily against favorably resolving one or more applicable statutory factors.

(3) *Rebuttal of presumptions.* The FDIC will afford any company seeking to rebut a presumption in this paragraph (c) an opportunity to present its views in writing. While the FDIC is considering any such materials, the FDIC will suspend consideration of any related filings, time periods will be tolled, and transactions will not be consummated.

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on July 30, 2024.

James P. Sheesley,

Assistant Executive Secretary.

[FR Doc. 2024-17637 Filed 8-9-24; 8:45 am]

BILLING CODE 6714-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2024-2016; Project Identifier MCAI-2024-00111-T]

RIN 2120-AA64

Airworthiness Directives; Saab AB Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede Airworthiness Directive (AD) 2017-21-05, which applies to certain Saab AB Model 340A (SAAB/SF340A) and SAAB 340B airplanes. AD 2017-21-05 requires revising the existing maintenance or inspection program, as applicable, to incorporate airworthiness limitations, including new inspection tasks for the drag brace support fitting of the main landing gear (MLG) and to implement corrosion prevention and control program (CPCP) related tasks. Since the FAA issued AD 2017-21-05, the FAA has determined that new or more restrictive airworthiness limitations are necessary. This proposed AD would continue to require the actions in AD 2017-21-05 and would require revising the existing maintenance or inspection program, as applicable, to incorporate new or more

restrictive airworthiness limitations, as specified in a European Union Aviation Safety Agency (EASA) AD, which is proposed for incorporation by reference (IBR). The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this proposed AD by September 26, 2024.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to [regulations.gov](https://www.regulations.gov). Follow the instructions for submitting comments.

- *Fax:* 202-493-2251.

- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2024-2016; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For EASA material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email ADS@easa.europa.eu; website easa.europa.eu. You may find this material on the EASA website at ad.easa.europa.eu. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2024-2016.

- For Saab AB material identified in this proposed AD, contact Saab AB, SE-581 88, Linköping, Sweden; telephone +46 13 18 5591; fax +46 13 18 4874; email saab340techsupport@saabgroup.com; website saab.com/products/air/regional-aircraft.

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

FOR FURTHER INFORMATION CONTACT: Shahram Daneshmandi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 206-231-3220; email Shahram.Daneshmandi@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under **ADDRESSES**. Include “Docket No. FAA-2024-2016; Project Identifier MCAI-2024-00111-T” at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend this proposal because of those comments.

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in 14 CFR 11.35, the FAA will post all comments received, without change, to [regulations.gov](https://www.regulations.gov), including any personal information you provide. The agency will also post a report summarizing each substantive verbal contact received about this NPRM.

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN.” The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Shahram Daneshmandi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 206-231-3220; email Shahram.Daneshmandi@faa.gov. Any commentary that the FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA issued AD 2017-21-05, Amendment 39-19076 (82 FR 48917, October 23, 2017) (AD 2017-21-05), for certain Saab AB Model 340A (SAAB/SF340A) and SAAB 340B airplanes. AD 2017-21-05 was prompted by an MCAI

originated EASA, which is the Technical Agent for the Member States of the European Union. EASA issued AD 2017-0033, dated February 17, 2017 (EASA AD 2017-0033) (which corresponds to FAA AD 2017-21-05), to correct an unsafe condition.

AD 2017-21-05 requires revising the maintenance or inspection program, as applicable, to incorporate airworthiness limitations, including new inspection tasks for the drag brace support fitting of the MLG and to implement CPCP related tasks. The FAA issued AD 2017-21-05 to prevent reduced structural integrity of the airplane.

Actions Since AD 2017-21-05 Was Issued

Since the FAA issued AD 2017-21-05, EASA superseded AD 2017-0033 and issued EASA AD 2024-0042, dated February 13, 2024 (EASA AD 2024-0042) (referred to after this as the MCAI), for all Saab AB Model 340A (SAAB/SF340A) and SAAB 340B airplanes. The MCAI states that new or more restrictive airworthiness limitations have been developed.

The FAA is proposing this AD to address reduced structural integrity of the airplane. You may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2024-2016.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2024-0042. This material specifies new or more restrictive airworthiness limitations for airplane structures and safe life limits.

This proposed AD would also require SAAB 340 Airworthiness Limitation Manual, Revision 1, dated December 1, 2016, which the Director of the Federal Register approved for incorporation by reference as of November 27, 2017 (82 FR 48917, October 23, 2017).

This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in **ADDRESSES**.

FAA's Determination

This product has been approved by the aviation authority of another country and is approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, it has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop

in other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would retain all the requirements of AD 2017–21–05. This proposed AD would also require revising the existing maintenance or inspection program, as applicable, to incorporate additional new or more restrictive airworthiness limitations, which are specified in EASA AD 2024–0042 already described, as proposed for incorporation by reference. Any differences with EASA AD 2024–0042 are identified as exceptions in the regulatory text of this AD.

This proposed AD would require revisions to certain operator maintenance documents to include new actions (e.g., inspections) and Critical Design Configuration Control Limitations (CDCCLs). Compliance with these actions and CDCCLs is required by 14 CFR 91.403(c). For airplanes that have been previously modified, altered, or repaired in the areas addressed by this proposed AD, the operator may not be able to accomplish the actions described in the revisions. In this situation, to comply with 14 CFR 91.403(c), the operator must request approval for an alternative method of compliance (AMOC) according to paragraph (l)(1) of this proposed AD.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some civil aviation authority (CAA) ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2024–0042 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2024–0042 through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in EASA AD 2024–0042 does not mean that operators need comply only with that section. For example, where the AD requirement refers to "all required actions and compliance times," compliance with this AD requirement is not limited to the section titled "Required Action(s) and Compliance Time(s)" in EASA AD 2024–0042. Material required by EASA AD 2024–0042 for compliance will be available at

regulations.gov by searching for and locating Docket No. FAA–2024–2016 after the FAA final rule is published.

Airworthiness Limitation ADs Using the New Process

The FAA's process of incorporating by reference MCAI ADs as the primary source of information for compliance with corresponding FAA ADs has been limited to certain MCAI ADs (primarily those with service bulletins as the primary source of information for accomplishing the actions required by the FAA AD). However, the FAA is now expanding the process to include MCAI ADs that require a change to airworthiness limitation documents, such as airworthiness limitation sections.

For these ADs that incorporate by reference an MCAI AD that changes airworthiness limitations, the FAA requirements are unchanged. Operators must revise the existing maintenance or inspection program, as applicable, to incorporate the information specified in the new airworthiness limitation document. The airworthiness limitations must be followed according to 14 CFR 91.403(c) and 91.409(e).

The previous format of the airworthiness limitation ADs included a paragraph that specified that no alternative actions (e.g., inspections), intervals, or CDCCLs may be used unless the actions, intervals, and CDCCLs are approved as an AMOC in accordance with the procedures specified in the AMOCs paragraph under "Additional AD Provisions." This new format includes a "New Provisions for Alternative Actions, Intervals, and CDCCLs" paragraph that does not specifically refer to AMOCs, but operators may still request an AMOC to use an alternative action, interval, or CDCCL.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 81 airplanes of U.S. registry. The FAA estimates the following costs to comply with this proposed AD:

The FAA estimates the total cost per operator for the retained actions from AD 2017–21–05 to be \$7,650 (90 work-hours × \$85 per work-hour).

The FAA has determined that revising the existing maintenance or inspection program takes an average of 90 work-hours per operator, although the agency recognizes that this number may vary from operator to operator. Since operators incorporate maintenance or inspection program changes for their affected fleet(s), the FAA has determined that a per-operator estimate

is more accurate than a per-airplane estimate.

The FAA estimates the total cost per operator for the new proposed actions to be \$7,650 (90 work-hours × \$85 per work-hour).

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency's authority.

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701: General requirements. Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

The FAA determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify this proposed regulation:

(1) Is not a "significant regulatory action" under Executive Order 12866,

(2) Would not affect intrastate aviation in Alaska, and

(3) Would not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by:
 ■ a. Removing Airworthiness Directive (AD) 2017–21–05, Amendment 39–19076 (82 FR 48917, October 23, 2017); and
 ■ b. Adding the following new AD:

Saab AB (Formerly Known as Saab AB, Support and Services): Docket No. FAA–2024–2016; Project Identifier MCAI–2024–00111–T.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by September 26, 2024.

(b) Affected ADs

This AD replaces AD 2017–21–05, Amendment 39–19076 (82 FR 48917, October 23, 2017) (AD 2017–21–05).

(c) Applicability

This AD applies to all Saab AB (formerly known as Saab AB, Support and Services) Model 340A (SAAB/SF340A) and SAAB 340B airplanes, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 05, Time Limits/Maintenance Checks.

(e) Unsafe Condition

This AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. The FAA is issuing this AD to address reduced structural integrity of the airplane.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Retained Revision of the Existing Maintenance or Inspection Program, With No Changes

This paragraph restates the requirements of paragraph (g) of AD 2017–21–05, with no changes. For airplanes with an original certificate of airworthiness or original export certificate of airworthiness issued on or before December 1, 2016. Within 30 days after November 27, 2017 (the effective date of AD 2017–21–05): Revise the maintenance or inspection program, as applicable, to incorporate airworthiness limitations, including inspection tasks for the drag brace support fitting of the main landing gear (MLG) and corrosion prevention and control (CPCP) related tasks, specified in SAAB 340 Airworthiness Limitation Manual, Revision 1, dated December 1, 2016. The compliance time for the initial airworthiness limitation tasks is at the applicable compliance time specified in SAAB 340 Airworthiness Limitation Manual, Revision 1, dated

December 1, 2016, or within 30 days after November 27, 2017, whichever occurs later. Accomplishing the revision of the existing maintenance or inspection program required by paragraph (i) of this AD terminates the requirements of this paragraph.

(h) Retained Restrictions on Alternative Actions, Intervals, and Critical Design Configuration Control Limitations (CDCCLs), With a New Exception

This paragraph restates the requirements of paragraph (h) of AD 2017–21–05, with a new exception. Except as required by paragraph (i) of this AD, after the maintenance or inspection program, as applicable, has been revised as required by paragraph (g) of this AD, no alternative actions (*e.g.*, inspections), intervals, and/or CDCCLs may be used unless the actions, intervals, and/or CDCCLs are approved as an alternative method of compliance (AMOC) in accordance with the procedures specified in paragraph (l)(1) of this AD.

(i) New Revision of the Existing Maintenance or Inspection Program

Except as specified in paragraph (j) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency (EASA) AD 2024–0042, dated February 13, 2024 (EASA AD 2024–0042). Accomplishing the revision of the existing maintenance or inspection program required by this paragraph terminates the requirements of paragraph (g) of this AD.

(j) Exceptions to EASA AD 2024–0042

(1) This AD does not adopt the requirements specified in paragraphs (1) and (2) of EASA AD 2024–0042.

(2) Paragraph (3) of EASA AD 2024–0042 specifies revising “the approved AMP,” within 12 months after its effective date, but this AD requires revising the existing maintenance or inspection program, as applicable, within 90 days after the effective date of this AD.

(3) The initial compliance time for doing the tasks specified in paragraph (3) of EASA AD 2024–0042 is at the applicable “limitations” and “associated thresholds” as incorporated by the requirements of paragraph (3) of EASA AD 2024–0042, or within 90 days after the effective date of this AD, whichever occurs later.

(4) This AD does not adopt the provisions specified in paragraphs (4) and (5) of EASA AD 2024–0042.

(5) This AD does not adopt the “Remarks” section of EASA AD 2024–0042.

(k) New Provisions for Alternative Actions, Intervals, and CDCCLs

After the existing maintenance or inspection program has been revised as required by paragraph (i) of this AD, no alternative actions (*e.g.*, inspections), intervals, and CDCCLs are allowed unless they are approved as specified in the provisions of the “Ref. Publications” section of EASA AD 2024–0042.

(l) Additional AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager of the International Validation Branch, mail it to the address identified in paragraph (m) of this AD. Information may be emailed to: 9-AVS-AIR-730-AMOC@faa.gov. Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, International Validation Branch, FAA; or EASA; or Saab AB’s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(m) Additional Information

For more information about this AD, contact Shahram Daneshmandi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 206–231–3220; email Shahram.Daneshmandi@faa.gov.

(n) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(3) The following material was approved for IBR on [DATE 35 DAYS AFTER PUBLICATION OF THE FINAL RULE].

(i) European Union Aviation Safety Agency (EASA) AD 2024–0042, dated February 13, 2024.

(ii) [Reserved]

(4) The following material was approved for IBR on November 27, 2017 (82 FR 48917, October 23, 2017).

(i) SAAB 340 Airworthiness Limitation Manual, Revision 1, dated December 1, 2016.

(ii) [Reserved]

(5) For EASA AD 2024–0042, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email ADs@easa.europa.eu; website easa.europa.eu. You may find this EASA AD on the EASA website at ad.easa.europa.eu.

(6) For Saab AB material identified in this AD, contact Saab AB, SE–581 88, Linköping, Sweden; telephone +46 13 18 5591; fax +46 13 18 4874; email saab340techsupport@saabgroup.com; website saab.com/products/air/regional-aircraft.

(7) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195.

(8) You may view this material at the National Archives and Records

Administration (NARA). For information on the availability of this material at NARA, visit www.archives.gov/federal-register/cfr/ibr-locations or email fr.inspection@nara.gov.

Issued on August 6, 2024.

Victor Wicklund,

Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2024-17834 Filed 8-9-24; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 38

RIN 2900-AS13

Veterans Legacy Grants Program Improvements

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its Veterans Legacy Grants Program (VLGP) regulations to align them with regulatory updates to the uniform administrative requirements and other requirements for Federal awards and makes additional revisions to improve the process for administration of the grant program. This rulemaking proposes housekeeping amendments to key terms, legal citations, and definitions and extends timelines for reporting and other grant recipient requirements.

DATES: Comments must be received on or before October 11, 2024.

ADDRESSES: Comments must be submitted through www.regulations.gov. Except as provided below, comments received before the close of the comment period will be available at www.regulations.gov for public viewing, inspection, or copying, including any personally identifiable or confidential business information that is included in a comment. We post the comments received before the close of the comment period on www.regulations.gov as soon as possible after they have been received. VA will not post on [Regulations.gov](http://www.regulations.gov) public comments that make threats to individuals or institutions or suggest that the commenter will take actions to harm an individual. VA encourages individuals not to submit duplicative comments; however, we will post comments from multiple unique commenters even if the content is identical or nearly identical to other comments. Any public comment received after the comment period's closing date is considered late and will

not be considered in the final rulemaking. In accordance with the Providing Accountability Through Transparency Act of 2023, a 100 word Plain-Language Summary of this proposed rule is available at Regulations.gov, under RIN 2900-AS13. **FOR FURTHER INFORMATION CONTACT:** John Williams, Senior Grants Management Specialist, Veterans Legacy Grants Program, National Cemetery Administration, Department of Veterans Affairs, 810 Vermont Avenue NW, Washington, DC 20420. Telephone: (314) 348-4073 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: VA proposes changes to the regulations governing Veterans Legacy grants to make housekeeping and clarifying edits, described below. These revisions would implement various programmatic improvements for applicants. Additionally, in April 2024, the Office of Management and Budget (OMB) published revisions to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance at 2 CFR part 200). Current VLGP regulations reference outdated 2 CFR part 200 throughout and in this rulemaking we propose changes to reflect revised sections, where appropriate.

Replacing the Term “Notice of Funding Availability” With “Notice of Funding Opportunity”

VA proposes to replace the terms “Notice of Funding Availability” and “NOFA” with “Notice of Funding Opportunity” and “NOFO”, respectively, in 38 CFR 38.715(k) and throughout the VLGP regulations to align them with OMB’s use and definition of the term “Notice of funding opportunity” in 2 CFR 200.1 and 200.204. Under the revised definition, the term “NOFO” would be defined as “a formal announcement of the availability of a Federal funding opportunity published in the OMB-designated government-wide website [Grants.gov](http://www.grants.gov) (<http://www.grants.gov>) in accordance with § 38.725 and 2 CFR 200.1 and 200.204.” Consistent with the definition in 2 CFR 200.1, a NOFO would provide information on the award, who is eligible to apply, the evaluation criteria for selection of an awardee, required components of an application, and how to submit the application. This change is intended to reduce the potential for grant recipient confusion due to discrepancies between terminology used in the VLGP regulations and the [Grants.gov](http://www.grants.gov) website.

Replacing the Term “Grantee” With “Recipient”

VA proposes to replace the term “Grantee” with “Recipient” in 38 CFR 38.715(j) and to make similar changes throughout the VLGP regulations where applicable. This change would be consistent with OMB’s use of the term “Recipient” as the entity that receives a Federal award directly from a Federal awarding agency. The alignment of these terms is intended to reduce any confusion for the public regarding the VLGP. The definition would clarify that “recipient” does not include a subrecipient or individual that is a beneficiary of the award.

Consolidating the Publication Location of the NOFO

OMB uniform grant guidance requires a funding agency to provide public notice of Federal financial assistance programs. Current 38 CFR 38.725 requires VA to publish funding opportunity announcements in both the **Federal Register** and in [Grants.gov](http://www.grants.gov). VA proposes to discontinue the requirement in its current regulation to post NOFOs in the **Federal Register**. Because [Grants.gov](http://www.grants.gov) is an OMB-designated government-wide website and is recognized as the primary Federal system used for publication of notices concerning Federal funding opportunities and financial assistance, see 89 FR 30072 (Apr. 22, 2024), VA proposes to use [Grants.gov](http://www.grants.gov) as the primary source of publication for its funding opportunity announcements. VA believes this change would make the VLGP award procedures more efficient and would eliminate the duplicative publication requirement in the **Federal Register**, which may often result in additional processing time.

Updating the Terminology of Additional Factors for Deciding Applications

VA proposes to amend 38 CFR 38.735 (Additional factors for deciding applications) by updating the terminology in the regulation to align it with the terminology and process framework established in 2 CFR part 200. Specifically, VA would amend the heading in 38 CFR 38.735(a) from “Applicant’s performance on prior award” to “Applicant’s history of performance”. History of performance is a principal factor considered when evaluating an applicant’s application. 2 CFR 200.206(b)(2)(iii). VA would revise the description for additional clarity and consistency on this deciding factor. The revised language would state that VA may consider the applicant’s record