

(1) The Director of the Federal Register approved the incorporation by reference of the service information contained in Table 9 of this AD under 5 U.S.C. 552(a) and 1 CFR part 51.

TABLE 9—NEW MATERIAL INCORPORATED BY REFERENCE

| Airbus— | Revision— | Dated— |
|---|--|--------------------|
| Mandatory Service Bulletin A300–57A0246 | 03, including Appendices 1 and 2 | March 11, 2009. |
| | 04, including Appendices 1 and 2 | September 9, 2009. |
| Mandatory Service Bulletin A300–57–0254 | Original | June 4, 2010. |
| Mandatory Service Bulletin A300–57A6087 | 05, including Appendix 1 | March 10, 2008. |
| Mandatory Service Bulletin A300–57A6101 | 03, including Appendices 1 and 2 | March 11, 2009. |
| | 04, including Appendices 1 and 2 | September 9, 2009. |
| Mandatory Service Bulletin A300–57–6110 | 0, including Appendix 1 | June 7, 2010. |

(2) The Director of the Federal Register previously approved the incorporation by reference of the service information specified in Table 10 of this AD on July 18, 2006 (71 FR 33994, June 13, 2006).

TABLE 10—MATERIAL PREVIOUSLY INCORPORATED BY REFERENCE IN AD 2006–12–13

| Airbus— | Revision— | Dated— |
|-------------------------------------|---------------------------------|--------------------|
| Service Bulletin A300–57A0234 | 04, including Appendix 01 | May 19, 2000. |
| | 05, including Appendix 01 | February 19, 2002. |
| Service Bulletin A300–57A6087 | 03, including Appendix 01 | May 19, 2000. |
| | 04, including Appendix 01 | February 19, 2002. |
| Service Bulletin A300–57–0235 | 04 | March 13, 2003. |
| | 05 | December 3, 2003. |
| Service Bulletin A300–57–6088 | 04 | December 3, 2003. |

(3) The Director of the Federal Register previously approved the incorporation by reference of the service information specified in Table 11 of this AD on April 12, 2000 (65 FR 12077, March 8, 2000).

TABLE 11—MATERIAL PREVIOUSLY INCORPORATED BY REFERENCE IN AD 2000–05–07

| Airbus— | Revision— | Dated— |
|-------------------------------------|---------------------------------|--------------------|
| Service Bulletin A300–57A0234 | 02 | June 24, 1999. |
| | 03, including Appendix 01 | September 2, 1999. |
| Service Bulletin A300–57A6087 | 02, including Appendix 01 | June 24, 1999. |

(4) For service information identified in this AD, contact Airbus SAS—EAW (Airworthiness Office), 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France; telephone +33 5 61 93 36 96; fax +33 5 61 93 44 51; e-mail account.airworth-eas@airbus.com; Internet <http://www.airbus.com>.

(5) You may review copies of the service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington. For information on the availability of this material at the FAA, call 425–227–1221.

(6) You may also review copies of the service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Issued in Renton, Washington, on November 3, 2010.
Dionne Palermo,
Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
 [FR Doc. 2010–28589 Filed 11–30–10; 8:45 am]
BILLING CODE 4910–13–P

**DEPARTMENT OF TRANSPORTATION
 Federal Aviation Administration**

14 CFR Part 39

[Docket No. FAA–2007–28348; Directorate Identifier 2007–NM–060–AD; Amendment 39–16530; AD 2010–24–11]

RIN 2120–AA64

Airworthiness Directives; The Boeing Company Model 737–600, –700, –700C, –800, and –900 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain Model 737–600, –700, –700C, –800, and –900 series airplanes. This AD requires sealing the fasteners on the front and

rear spars inside the main fuel tank and on the lower panel of the center fuel tank, inspecting the wire bundle support installation in the equipment cooling system bays to identify the type of clamp installed and determine whether the Teflon sleeve is installed, and doing related corrective actions if necessary. This AD results from a design review of the fuel tank systems. We are issuing this AD to prevent arcing at certain fuel tank fasteners in the event of a lightning strike or fault current event, which, in combination with flammable fuel vapors, could result in a fuel tank explosion and consequent loss of the airplane.

DATES: This AD becomes effective January 5, 2011.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in the AD as of January 5, 2011.

ADDRESSES: For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, Washington 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; e-mail me.boecom@boeing.com; Internet <https://www.myboeingfleet.com>.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The address for the Docket Office (telephone 800-647-5527) is the Document Management Facility, U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Tom Thorson, Aerospace Engineer, Propulsion Branch, ANM-140S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98057-3356; telephone (425) 917-6508; fax (425) 917-6590.

SUPPLEMENTARY INFORMATION:

Discussion

The FAA issued a second supplemental notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that would apply to certain Model 737-600, -700, -700C, -800, and -900 series airplanes. That second supplemental NPRM was published in the **Federal Register** on

March 23, 2009 (74 FR 12094). That second supplemental NPRM proposed to require sealing the fasteners on the front and rear spars inside the main fuel tank and on the lower panel of the center fuel tank, inspecting the wire bundle support installation in the equipment cooling system bays to identify the type of clamp installed and determine whether the Teflon sleeve is installed, and doing related corrective actions if necessary.

Relevant Service Information

The second supplemental NPRM cited Boeing Alert Service Bulletin 737-57A1279, Revision 1, dated September 25, 2008, as the appropriate source of service information. Boeing has since revised the service bulletin. Boeing Service Bulletin 737-57A1279, Revision 2, dated February 2, 2010, incorporates additional data that were included in Boeing Information Notice (IN) 737-57A1279 IN 02, dated September 25, 2008; 737-57A1279 IN 03, dated October 30, 2008; and 737-57A1279 IN 04, dated March 13, 2009. This additional information does not add more work.

Boeing has also issued IN 737-57A1279 IN 05, dated April 8, 2010. This IN specifies that Model 737-800 and -900 airplanes may have an additional clamp located at stringer 10 that requires the work shown in the steps of Figures 6, 7, 10, and 11 of Boeing Service Bulletin 737-57A1279, Revision 2, dated February 2, 2010, in the environmental control system bay of the affected airplanes.

Comments

We provided the public the opportunity to participate in the development of this AD. We have considered the comments received on the second supplemental NPRM.

Support for the Second Supplemental NPRM

Boeing reviewed the second supplemental NPRM and concurred with the contents of the proposed rule.

Request To Delay AD Action

Continental Airlines (CAL) expressed continued concern that the manufacturer needs to update the maintenance service documents to avoid inadvertently demodifying the work that this AD requires, which would result in potential enforcement action against CAL. CAL commented that to ensure compliance with the maintenance planning data Fuel System Airworthiness Limitations, the requirements of Appendix H.1(a) of the Federal Aviation Regulations (14 CFR

25); and the requirements of sections 26.1(a), 26.1(b)(2), and 26.1(b)(3) of the Federal Aviation Regulations (14 CFR 26.1(a), 14 CFR 26.1(b)(2), and 14 CFR 26.1(b)(3)); must be complied with by the original equipment manufacturer or type certificate holder. In addition, the operator must also comply with section 91.1507(e) of the Federal Aviation Regulations (14 CFR 91.1507(e)); and section 121.1113(e) of the Federal Aviation Regulations (14 CFR 121.1113(e)). CAL stated that these procedures conflict with the regulations of sections 25.1529 and 25.1729 of the Federal Aviation Regulations (14 CFR 25.1529 and 25.1729) and applicable provisions of 14 CFR parts 21 and 26.

We acknowledge the commenter's concern. However, no new ICAs have been developed for the design change required by this AD. Operators and owners are responsible for ensuring that the configuration mandated by this AD is maintained in accordance with section 39.7 of the Federal Aviation Regulations (14 CFR 39.7).

If any new airworthiness limitations (AWLs) related to any of the design features mandated by this AD are developed, we may consider additional rulemaking to mandate incorporations of those AWLs into operators' maintenance programs. We have not changed the AD in regard to this issue.

CAL cited sections 91.1507(e) of the Federal Aviation Regulations (14 CFR 91.1507(e)) and other regulations and expresses concern that the absence of the ICAs could result in enforcement action. That section requires operators to include in their maintenance programs all fuel system ICAs developed under Special Federal Aviation Regulation (SFAR) 88. However, that regulation requires operators to incorporate ICAs provided by the design approval holder. Since no ICAs were developed for the required modification, operators do not violate that regulation if their maintenance programs do not yet contain ICAs for the referenced design change. However, under section 39.7 of the Federal Aviation Regulations (14 CFR 39.7), it is still the responsibility of the operators to keep their airplanes in a configuration that is in compliance with the AD. We have not changed the AD in regard to this issue.

The FAA is working with industry to evaluate potential changes to the AD process that are intended to more clearly identify how to maintain configurations that are required for AD compliance.

Request To Clarify Airplanes Subject to Paragraph (i) of the AD

The Air Transport Association (ATA), on behalf of its member American Airlines (AA), requested that we clarify the “applicability requirements” in paragraph (i) of the second supplemental NPRM to state that modifications should be acceptable for compliance with the AD if they were made in accordance with Boeing Alert Service Bulletin 737–57A1279, dated January 24, 2007, and if the table in paragraph 1.A., “Effectivity,” of that service bulletin was used to correctly determine which airplanes are subject to the requirements of paragraph (i) of the AD. The commenter noted that the variable numbers following the table are erroneous.

Lufthansa Technik (LTK) also requested that we revise paragraph (i) of the second supplemental NPRM. LTK requested that we consider airplanes with line numbers 571 through 1691 inclusive on which the referenced actions have been performed in accordance with Boeing Alert Service Bulletin 737–57A1279, dated January 24, 2007, to be compliant with the proposed AD.

We agree with the requests to clarify which airplanes are subject to the requirements of paragraph (i) of this final rule. We have revised paragraph (i) of this final rule to state that actions done using the group assignments by line numbers found in the table in paragraph 1.A., “Effectivity,” and in accordance with the original service bulletin, Boeing Service Bulletin 737–57A1279, dated January 24, 2007, are acceptable for compliance with the corresponding requirements of this AD.

Request To Allow Alternative Teflon Sleeving Procedure

The ATA, on behalf of its member AA, proposed an alternative sleeving procedure. In its comment, AA stated that the Teflon sleeve installation cannot be accomplished as shown in Figure 13 of Boeing Alert Service Bulletin 737–57A1279, dated January 24, 2007. AA stated that Figure 9 of the service bulletin shows that the adjacent tube conduit does not allow the sleeve to be 3 inches long and centered on the clamp. AA proposed that an alternative sleeving procedure extend the sleeving at least 1 inch beyond the edge of the clamp. If 1 inch of sleeving cannot be achieved, AA suggested that the sleeving be extended as far as possible.

We agree that clarification may be necessary. Boeing is revising Boeing Alert Service Bulletin 737–57A1279 to address this issue. However, due to the urgency of the unsafe condition and in consideration of the amount of time that has already elapsed since issuance of the original service bulletin, we have determined that further delay of this final rule is not appropriate. We disagree with the request to allow an alternative Teflon sleeving procedure in this final rule. We do not have sufficient data that indicate this procedure provides an acceptable level of safety. If operators can provide sufficient data to indicate that an alternative Teflon sleeving procedure would provide an acceptable level of safety, operators can request approvals of AMOCs in accordance with the requirements of paragraph (j) of this final rule. We have not changed the final rule regarding this issue.

Request To Allow Alternative Procedure To Seal Fasteners on Wing and Main Tanks

The ATA, on behalf of its member AA, requested that we remove the proposed requirement to reseal the fasteners if already done previously in accordance with Boeing Alert Service Bulletin 737–57A1279, dated January 24, 2007. In its comment, AA stated that sealant has been previously applied at some fastener locations in the center tank and the wing tanks during airplane assembly. Therefore, AA stated, it is not possible to accomplish the steps in Figures 14 and 15 of that service bulletin, and AA proposed that if the fasteners are sealed in accordance with that service bulletin, then no further work should be required. AA also stated that Boeing 737–57A1279 Information Notice (IN) 04, dated March 13, 2009, addresses this issue.

We agree with the commenter. Boeing 737–57A1279 IN 04, dated March 13, 2009, states that for fasteners that have been previously sealed to the specifications of Boeing Alert Service Bulletin 737–57A1279, it is not required for the existing seal to be removed and the fastener sealed again. Boeing Service Bulletin 737–57A1279, Revision 2, dated February 2, 2010, incorporates the information included in Boeing 737–57A1279 IN 04, dated March 13, 2009. We updated this final rule to refer to Boeing Alert Service Bulletin 737–57A1279, Revision 2, dated February 2,

2010, as an appropriate source of service information.

Request To Reference Additional Service Information

The ATA, on behalf of its member AirTran Airways, requested that we approve Boeing Information Notices 03 and 04 as sources of service information for the supplemental NPRM. In its comment, AirTran Airways stated that the information notices clarify and provide corrections to Boeing Service Bulletin 737–57A1279, Revision 1, dated September 25, 2008.

We partially agree. We acknowledge that the information contained in these notices may be useful to operators to complete the requirements of this AD. However, Boeing has issued Boeing Service Bulletin 737–57A1279, Revision 2, dated February 2, 2010, to include the information in the information notices. We have revised the final rule accordingly.

Explanation of Change Made to This AD

We have revised this AD to identify the legal name of the manufacturer as published in the most recent type certificate data sheet for the affected airplane models.

Conclusion

We have carefully reviewed the available data, including the comments received, and determined that air safety and the public interest require adopting the AD with the changes described previously. We have determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

Explanation of Change to Costs of Compliance

Since issuance of the NPRM, we have increased the labor rate used in the Costs of Compliance from \$80 per work-hour to \$85 per work-hour. The Costs of Compliance information, below, reflects this increase in the specified hourly labor rate.

Costs of Compliance

There are about 1,754 airplanes of the affected design in the worldwide fleet; of these, 645 airplanes are U.S.-registered. The following table provides the estimated costs for U.S. operators to comply with this final rule, at an average hourly labor rate of \$85.

ESTIMATED COSTS

| Action | Group | Work hours | Cost per airplane | Number of U.S.-registered airplanes | Fleet cost |
|---------------------------|-------|------------|-------------------|-------------------------------------|-------------|
| Sealant application | 1 | 62 | \$5,270 | 586 | \$3,088,220 |
| | 2 | 28 | \$2,380 | 44 | 104,720 |
| | 3 | 28 | \$2,380 | 15 | 35,700 |
| Inspection | 1 | 4 | \$340 | 586 | 199,240 |
| | 2 | 4 | \$340 | 44 | 14,960 |
| | 3 | 2 | \$170 | 15 | 2,550 |

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.

We are 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

We have determined that this AD will not have federalism implications under Executive Order 13132. This AD will 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 that this AD:

- (1) Is not a “significant regulatory action” under Executive Order 12866;
- (2) Is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and
- (3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket. See the ADDRESSES section for a location to examine the regulatory evaluation.

List of Subjects in 14 CFR Part 39

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

Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 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 Federal Aviation Administration (FAA) amends § 39.13 by adding the following new airworthiness directive (AD):

2010–24–11 The Boeing Company:
Amendment 39–16530. Docket No. FAA–2007–28348; Directorate Identifier 2007–NM–060–AD.

Effective Date

- (a) This AD becomes effective January 5, 2011.

Affected ADs

- (b) None.

Applicability

- (c) This AD applies to The Boeing Company Model 737–600, –700, –700C, –800, and –900 series airplanes, certificated in any category; as identified in Boeing Service Bulletin 737–57A1279, Revision 2, dated February 2, 2010.

Subject

- (d) Air Transport Association (ATA) of America Code 57: Wings.

Unsafe Condition

- (e) This AD results from a design review of the fuel tank systems. The Federal Aviation Administration is issuing this AD to prevent arcing at certain fuel tank fasteners in the event of a lightning strike or fault current event, which, in combination with flammable fuel vapors, could result in a fuel tank explosion and consequent loss of the airplane.

Compliance

- (f) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Fastener Sealant

- (g) Within 60 months after the effective date of this AD: Seal the fasteners on the front and rear spars inside the main fuel tank and on the lower panel of the center fuel tank, as applicable, in accordance with the Accomplishment Instructions of Boeing Service Bulletin 737–57A1279, Revision 2, dated February 2, 2010.

Inspection and Corrective Action

- (h) Within 60 months after the effective date of this AD: Perform a general visual inspection of the wire bundle support installation in the equipment cooling system bays to identify the type of clamp installed, and determine whether the Teflon sleeve is installed. Do these actions in accordance with the Accomplishment Instructions of Boeing Service Bulletin 737–57A1279, Revision 2, dated February 2, 2010. Do all applicable corrective actions before further flight in accordance with the Accomplishment Instructions of Boeing Service Bulletin 737–57A1279, Revision 2, dated February 2, 2010. Certain Model 737–800 and 737–900 airplanes may have an additional clamp location at stringer 10 that is required to perform the steps of Figures 6, 7, 10, and 11 of Boeing Service Bulletin 737–57A1279, Revision 2, dated February 2, 2010, in the environmental control systems (ECS) bay.

Actions Accomplished Previously

- (i) Actions done before the effective date of this AD using the group assignments with the line numbers in the table in paragraph 1.A., “Effectivity,” and in accordance with Boeing Alert Service Bulletin 737–57A1279, dated January 24, 2007; or Revision 1, dated September 25, 2008; are acceptable for compliance with the corresponding requirements of this AD.

Alternative Methods of Compliance (AMOCs)

- (j)(1) The Manager, Seattle Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Tom Thorson, Aerospace Engineer, Propulsion Branch, ANM–140S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue SW.,

Renton, Washington 98057-3356; telephone (425) 917-6510; fax (425) 917-6508. Or, e-mail information to 9-ANM-Seattle-ACO-AMOC-Requests@faa.gov.

(2) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Before using any approved AMOC on any airplane to which the AMOC applies, notify your principal maintenance inspector (PMI) or principal avionics inspector (PAI), as appropriate, or lacking a principal inspector, your local Flight Standards District Office. The AMOC approval letter must specifically reference this AD.

Material Incorporated by Reference

(k) You must use Boeing Service Bulletin 737-57A1279, Revision 2, dated February 2, 2010, to do the actions required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register approved the incorporation by reference of this service information under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, Washington 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; e-mail me.boecom@boeing.com; Internet <https://www.myboeingfleet.com>.

(3) You may review copies of the service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington. For information on the availability of this material at the FAA, call 425-227-1221.

(4) You may also review copies of the service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Issued in Renton, Washington on November 18, 2010.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2010-29792 Filed 11-30-10; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 3500

[Docket No. FR-5425-IA-02]

Real Estate Settlement Procedures Act (RESPA): Home Warranty Companies' Payments to Real Estate Brokers and Agents Interpretive Rule: Response to Public Comments

AGENCY: Office of General Counsel, HUD.

ACTION: Interpretive rule; response to public comments.

SUMMARY: On June 25, 2010, HUD issued a rule interpreting certain provisions of RESPA as applied to the payment of fees to real estate brokers and agents by home warranty companies. The public was invited to comment on the interpretive rule. After reviewing and considering the comments, HUD determined that changes are not needed to the interpretive rule. Through this document, HUD responds to certain questions raised in the comments. HUD believes that its response to these questions serves to provide additional guidance relating to matters covered in the interpretive rule and the comments.

FOR FURTHER INFORMATION CONTACT: For legal questions, contact Paul S. Ceja, Assistant General Counsel for RESPA/SAFE, telephone number 202-708-3137; or Peter S. Race, Assistant General Counsel for Compliance, telephone number 202-708-2350; Department of Housing and Urban Development, 451 7th Street, SW., Room 9262, Washington, DC 20410. For other questions, contact Barton Shapiro, Director, or Mary Jo Sullivan, Deputy Director, Office of RESPA and Interstate Land Sales, Office of Housing, Department of Housing and Urban Development, 451 7th Street, SW., Room 9158, Washington, DC 20410; telephone number 202-708-0502. These telephone numbers are not toll-free. Persons with hearing or speech impairments may access these numbers via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

The requirements and prohibitions under RESPA apply to residential real estate transactions that include a federally related mortgage loan. Section 8 of RESPA prohibits giving and receiving “kickbacks” for the referral of real estate settlement services, and unearned fees, involving real estate transactions. Since 1992, HUD’s RESPA regulations have defined “settlement service” to include “homeowner’s warranties”. 24 CFR 3500.2(11). While a referral of settlement services is not compensable under RESPA, a real estate broker or agent (or other person in a position to refer settlement service business) may be compensated for services that are actual, necessary and distinct from the primary services provided by the real estate broker or agent, if the services are not nominal, and the payment is not a duplicative charge. (See 24 CFR 3500.14(b), (c), (g)(1), and (g)(3)).

On June 25, 2010 (75 FR 36271), HUD issued an interpretive rule on the propriety under Section 8 of RESPA (12 U.S.C. 2607) of payments to real estate brokers and agents from home warranty companies (HWCs). The interpretive rule concluded:

(1) A payment by an HWC for marketing services performed by real estate brokers or agents on behalf of the HWC that are directed to particular homebuyers or sellers is an illegal kickback for a referral under section 8;

(2) Depending upon the facts of a particular case, an HWC may compensate a real estate broker or agent for services when those services are actual, necessary and distinct from the primary services provided by the real estate broker or agent, and when those additional services are not nominal and are not services for which there is a duplicative charge; and

(3) The amount of compensation from the HWC that is permitted under section 8 for such additional services must be reasonably related to the value of those services and not include compensation for referrals of business. 75 FR at 36273.

HUD received 72 comments in response to publication of the interpretive rule. HUD reviewed all of the comments, and appreciates the input and information provided by the commenters. Some commenters supported the interpretive rule and others did not. HUD found that the comments that were not supportive of its interpretation did not present concerns or information that warrant any changes to the interpretive rule. HUD, however, has identified and is responding to seven specific questions to provide additional guidance relating to matters covered in the interpretive rule and the comments.

II. Questions and Responses

1. *Question:* Is a home warranty company’s flat fee payment (e.g., monthly or annual payment) to a real estate broker or agent for marketing a home warranty product directly to particular homebuyers or sellers a permissible payment under section 8 of RESPA?

HUD Response: No, as provided in the interpretive rule, payments for marketing services directed to particular homebuyers or sellers are considered to be payments for affirmatively influencing their choice of settlement service providers and would therefore violate section 8 of RESPA as an illegal kickback for a referral, regardless of whether the payment is made to the broker or agent on a “per transaction” or a “flat fee” basis.