

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Plan for Retrospective Review of  
Regulatory Actions under E.O. 13563**

**I. INTRODUCTION**

HUD plays a significant role in the lives of families and in communities throughout America. HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Consistent with that mission, HUD has statutory responsibility for a wide variety of regulations. HUD's regulatory programs and initiatives help create suitable living environments, and help to ensure that all citizens have access to decent, safe, and sanitary housing. HUD's regulations also assist in the enforcement of the nation's fair housing laws. HUD regulations also govern the provision of housing and other essential support to a wide range of individuals and families with special needs, including homeless individuals, the elderly, and persons with disabilities.

On January 18, 2011, President Obama issued Executive Order 13563, "Improving Regulation and Regulatory Review."<sup>1</sup> The Executive Order requires federal agencies to seek more affordable, less intrusive ways to achieve policy goals and give careful consideration to the benefits and costs of those regulations. Agencies are directed to tailor their regulations to impose the minimal amount of burden on society to obtain regulatory objectives. The Executive Order also emphasizes the importance of meaningful public participation in the rulemaking process, and encourages agencies to increase their use of online technologies to simplify and facilitate participation for all stakeholders. Executive Order 13563 also requires agencies to coordinate, simplify, and harmonize regulations to reduce costs and promote certainty for businesses and the public.

The Executive Order recognizes that these principles should not only guide the federal government's approach to new regulations, but to existing ones as well. To that end, agencies are required to review existing significant regulations to determine if they are outmoded, ineffective, insufficient or excessively burdensome. Executive Order 13563 also requires that each agency develop and submit to the Office of Management and Budget's Office of Information and Regulatory Affairs a preliminary plan for periodically reviewing existing significant regulations so as to make the agency's regulatory program more effective or less burdensome in achieving regulatory objectives.

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<sup>1</sup> The Executive Order was subsequently published in the Federal Register on January 21, 2011, at 76 FR 3821.

On March 2, 2011, at 76 FR 11395, HUD published a notice in the Federal Register inviting public comments, through May 2, 2011, to assist in the development of the plan required by the Executive Order and in identifying specific current regulations that should be the subject of HUD review. HUD received comments from 42 commenters, including nonprofit advocacy groups, private industry groups, housing authorities, and private individuals, amounting to more than 300 specific suggestions. This plan follows publication of HUD's March 2, 2011, notice and takes into consideration the public comments received on the notice. Most of the comments were in regards to specific program regulations; however, HUD also received several comments on the retrospective review process itself. The appendix to this plan identifies the initial set of HUD regulatory actions being taken in response to Executive Order 13563 and the concerns raised by the commenters. HUD's review of the comments received in response to the March 2, 2011, notice is ongoing and the list of rules will be expanded based on that ongoing assessment. HUD notes that many of the public comments requested changes that would require statutory amendments and, therefore, at this time HUD is unable to accommodate the suggested changes. Many of the comments also recommended changes to HUD's processes, as opposed to program requirements. HUD appreciates these comments and will continue to streamline these processes as its updates to its technological systems come on line .

## **II. PLAN FOR RETROSPECTIVE REVIEW OF HUD REGULATORY ACTIONS**

In accordance with Executive Order 13563, this document sets forth HUD's plan for the periodic review of its existing regulations to determine whether any of these regulations should be modified, streamlined, expanded, or repealed. As appropriate for a "look back" at existing regulatory actions, HUD will review regulations that have been in effect for a sufficient amount of time to warrant a fair evaluation, rather than revisiting recently issued rules. HUD's retrospective reviews will complement its ongoing efforts to improve the effectiveness of its regulations. HUD will continue to amend its regulations as needed to reflect policy determinations or better adapt to changing market conditions.

### **A. HUD General Policy on Retrospective Regulatory Review**

In accordance with the procedures established by this plan, HUD will undertake periodic review of its regulations. The purpose of this review is to assess whether HUD's regulations remain current, necessary, are appropriately tailored to the subject matter of the regulation, and achieve regulatory objectives without imposing unwarranted costs and burdens. HUD is committed to maintaining a culture of retrospective review. Where appropriate and consistent with applicable law, HUD will incorporate experimental designs in reviewing existing and prospective regulations and solicit the peer review of data underlying new or revised regulatory policies.

## **B. Role of the Office of General Counsel**

The Office of General Counsel, as an independent office from the offices responsible for implementing regulations and as HUD's office with responsibility for overseeing the Department's compliance with Executive Orders and the legal requirements governing the federal rulemaking process, will be HUD's principal point of contact for the retrospective review of regulatory actions. The Principal Deputy General Counsel is HUD's Regulatory Policy Officer under Executive Order 12866, "Regulatory Planning and Review," and will oversee the work of the Office of General Counsel in this regard.

## **C. Public Input**

Public input is a principal component of HUD's rulemaking process, and will be a principal component of HUD's retrospective regulatory review efforts. Executive Order 13563 emphasizes the importance of public participation, and it is HUD's policy to provide for meaningful public input in the rulemaking process.<sup>2</sup> The knowledge of the effects of regulations is widely dispersed in society, and members of the public have valuable information and perspectives on the usefulness and impacts of HUD's rules.

HUD is taking the following steps to actively solicit the input of stakeholders and members of the general public in identifying specific current regulations that may be obsolete, unnecessary, unjustified, excessively burdensome, or counterproductive and, therefore, should be subject to retrospective review:

1. Regulatory review website and e-mail inbox. HUD will establish a regulatory review website to solicit input and update the public on HUD's regulatory review efforts. The website, which will link to appropriate government-wide websites, will contain a links to this plan, to the list of candidate rules that HUD intends to review, as well as to other useful sites providing information on HUD rules and the federal rulemaking process in general. The website will direct interested members of the public to HUD' e-mail inbox at [RegulatoryReview@hud.gov](mailto:RegulatoryReview@hud.gov) which parties may use, on an ongoing basis, to identify regulations that may be in need of review. HUD's regulatory review website is found at: **[link to be inserted]**

2. Solicitation for public input in HUD's Semiannual Regulatory Agenda. Section 4(b) of Executive Order 12866, "Regulatory Planning and Review," requires each department or agency to prepare semiannually an agenda of: (1) regulations that the department or agency has issued or expects to issue, and (2) rules currently in effect that are under departmental or agency review.<sup>3</sup> HUD customarily includes the following solicitation for public comment in the preamble to its Semiannual Agenda of Regulations:

Since the purpose of publication of the agenda is to encourage more effective public participation in the regulatory process by providing the public with early

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<sup>2</sup> See HUD's rule on rulemaking policies and procedures at 24 CFR 10.1

<sup>3</sup> Executive Order 12866 was originally issued on September 30, 1993 and subsequently published in the Federal Register on October 4, 1993, at 58 FR 51735.

information about the Department’s future regulatory actions, HUD invites all interested members of the public to comment on the rules listed in the agenda.

3. Solicitation for public input on HUD rules. When appropriate, HUD will add the following solicitation for comment in the “Findings and Certifications” section of the preamble to its rules issued for public comment:<sup>4</sup>

Retrospective Review of Regulatory Actions.

In accordance with Executive Order 13563, “Improving Regulation and Regulatory Review,” HUD has reviewed the program regulations in their entirety in the development of this rule to evaluate their continued effectiveness in addressing circumstances for which the regulations were promulgated. HUD specifically solicits comments on whether, in addition to the regulatory changes contained in this rule, the program regulations should be modified, streamlined, expanded, or repealed so as to make the HUD’s regulatory program more effective or less burdensome in achieving regulatory objectives. Interested readers are referred to [**link to be inserted**] for additional information regarding HUD’s implementation of Executive Order 13563.

4. Public meetings. HUD, as appropriate, will convene town hall meetings open to the general public and meetings with affected stakeholders to solicit public feedback on rules that may merit retrospective review.

5. HUD Ideas in Action. HUD, as appropriate, will make use of its idea generation tool, HUD Ideas in Action, to allow public stakeholders to submit ideas on regulations that should be reexamined. Users can then vote and submit comments on those ideas.

HUD Ideas in Action is designed to:

- Engage employees and stakeholders through an open and transparent process to ensure every employee has a voice in the way the agency and its operations evolve;
- Collect constant, fresh input and perspectives on how to improve HUD’s ability to achieve its mission; and
- Disseminate information about new and existing programs, initiatives, and policies.

**D. Coordination with Other Forms of Retrospective Analysis and Review**

HUD currently undertakes efforts to retrospectively review its regulations and will build upon those efforts in its implementation of Executive Order 13563.

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<sup>4</sup> As implied by its name, the “Findings and Certifications” section of the preamble to HUD’s rules provides statements indicating HUD’s compliance with the authorities governing the rulemaking process, including Executive Order 12866, “Regulatory Planning and Review,” the Regulatory Flexibility Act, the Paperwork Reduction Act, the National Environmental Policy Act, and the Unfunded Mandates Reform Act.

1. Comprehensive review of regulations during development of amendments. It is HUD's practice to review regulations in their entirety when developing amendments to specific sections of those regulations. HUD program staff and legal counsel review the regulations to determine whether they are outmoded, ineffective, or excessively burdensome, and therefore should be amended or removed. For purposes of implementing Executive Order 13563, HUD will expand upon this current practice by, as noted, including language in the preambles to its rules advising the public that HUD has undertaken a comprehensive review of the relevant regulations and soliciting public comment as to whether further amendments are merited.

2. Manufactured housing consensus committee. The Manufactured Housing Consensus Committee (MHCC) is a statutory federal advisory committee charged with providing recommendations to the Secretary on the revision and interpretation of HUD's manufactured home construction and safety standards and related procedural and enforcement regulations. The MHCC was established under section 604(a)(3) of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended.<sup>5</sup> The MHCC serves as an ongoing forum for soliciting stakeholder feedback on HUD's regulation of the manufactured housing industry.

3. Regulatory Flexibility Act. Section 610 of the Regulatory Flexibility Act (RFA) requires federal agencies to review regulations that have a significant economic impact on a substantial number of small entities within 10 years of their adoption as final rules.<sup>6</sup> As an agency with a primary mission that revolves around the awarding of grants and other forms of assistance, HUD does not issue many rules having a significant economic impact on small entities, as defined by the RFA. However, in conducting the review of a regulation subject to section 610 of the RFA, HUD will also retrospectively review the rule for purposes of Executive Order 13563. In addition, HUD conducts an analysis of the impact on small entities for every rule that the Department publishes. This analysis helps to ensure HUD's commitment to the principles of the RFA in every regulatory issuance, even beyond the 10-year review.

## **E. Prioritization**

HUD will consider the following factors, among others, in prioritizing rules for retrospective review. The following list is not exclusive, but provides examples of the types of factors that HUD will consider in determining whether a particular regulation merits retrospective review. HUD will make such determinations on a case-by-cases basis based on the specific factors for each rule.

1. Identified by the public. HUD will prioritize regulations for review that have been identified by affected stakeholders.

2. Widely-used regulations. HUD recognizes that the effectiveness of its most widely-used or relied upon programs often depend upon the effectiveness of the regulations that serve as the foundation for the program. Not only will the need for revision be more evident for such

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<sup>5</sup> 42 U.S.C. 5403.

<sup>6</sup> 5 U.S.C. 610.

regulations, but any changes to those programs may have the greatest positive impact on HUD's mission. Examples of HUD's widely used program regulations include the Community Development Block Grants program (24 CFR part 570), the Federal Housing Administration single family and multifamily mortgage insurance programs (24 CFR parts 202, 203, and 207), the Public Housing Operating Fund program (24 CFR part 990), the Public Housing Capital Fund program (24 CFR Part 905), and the Housing Choice Voucher program (24 CFR part 982), to name a few.

3. Complexity and scope of regulations. HUD will consider the overall number, complexity, and structure of the regulations for a specific program in determining the frequency of retrospective review. HUD programs with few or closely linked regulatory requirements may lend themselves to a periodic comprehensive review of all regulatory requirements. Other programs, either because of the number of regulations or the far-reaching scope of the requirements, may be subject to more frequent or ongoing reviews, with each review focused on a particular component of the regulations. For example, HUD's public housing programs and multifamily assisted housing programs both provide rental assistance to lower income households. However, because of the governmental nature of public housing agencies, the regulations for the public housing program are more numerous and detailed. HUD may elect to comprehensively review all of the multifamily assistance program regulations once every few years, while, in the public housing context, it may be more appropriate for HUD to conduct ongoing reviews focused on specific regulatory requirements (such as the Public Housing Agency Plan requirements, the Operating and Capital Funds, and the Public Housing Assessment System requirements, among others).

4. Need for regulatory waiver. HUD will prioritize review of any regulation which becomes the subject of frequent requests for waivers by affected stakeholders, and HUD has determined that good cause exists for the granting of waivers.

## **F. Analysis of Costs, Benefits, and Reduced Regulatory Burden**

Where appropriate, HUD will analyze the costs and benefits (both quantitative and qualitative) of regulations selected for retrospective review. HUD will also attempt to measure the reduction in regulatory burden resulting from the modification or repeal of a rule that was subject to a retrospective review.

## **III. UPCOMING REGULATORY REVIEW**

The Appendix to this Plan identifies the initial list of HUD rules initiated in response to Executive Order 13563. The Appendix includes rules governing Federal Housing Administration programs, including Single-Family and Multifamily Mortgage Insurance, Office of Public and Indian Housing programs, including Public Housing and Section 8, and Community Planning and Development programs.

#### **IV. FOR FURTHER INFORMATION CONTACT**

Camille E. Acevedo, Associate General Counsel for Legislation and Regulations, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 10282, Washington, DC 20410; telephone number 202-708-1793 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

**Appendix**  
**Regulatory Actions to Implement Executive Order 13563, Improving Regulation and Regulatory Review**  
**Regulatory Actions Planned or Underway**

Regulation	Description	Regulatory Review Action
<b>Office of Housing – Federal Housing Administration</b>		
<p>Federal Housing Administration (FHA): Refinancing an Existing Cooperative under Section 207 Pursuant to Section 223(f) of the National Housing Act; Final Rule</p> <p>24 CFR 200.24</p>	<p>This final rule will remove a regulatory barrier to the refinancing of existing mortgage debt with FHA insurance by owners of multifamily cooperative housing projects. Although the statutory language authorizing such insurance does not distinguish between rental or cooperative multifamily projects, HUD’s current regulations limit FHA insurance to existing rental projects. Given the current state of the capital markets and the significant downturn in the multifamily market, HUD determined it is an appropriate time to reconsider this regulatory imposed limitation with respect to the mortgage insurance for the refinancing of cooperative projects. The final rule follows publication of a February 1, 2011, proposed rule (76 FR 5518). The public comment period on the proposed rule closed on April 4, 2011. HUD received 4 public comments, which it is considering in development of the final rule.</p>	<ul style="list-style-type: none"> <li>Removes a regulatory restriction on FHA refinancing of existing mortgage debt by owners of multifamily cooperative projects, thus expanding the number of individuals eligible to participate in FHA programs.</li> </ul>
<p>HUD Multifamily Rental Projects: Regulatory Revisions ; Final Rule</p> <p>24 CFR 200.5, 200.88, and 207.256-259.</p>	<p>This final rule amends certain Federal Housing Administration (FHA) regulations to reflect current HUD policy in the area of multifamily rental projects and accompany revised closing documents. Many of these documents have not been revised in years and need updating to ensure that the documents are consistent with modern real estate and lending laws.</p> <p>This final rule takes into consideration public comments received on the preceding November 12, 2010, proposed rule (75 FR 69363). It also takes into consideration certain comments received on HUD’s issuance of its revised multifamily rental project closing documents, published for public comment on December 22, 2010 (75 FR 80517).</p>	<ul style="list-style-type: none"> <li>Updates HUD’s regulations to reflect current legal requirements with respect to multifamily rental project closings.</li> <li>The revisions to the regulations and the closing documents also help streamline the process of participating in HUD’s multifamily mortgage insurance programs.</li> </ul>



Regulation	Description	Regulatory Review Action
<b>Office of Housing – Federal Housing Administration</b>		
<p>Streamlining Inspection and Warranty Requirements for Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of the FHA Inspector Roster and of the Ten-Year Protection Plan Requirements for High Loan-to-Value Ratio Mortgages; Proposed Rule</p> <p>24 CFR 200.145, 203.18, 203.50, and 203.200-209.</p>	<p>This proposed rule would streamline the inspection and home warranty requirements for FHA single family mortgage insurance. HUD’s regulations currently require the use of an inspector listed on FHA’s Inspector Roster as a condition for FHA mortgage insurance. The Inspector Roster lists inspectors selected by FHA as eligible to determine if the construction quality of a one unit property is acceptable as security for an FHA-insured loan. Current regulations also require newly constructed homes to have a 10-year protection plan in order to qualify for high loan-to-value (LTV) FHA-insured mortgages. Although such protection plans are no longer statutorily mandated, HUD continued to require the plans through regulation. The proposed streamlining changes recognize the sufficiency and quality of inspections carried out by local jurisdictions as a result of the building permit and certification of occupancy processes.</p>	<ul style="list-style-type: none"> <li>• Removes the regulations for the FHA Inspector Roster, making it easier for lenders and borrowers to have inspections performed and streamlining the mortgage insurance application process.</li> <li>• Removes the outdated 10-year protection plan requirement for high LTV newly constructed single family homes securing FHA-insured mortgages. This eliminates an unnecessary layer of regulatory burden.</li> </ul>
<p>Approval of Farm Credit System Lending Institutions in FHA Mortgage Insurance Programs; Proposed Rule</p> <p>2CFR Part 202</p>	<p>This proposed rule would amend HUD regulations to enable the direct lending institutions of the Farm Credit System to seek approval to participate in the FHA mortgage insurance programs as approved mortgagees and lenders. HUD’s current regulations governing the approval of lending institutions at 24 CFR part 202 regulations do not currently authorize such approval. Recent difficulties in mortgage finance markets have reduced the availability of housing credit in rural areas. HUD proposes to extend FHA mortgagee and lender eligibility to the Farm Credit System to provide an additional avenue for mortgage financing in these areas.</p>	<ul style="list-style-type: none"> <li>• Enables direct lending institutions of the Farm Credit System to seek approval as FHA mortgagees and lenders, removing a regulatory barrier to participation in FHA programs.</li> </ul>

Regulation	Description	Regulatory Review Action
<b>Office of Housing – Federal Housing Administration</b>		
<p>Expansion of Eligibility of Nonprofit Organizations to Participate in FHA Single Family Mortgage Insurance Programs; Proposed Rule</p> <p>24 CFR Part 203</p>	<p>The FHA Nonprofit Organization Roster lists nonprofit organizations that HUD has determined are qualified to participate in certain specified FHA single family activities. This proposed rule will expand the eligibility of nonprofit organizations for placement on the roster and thereby help provide affordable housing opportunities through secondary financing and other activities.</p>	<ul style="list-style-type: none"> <li>• Expands roster eligibility to include nonprofit organizations created by state and local governments that qualify for tax exemption under section 115 of the Internal Revenue Code.</li> <li>• Removes requirement that a nonprofit organization have a voluntary board in order to be eligible for roster placement.</li> </ul>
<p>Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of Requests for Alternative Mortgage Amounts; Proposed Rule</p> <p>24 CFR 203.18b</p>	<p>This proposed rule would remove the regulations providing for requests for an alternative maximum mortgage amount in the FHA single family mortgage insurance programs and, in doing so, would establish certainty in FHA’s annual announcement of applicable maximum mortgage amounts for the calendar year. The existing regulations provide for requests to be submitted at any time with no end date provided for the submission of requests. This open-ended practice, initiated in 1980, does not bring stability to a mortgage market. Over 30 years later, FHA’s data in establishing mortgage amounts for any given geographic area is so improved that the requests for alternative mortgage amounts have dropped dramatically in the past few years such that no requests were submitted to FHA in calendar year 2010. The removal of this process in and of itself will signal the certainty to FHA’s annual announcement of maximum mortgage amounts.</p>	<ul style="list-style-type: none"> <li>• Brings certainty to and streamlines the announced maximum mortgage amounts for each calendar year, by removing a 30-year old process.</li> </ul>
<p>Federal Housing Administration (FHA): Suspension of FHA’s Regulation Placing Time Restrictions on Resale of FHA-Insured Property Proposed Rule</p> <p>24 CFR 203.37a</p>	<p>This proposed rule would suspend HUD’s regulations placing time restriction on the resale of FHA-insured property. Resale of a property recently acquired at an artificially inflated value for a considerable profit, often as a result of a lender’s collusion with the appraiser, is referred to as property “flipping.” In an effort to preclude this collusion with respect to mortgages insured by FHA, HUD regulations at 24 CFR 203.37a provide that FHA, with certain exceptions, will not insure a mortgage if the contract of sale is executed within 90 days of acquisition of the property by the seller. Section 203.37a was promulgated at a</p>	<ul style="list-style-type: none"> <li>• Removes permanent time restrictions on resale of FHA-insured properties, thus lifting burdensome regulatory impediments to receiving FHA mortgage insurance.</li> </ul>

Regulation	Description	Regulatory Review Action
<b>Office of Housing – Federal Housing Administration</b>		
	<p>time when the housing market was inflated and consequently property flipping was more prevalent and profitable. The proposed rule would give HUD the discretion to reactivate the time resale restrictions if HUD determines that activation is necessary to protect the FHA insurance fund and consumers. HUD determined that the current market has changed to such a degree that the time resale restrictions are currently impractical and impede rehabilitation of foreclosed and abandoned homes. With the downturn in the housing market, acquisition and resale of properties is an important part of stabilizing the market.</p>	

Regulation	Description	Regulatory Review Action
<b>Office of Housing – Federal Housing Administration</b>		
Federal Housing Administration (FHA): Suspension of Single Family Mortgage Insurance for Military Impacted Areas; Proposed Rule  24 CFR 203.43e	This proposed rule would suspend FHA’s military impacted areas program, and remove the regulations for the program at 24 CFR 203.43e. Section 238(c) of the National Housing Act authorizes HUD to insure mortgages executed in connection with the construction, repair, rehabilitation, or purchase of property located near any installation of the Armed Forces of the United States in federally impacted areas. The program has been little utilized by eligible borrowers. Additionally, these mortgage loans are insured under comparable terms and conditions as HUD’s primary single family mortgage insurance program under section 203(b) of the National Housing Act. Accordingly, those borrowers that would be served under section 238(c) of the Act are served equally well under the section 203(b) mortgage insurance program. The President’s Budget for Fiscal Year 2011 acknowledges the underutilization of the Section 238(c) program and advised that HUD would take action to halt the availability of the program in light of significant underutilization.	<ul style="list-style-type: none"> <li>Removes regulations for an underutilized program, streamlining the application process for FHA-insured mortgages.</li> </ul>
Federal Housing Administration (FHA): Approval of Lending Institutions and Mortgagees— Alternative Reporting Requirements for Small Supervised Lenders  24 CFR 202.5 and 202.6	This proposed rule would create alternative financial statement reporting requirements for FHA-approved lenders and mortgagees supervised by a Federal banking agency and possessing consolidated assets of less than \$500 million. HUD’s regulations at 24 CFR § 202.5 currently require all lenders and mortgagees to submit audited financial statements as a condition for FHA lender approval and renewal. Through this proposed rule, in lieu of an audited financial statement, smaller supervised lenders and mortgagees would be required to submit a copy of their unaudited regulatory report prepared for another Federal agency that aligns with their fiscal year end. Because the Federal banking agencies do not require an audited financial statement for financial institutions with consolidated assets less than \$500 million, this rule would align HUD practice with that of other agencies and lift an excessive regulatory burden in order to reduce the cost of participating in FHA programs. This rule would not affect the requirement that larger supervised lenders and mortgagees and all unsupervised lenders and mortgagees submit an audited financial statement and thus would not impact HUD’s strong risk management practices.	<ul style="list-style-type: none"> <li>Removes overly burdensome reporting requirements for small lenders wishing to participate in FHA programs.</li> <li>Eliminates duplicative reporting requirements for lenders who already report to other Federal agencies, thus reducing paperwork and minimizing the burden of the process of becoming an FHA-approved lender.</li> </ul>
Section 8 New Construction and	The interim rule streamlines the regulations governing the participation of	<ul style="list-style-type: none"> <li>By reducing regulatory barriers, this</li> </ul>

Regulation	Description	Regulatory Review Action
<b>Office of Housing – Federal Housing Administration</b>		
<p>Substantial Rehabilitation Programs: Changes to Limitation on Distributions of Project Funds and Adjustment of Initial Equity; Interim Rule</p> <p>24 CFR Parts 880, 881, and 883</p>	<p>nonprofit organizations in the Section 8 new construction and substantial rehabilitation programs. These programs made rental assistance available in connection with the development of newly constructed and the improvement and renovation of existing privately owned rental housing financed with any type of construction or permanent financing, including the applicable FHA Multifamily Mortgage Insurance Programs. In 1979 and 1980, HUD issued final rules that revised regulations pertaining to the Section 8 Housing Assistance Payments Program for New Construction (24 CFR part 880), Substantial Rehabilitation (24 CFR part 881), and State Housing Agencies (24 CFR part 883) in order to impose limits on distribution of project funds to profit-motivated owners and prohibiting entitlement to distribution entirely for nonprofit owners. This rule removes the prohibition, thereby providing an incentive for nonprofit owners to contribute to the availability of affordable housing.</p>	<p>change removes a disincentive for nonprofit owners to promote affordable housing.</p>
<p>Streamlining Requirements Governing the Use of Funding for Supportive Housing for the Elderly and Persons with Disabilities Programs; Proposed Rule</p> <p>24 CFR Part 891</p>	<p>This proposed rule would amend HUD’s regulations governing the Section 202 Supportive Housing for the Elderly Program (Section 202) and the Section 811 Supportive Housing for Persons with Disabilities Program (Section 811) for the purpose of streamlining the requirements for mixed-financed Section 202 and Section 811 developments. The amendments made by this proposed rule would attract private capital and the expertise of the private developer community to create attractive and affordable supportive housing developments for the elderly and for persons with disabilities.</p>	<ul style="list-style-type: none"> <li>• Removes restrictions on the portions of developments not funded through capital advances.</li> <li>• Removes regulatory barriers on participations by creating new exemptions to the conflict of interest provisions.</li> <li>• Provides flexibility regarding amenities that may be provided in projects.</li> <li>• Streamlines requirements for release of capital advance funds upon completion of the project.</li> </ul>

Regulation	Description	Regulatory Review Action
<b>Office of Public and Indian Housing</b>		
<p>Public Housing Assessment System (PHAS); Final Rule</p> <p>24 CFR Part 902</p>	<p>On February 23, 2011, HUD published an interim rule to amend HUD's Public Housing Assessment System (PHAS) regulations for the purposes of (1) consolidating the regulations governing assessment of public housing in one part of the Code of Federal Regulations (CFR); (2) revising certain PHAS regulations based on HUD's experience with PHAS since it was established in 1998; (3) updating certain PHAS procedures to reflect changes in public housing operations resulting from conversion by Public Housing Agencies (PHAs) to asset management; and (4) removing HUD's predecessor assessment regulations, the Public Housing Management Assessment Program (PHMAP) at 24 CFR part 901. The changes implemented by the interim rule will enhance the efficiency and utility of PHAS, and are based on changes submitted for public comment in an August 21, 2008, proposed rule. The changes made by the interim rule, became effective March 25, 2011, and took into consideration the public comments received on the August 21, 2008, proposed rule.</p> <p>The interim rule solicits additional public comment. The public comment period on the interim rule closes on April 25, 2011. HUD will consider the public comments in development of the final rule.</p>	<ul style="list-style-type: none"> <li>• Consolidates assessment regulations in CFR part, part 902.</li> <li>• Removes outdated PHMAP regulations at 24 CFR part 901.</li> </ul>
<p>Public Housing Capital Fund Program; Final Rule</p> <p>24 CFR Part 905</p>	<p>This final rule combines and streamlines the former legacy public housing modernization programs, including the Comprehensive Grant Program, the Comprehensive Improvement Assistance Program, and the Public Housing Development Program (which encompasses mixed-finance development), into the Capital Fund Program. The final rule also provides the ability for PHAs to request a total development cost exception for integrated utility management, capital planning, and other capital and management activities that maximize energy conservation and efficiency, including green construction and retrofits.</p> <p>The final rule follows publication of a February 7, 2011, proposed rule. The public comments period closed on April 8, 2011 and HUD received 15 public comments. HUD is considering the comments in development of the final rule.</p>	<ul style="list-style-type: none"> <li>• Streamlines public housing modernization requirements.</li> <li>• Consolidates the modernization requirements for the public housing programs in HUD's Capital Fund Program regulations at 24 CFR part 905.</li> <li>• Removes outdated parts 941, 968, 969, which currently codify the legacy modernization program requirements.</li> </ul>

Regulation	Description	Regulatory Review Action
<b>Office of Public and Indian Housing</b>		
<p>Streamlined Application Process in Public/Private Partnerships for Mixed-Finance Development of Public Housing Units Proposed Rule</p> <p>24 CFR Part 941</p>	<p>This proposed rule would revise the current application process for participation in HUD's mixed-finance public housing development programs, including HOPE VI (public housing mixed finance programs), by simplifying and streamlining the application, review, and approval processes. Currently under the public housing mixed-finance programs, a public housing agency (PHA) is required to submit a variety of closing documents to HUD, both before closing and after recordation. This proposed rule would retain this two-step process. However, rather than submitting all documents related to the closing, a PHA would complete and retain for inspection or audit all of the closing documents, and submit to HUD only a portion of the closing documents, along with all necessary certifications of the fulfillment of the closing requirements.</p>	<ul style="list-style-type: none"> <li>Reduces document submission burdens on PHAs.</li> </ul>
<p>Revisions to the Consortia of Public Housing Agencies; Proposed Rule</p> <p>24 CFR Part 943</p>	<p>This proposed rule revises the PHA consortium regulations to provide additional flexibility and increase administrative efficiencies associated with forming a consortium. The changes will also help ensure maximum family choice in locating suitable housing. The proposed rule would allow PHAs to form a new category of cross-jurisdictional consortia for administration of the Section 8 Housing Choice Voucher (HCV) program. The proposed rule would also revise the categories of Section 8 programs eligible to be administered under a consortium. Specifically, the Section 8 programs administered by HUD's Office of Multifamily Housing programs would no longer be eligible for consortia administration. HUD also proposes to establish new requirements regarding the timeframes for the establishment and dissolution of a consortium. Further, HUD has taken the opportunity afforded by this proposed rule to make several technical, non-substantive changes to improve the clarity and organization of the consortium regulations.</p>	<ul style="list-style-type: none"> <li>Enables PHAs to establish cross-jurisdictional consortia that would be treated as a single PHA, with a single jurisdiction and a single set of reporting and audit requirements, for purposes of administering the HCV program in a more streamlined and less burdensome fashion.</li> </ul>
<p>Removal of the Indian HOME Investment Partnerships Program Regulations; Final Rule</p> <p>24 CFR Part 954</p>	<p>This final rule removes HUD's outdated regulations for the legacy Indian HOME Investment Partnerships (Indian HOME) program. Under the Indian HOME program, HUD awarded funds competitively to eligible applicants to provide more affordable housing. The Indian HOME program was replaced by the Indian Housing Block Grant program established under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA); however, HUD retained the Indian HOME program regulations</p>	<ul style="list-style-type: none"> <li>Removes outdated regulations for the legacy Indian HOME program.</li> </ul>

Regulation	Description	Regulatory Review Action
<b>Office of Public and Indian Housing</b>		
	as they continued to govern existing grant awards made prior to the enactment of NAHASDA. All Indian HOME program grants are now closed and, therefore, the regulations are no longer necessary..	
Public Housing and Section 8 Programs: Housing Choice Voucher - Improving Portability for Voucher Families Proposed Rule  24 CFR Part 982	This proposed rule would amend HUD’s regulations governing portability in the Housing Choice Voucher program (HCV program). Portability is a feature of the HCV program that allows an eligible family with a housing choice voucher to use that voucher to lease a unit anywhere in the United States where there is a public housing agency (PHA) operating a housing choice voucher program. The purpose of HUD’s proposed changes to the portability regulations is to streamline the process for such inter-jurisdictional moves. Reducing the administrative burdens involved with processing portability requests will enable initial and receiving PHAs to better serve families and expand housing opportunities.	<ul style="list-style-type: none"> <li>Removes the administrative burdens involved with processing portability requests.</li> </ul>
Revision to the Section 8 Management Assessment Program (SEMAP) Lease-Up Indicator; Proposed Rule  24 CFR Part 985	This proposed rule would amend HUD’s SEMAP regulations to conform the process by which HUD measures and verifies performance under the SEMAP lease-up indicator to the process by which HUD measures and verifies voucher leasing and cost data. The amendment will reflect that assessment of a lease-up rate (that is, SEMAP lease-up indicator) by a public housing agency (PHA) is based on a calendar year cycle, rather than a fiscal year cycle. HUD measures and verifies voucher leasing and cost data on a calendar year basis. The two different systems of measurement result in administrative burden for PHAs and inefficiencies in the voucher program. This rule also clarifies that units assisted under the voucher homeownership option or under a project-based housing assistance (HAP) contract are included in the assessment of PHA units leased.	<ul style="list-style-type: none"> <li>Removes complexity and administrative burden caused by use of both the fiscal year and calendar year systems</li> <li>Provides a critical synchronization of administration of the voucher program, which will reduce program inefficiencies.</li> </ul>

Regulation	Description	Regulatory Review Action
<b>Office of Community Planning and Development</b>		
Implementation of the Homeless Emergency Assistance and	This proposed rule implementing the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) consolidates and	<ul style="list-style-type: none"> <li>Provides for consolidated grant application and administration to</li> </ul>



Regulation	Description	Regulatory Review Action
<b>Office of Community Planning and Development</b>		
Rapid Transition to Housing Act of 2009 (HEARTH Act)  24 CFR Parts 577 to 579	amends three separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program that is designed to improve administrative efficiency and enhance response coordination and effectiveness in addressing the needs of homeless persons. The HEARTH Act also codifies in law and enhances the Continuum of Care planning process, long a part of HUD's application process to assist homeless persons by providing greater coordination in responding to their needs.	ease administrative burden and improve coordination among providers and, consequently, increase the effectiveness of responses to the needs of homeless persons.
HOME Investment Partnerships—Improving Performance and Accountability; Updating Property Standards and Instituting Energy Efficiency Standards  24 CFR Part 92	The Cranston-Gonzalez National Affordable Housing Act of 1990 authorized the HOME Investment Partnerships (HOME) Program, an affordable housing block grant under which funds are allocated to States and units of local government by formula. The program has been funded each year since 1992. This rule would amend HOME regulations to implement performance standards and require more timely housing production. The rule would also update the property standards to incorporate green building techniques and energy-efficiency standards for HOME-assisted units.	<ul style="list-style-type: none"> <li>• This proposed rule would update HUD's program regulations to reflect current legal requirements with respect to HOME projects.</li> </ul>