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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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DEPARTMENT OF AGRICULTURE

Rural Housing Service

7 CFR Part 3550

[Docket No. RHS–24–SFH–0028]

Section 504 Direct Single Family Housing Home Repair Loans and Grants; Materials Pilot Program

AGENCY: Rural Housing Service, USDA.

ACTION: Notification of waiver.

SUMMARY: The Rural Housing Service (RHS or the Agency), a Rural Development agency of the United States Department of Agriculture (USDA), is issuing this document to implement a demonstration program, the Section 504 Direct Single Family Housing Loans and Grants pilot program. The Agency's intention is to evaluate the existing regulations and remove regulatory barriers to assist eligible applicants with improved ease of use for very low-income homeowners seeking to repair or rehabilitate their homes. This document briefly discusses the new waiver and provides contact information for additional details about the pilot program.

DATES: The effective date of the regulatory waiver is December 2, 2024. The duration of the pilot program is anticipated to continue until December 2, 2026, at which time the RHS may extend the pilot program (with or without modifications) or terminate it depending on the workload and resources needed to administer the program, feedback from the public, and the effectiveness of the program. If the pilot program is extended or terminated early, the RHS will notify the public via Notice publication in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Anthony Williams, Management and Program Analyst, Special Programs and Initiatives Branch, Single Family Housing Direct Loan Division, Rural

Development, U.S. Department of Agriculture, Email: anthonyl.williams@usda.gov; Phone: (202) 720–9649.

SUPPLEMENTARY INFORMATION:

Authority

Title V, Section 504 of the Housing Act of 1949, as amended; 42 U.S.C. 1474.

Background

The RHS offers a variety of programs to build or improve housing and essential community facilities in rural areas. The Agency offer loans, grants, and loan guarantees for single- and multifamily housing, child-care centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, housing for farm laborers and much more. RHS also provides technical assistance loans and grants in partnership with non-profit organizations, Indian tribes, state and federal government agencies, and local communities.

The RHS Single Family Housing Direct Loans and Grants Program (SFHDLGP) Division implements the Section 504 loan/grant program under 7 CFR part 3550 with the objective to assist very low-income owner occupants of single-family homes in rural areas repair or rehabilitate their homes. Loan funds are available for repairs to improve or modernize a home, make it safer or more sanitary, or remove health and safety hazards. The eligibility requirements, as described in 7 CFR 3550.103, include that a homeowner (1) be unable to secure financial assistance at reasonable terms and conditions from a non-Agency source; (2) lack the personal resources to meet their needs; and (3) can demonstrate the ability to repay the Section 504 loan. For homeowners 62 years old and over at the time of application, grant funds are available to correct health or safety hazards, or remodel dwellings to make them accessible to a household member with a disability.

RHS may authorize limited demonstration (pilot) programs to test new approaches to offering housing under the statutory authority granted to the Secretary, as set forth in section 506(b) of the Housing Act of 1949 (42 U.S.C. 1476(b)). Additional demonstration program authority for regulations contained in 7 CFR part

3550 is provided at 7 CFR 3550.7. Any program requirements that are statutory will remain in effect.

Discussion of the New Section 504 Waiver

To align with current market payment requirements and further utilize program loan funding, RHS has determined to test and evaluate the regulatory requirements under the new pilot program for the Single-Family Housing Section 504 Home Repair Loan and Grant program under the pilot program authority provided at section 506(b) of the Housing Act of 1949 (42 U.S.C. 1476(b)):

The pilot program allows participants to use Section 504 loan or grant funds for the payment of construction materials prior to site delivery and without the need for the contractor to provide a surety bond. This component of the demonstration program will permit SFHDLGP to evaluate 7 CFR 1924.6(a)(12)(v)(C) which requires delivery of materials prior to payment and a surety bond. Under the demonstration program, payment in full may be made directly to the material supplier so the order can be placed or to the contractor upon receipt of paid invoice. Contractors expect up to fifty percent down prior to ordering materials or beginning work, and applicants struggle to find contractors that will work within the Agency's payment terms. This waiver is a step closer to meeting contractor expectations while still protecting applicants from fraudulent contractors that might take downpayment funds and never complete the job.

Eligibility Requirements

(1) Eligible participants—Eligible participants in the Section 504 Home Repair Loan and Grant program must abide by the regulatory requirements outlined in 7 CFR 3550. (2) Eligible States and Territories—The following twenty-five (25) States and U.S. Territories are selected based on program usage, involvement in the Rural Partners Network, and to provide wide geographic and historic production variation for the pilot program: Alabama, Alaska, American Samoa, Arizona, California, Florida, Georgia, Kansas, Kentucky, Minnesota, Mississippi, Montana, Nevada, North Carolina, North Dakota, Nebraska, New Mexico, New York, Puerto Rico, South

Dakota, Tennessee, Texas, Washington, West Virginia, and Wisconsin.

Paperwork Reduction Act

The regulatory waivers for this pilot program contain no new reporting or recordkeeping burdens under OMB control number 0575–0172 that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

Non-Discrimination Statement

In accordance with Federal civil rights laws and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language) should contact the responsible Mission Area, agency, or staff office; or the 711 Relay Service.

To file a program discrimination complaint, a complainant should complete a Form AD–3027, *USDA Program Discrimination Complaint Form*, which can be obtained online at <https://www.usda.gov/sites/default/files/documents/ad-3027.pdf> from any USDA office, by calling (866) 632–9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD–3027 form or letter must be submitted to USDA by:

(1) *Mail*: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250–9410; or

(2) *Fax*: (833) 256–1665 or (202) 690–7442; or

(3) *Email*: program.intake@usda.gov
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Joaquin Altoro

Administrator, Rural Housing Service.

[FR Doc. 2024–28189 Filed 11–29–24; 8:45 am]

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CONSUMER FINANCIAL PROTECTION BUREAU

12 CFR Part 1026

Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA, and Qualified Mortgages)

AGENCY: Consumer Financial Protection Bureau.

ACTION: Final rule; official interpretation.

SUMMARY: The Consumer Financial Protection Bureau (Bureau or CFPB) is issuing this final rule amending the regulation text and official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The CFPB calculates the dollar amounts for provisions in Regulation Z annually; this final rule revises the amounts for provisions implementing TILA and its amendments, including the Home Ownership and Equity Protection Act of 1994 (HOEPA), and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The CFPB adjusts these amounts based on the annual percentage change of the Consumer Price Index (CPI) effective June 1, 2024.

DATES: This final rule is effective January 1, 2025.

FOR FURTHER INFORMATION CONTACT:

George Karithanom, Regulatory Implementation & Guidance Program Analyst, Office of Regulations, at 202–435–7700 or at: <https://reginquiries.consumerfinance.gov/>. If you require this document in an alternative electronic format, please contact CFPB_Accessibility@cfpb.gov.

SUPPLEMENTARY INFORMATION: The CFPB is amending the regulation text and official interpretations for Regulation Z, which implements TILA, to update the dollar amounts of various thresholds that it must adjust annually to reflect the annual percentage change in the CPI as published by the Bureau of Labor Statistics (BLS). Specifically, for open-end consumer credit plans under TILA, the threshold that triggers requirements to disclose minimum interest charges will remain unchanged at \$1.00 in 2025.

For HOEPA loans, the adjusted total loan amount threshold for high-cost mortgages in 2025 will be \$26,968. The adjusted points-and-fees dollar trigger for high-cost mortgages in 2025 will be \$1,348. For qualified mortgages (QMs) under the General QM loan definition in § 1026.43(e)(2), the thresholds for the spread between the annual percentage rate (APR) and the average prime offer rate (APOR)¹ in 2025 will be: 2.25 or more percentage points for a first-lien covered transaction with a loan amount greater than or equal to \$134,841; 3.5 or more percentage points for a first-lien covered transaction with a loan amount greater than or equal to \$80,905 but less than \$134,841; 6.5 or more percentage points for a first-lien covered transaction with a loan amount less than \$80,905; 6.5 or more percentage points for a first-lien covered transaction secured by a manufactured home with a loan amount less than \$134,841; 3.5 or more percentage points for a subordinate-lien covered transaction with a loan amount greater than or equal to \$80,905; or 6.5 or more percentage points for a subordinate-lien covered transaction with a loan amount less than \$80,905. For all categories of QMs, the thresholds for total points and fees in 2025 will be 3 percent of the total loan amount for a loan greater than or equal to \$134,841; \$4,045 for a loan amount greater than or equal to \$80,905 but less than \$134,841; 5 percent of the total loan amount for a loan greater than or equal to \$26,968 but less than \$80,905; \$1,348 for a loan amount greater than or equal to \$16,855 but less than \$26,968; and 8 percent of the total loan amount for a loan amount less than \$16,855.²

¹ On April 20, 2023, the CFPB published a document announcing the availability of a revised version of its “Methodology for Determining Average Prime Offer Rates,” which describes the data and methodology used to calculate the average prime offer rate for purposes of Regulation C and Regulation Z. See 88 FR 24393. The methodology statement was revised to address the imminent unavailability of certain data the CFPB previously relied on to calculate average prime offer rates, as a result of a decision by Freddie Mac to make changes to its Primary Mortgage Market Survey® (PMMS). After evaluating potential sources, the CFPB determined that data from Intercontinental Exchange Mortgage Technology (ICE Mortgage Technology) is currently the most suitable option to replace PMMS. Beginning on April 24, 2023, the CFPB started using data provided by ICE Mortgage Technology and the revised methodology to calculate average prime offer rates.

² The QM categories in Regulation Z appear at 12 CFR 1026.43(e)(2), (e)(4), (e)(5), (e)(6), and (e)(7). Note that 12 CFR 1026.43(e)(6) applies only to covered transactions for which the application was received before April 1, 2016.