

# Rules and Regulations

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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

### Rural Business-Cooperative Service

### Rural Utilities Service

### Farm Service Agency

### 7 CFR Parts 1951 and 1956

RIN 0570-AA88

### Rural Development Loan Servicing

**AGENCY:** Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, and Farm Service Agency, USDA.

**ACTION:** Direct final rule.

**SUMMARY:** The Rural Business-Cooperative Service is amending its regulations for Debt Settlement. This amendment would allow the Rural Business Service's (referred to as Agency throughout the remainder of the text) Administrator to use the statutory authority that has been delegated to him/her in accordance with title 331(b)(4) of the Consolidated Farm and Rural Development Act (CONACT), but is currently not being used for all of RBS's revolving loan programs, which include: The Intermediary Relending Program (IRP) loans, Rural Development Loan Fund (RDLF) loans, and the Rural Microentrepreneur Assistance Program (RMAP) loans. This regulation will allow the RBS to be consistent across all of its loan programs; all of RBS's other loan programs have regulations in place to settle debt.

This Direct Final Rule is intended to authorize the Agency to use its independent debt settlement authority under CONACT. Nothing in this Direct Final Rule is intended to affect the requirements of the Agency to follow other applicable Federal debt collection law such as the Debt Collection

Improvement Act of 1996, as amended. Further nothing in this Direct Final Rule is intended to alter any requirements the Agency must follow when making collection referrals to the Department of Justice or the Treasury Department.

**DATES:** This rule is effective May 18, 2015. Comments on this direct final rule must be received on or before April 13, 2015 to be assured of consideration.

If RBS receives adverse comment(s) on all or a distinct portion of this rule, we will publish a timely withdrawal in the *Federal Register* informing the public that some of this rule or the entire direct final rule will not take effect. The rule provisions that are not withdrawn will become effective on the date set out above, notwithstanding adverse comments on any other provision, unless we determine that it would not be appropriate to promulgate those provisions.

**ADDRESSES:** You may submit comments to this direct final rule by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Mail:* Submit written comments via the U.S. Postal Service to the Branch Chief, Regulations and Paperwork Management Branch, U.S. Department of Agriculture, STOP 0742, 300 7th Street SW., 7th Floor, Washington, DC 20024.
- *Hand Delivery/Courier:* Submit written comments via Federal Express Mail, or other courier service requiring a street address, to the Branch Chief, Regulations and Paperwork Management Branch, U.S. Department of Agriculture. All written comments will be available for public inspection during regular work hours at the 300 7th Street SW., 7th Floor address listed above.

**FOR FURTHER INFORMATION CONTACT:** Melvin Padgett, Rural Development, Business Programs, U.S. Department of Agriculture, 1400 Independence Avenue SW., Stop 3226, Washington, DC 20250-3225; email: [melvin.padgett@wdc.usda.gov](mailto:melvin.padgett@wdc.usda.gov); telephone: (202) 720-1495.

#### SUPPLEMENTARY INFORMATION:

#### Executive Order 12866, Classification

This rule has been determined to be significant for purposes of Executive Order 12866 and has been reviewed by

the Office of Management and Budget (OMB). The Executive Order defines a "significant regulatory action" as one that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect, in a material way, the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal Governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

The Agency conducted a benefit-cost analysis to fulfill the requirements of EO 12866. This rule will not impose any new costs for the public (customers, applicants, borrowers, grantees, recipients and/or beneficiaries) of Rural Development's loan programs. This direct final rule permits the debt settlement policy to be uniform and consistent for all programs and will allow the Rural Development to process eligible debt settlement cases in a prompt and efficient manner.

#### Programs Affected

The Catalog of Federal Domestic Assistance Program number assigned to the IRP is 10.767.

#### Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR, part 1940, subpart G, "Environmental Program." Rural Development has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment and, in accordance with the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321 *et seq.*, an Environmental Impact Statement is not required.

#### Executive Order 12372, Intergovernmental Consultation

The program is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. Consultation will be completed at the time of the action performed.

**Executive Order 12988, Civil Justice**

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. The Agency has determined that this rule meets the applicable standards provided in § 3 of the Executive Order. Additionally, (1) all State and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given to the rule; and (3) administrative appeal procedures, if any, must be exhausted before litigation against the Department or its agencies may be initiated, in accordance with the regulations of the National Appeals Division of USDA at 7 CFR part 11.

**Executive Order 13132, Federalism**

The policies contained in this rule do not have any substantial direct effect on 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. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with States is not required.

**Regulatory Flexibility Act Certification**

Under section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Agency certifies that this rule will not have a significant economic impact on a substantial number of small entities. The Agency made this determination based on the fact that this regulation only impacts those who choose to participate in the program. Small entity applicants will not be impacted to a greater extent than large entity applicants.

**Unfunded Mandate Reform Act**

This rule contains no Federal mandates (under the regulatory provisions of Title II of the Unfunded Mandates Reform Act of 1995) for State, local, and Tribal Governments or the private sector. Thus, this rule is not subject to the requirements of §§ 202 and 205 of the Unfunded Mandates Reform Act of 1995.

**Executive Order 13175, Consultation and Coordination With Indian Tribal Governments**

This executive order imposes requirements on Rural Development (RD) in the development of regulatory policies that have tribal implications or preempt tribal laws. RD has determined that this rule does not have a substantial direct effect on one or more Indian tribe(s) or on either the relationship or the distribution of powers and responsibilities between the Federal

Government and Indian tribes. Thus, this rule is not subject to the requirements of Executive Order 13175. If a tribe determines that this rule has implications of which RD is not aware and would like to engage with RD on this rule, please contact RD's Native American Coordinator at (720) 544-2911 or [AIAN@wdc.usda.gov](mailto:AIAN@wdc.usda.gov).

**Paperwork Reduction Act**

This rule contains no new reporting or recordkeeping requirements that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

**E-Government Act Compliance**

Rural Development is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies, to provide increased opportunities for citizens to access Government information and services electronically.

**I. Background**

The process of debt settlement is a time consuming process. Before a borrower in default can settle their indebtedness to the Agency, current regulations require four levels of review: The local/area office, the State Office, the National Office, and finally a United States Department of Justice (DOJ) review. This review process results in loans that are eligible for debt settlement, to continue to sit on the books much longer than necessary, incurring interest, and decreasing the likelihood that a borrower will exist to collect recoveries once the loan is finally sent to the Department of the Treasury.

The Agency has shown, through its use of the settlement authority in 7 U.S.C. 1981(b)(4) in its other loan programs, that it can judiciously and reasonably administer that authority on its own without the need for additional levels of review.

By revising its regulations governing the review process for debt settlement, the Agency will be able to process debt settlement claims in a more uniform, prompt, and efficient manner.

**II. Discussion of Changes**

The Agency is proposing to modify several paragraphs in 7 CFR part 1951, subpart R and in 7 CFR part 1956, subpart C in order to allow the aforementioned loans to be settled under Agency policies and procedures for debt settlement as found in 7 CFR part 1956, subpart C, and to remove the requirement to send settlements to DOJ, allowing us to use the Federal Claims Collection Standards (31 CFR parts 900–

904). This will permit the Agency to quickly and efficiently dispose of debt settlements. The specific changes are summarized below:

1. The Agency is proposing to modify § 1951.851(a) by adding a sentence to indicate that all debt settlement cases submitted under 7 CFR part 1951, subpart R, will be handled in accordance with 7 CFR part 1956, subpart C. The Agency is adding reference to the RMAP in the first sentence to indicate its inclusion.

2. The Agency is proposing to revise § 1951.894 to state that the debt settlement of all claims, which would now include RMAP, would be handled in accordance with 7 CFR 1956, subpart C. Specifically, the Agency is replacing the reference to Federal Claims Collection Standards, 4 CFR parts 101–105, with reference to “Subpart C of Part 1956 of this Chapter.”

3. The Agency is proposing to revise §§ 1956.101 so that debt settlement of RDLF loans, IRP loans and RMAP loans, will be under 7 CFR part 1956, subpart C (and will be handled by the Agency's Administrator) rather than under the Federal Claims Collection Standards as currently provided in the regulation.

4. The Agency is proposing to revise the introductory text to § 1956.147 to remove reference to RDLF loans and IRP loans. This is a conforming change that removes these loans from complying with the debt settlement provisions under the Federal Claims Collection Act.

**List of Subjects****7 CFR Part 1951**

Loan programs—agriculture, Loan programs—housing and community development.

**7 CFR Part 1956**

Loan programs—agriculture, Loan programs—housing and community development.

For the reasons set forth in the preamble, chapter XVIII, title 7, of the Code of Federal Regulations is amended as follows:

**CHAPTER XVIII—RURAL HOUSING SERVICE, RURAL BUSINESS-COOPERATIVE SERVICE, RURAL UTILITIES SERVICE, AND FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE**

**PART 1951—SERVICING AND COLLECTIONS**

■ 1. The authority citation for part 1951 is revised to read as follows:

**Authority:** 5 U.S.C. 301; and 7 U.S.C. 1989.

## Subpart R—Rural Development Loan Servicing

■ 2. Paragraph (a) of § 1951.851 is revised to read as follows:

### § 1951.851 Introduction.

(a) This subpart contains regulations for servicing or liquidating loans or other assistance made by the Rural Business-Cooperative Service or its successor agency under the IRP and the RMAP. All debt settlement cases under this subpart will be settled in accordance with the debt settlement provisions set forth in 7 CFR part 1956, subpart C. The provisions of this subpart supersede conflicting provisions of any other subpart.

\* \* \* \* \*

■ 3. Section 1951.894 is revised to read as follows:

### § 1951.894 Debt settlement.

Debt settlement of all claims will be handled in accordance with subpart C of part 1956 of this chapter.

## PART 1956—DEBT SETTLEMENT

■ 4. The authority citation for part 1956 is revised to read as follows:

Authority: 5 U.S.C. 301; and 7 U.S.C. 1989.

## Subpart C—Debt Settlement—Community and Business Programs

■ 5. Section 1956.101 is revised to read as follows:

### § 1956.101 Purpose.

This subpart delegates authority and prescribes policies and procedures for debt settlement of Community Facility loans; Association Recreation loans; Rural Renewal loans; direct Business and Industry loans; Rural Development Loan Fund loans; Intermediary Relending Program loans; and the Rural Microentrepreneur Assistance Program (RMAP) loans and repayable portions of RMAP grants; and Shift-in-land-use loans. Settlement of Economic Opportunity Cooperative loans, Claims Against Third Party Converters, Non-program loans, Rural Business Enterprise/Television Demonstration Grants, Nonprofit National Corporations Loans and Grants, and 601 Energy Impact Assistance Grants, is not authorized under independent statutory authority, and settlement under these programs is handled pursuant to the Federal Claims Collection Joint Standards, 31 CFR parts 900 through 904, inclusive. In addition, this subpart does not apply to Water and Waste Programs of the Rural Utilities Service, Watershed loans, and Resource

Conservation and Development loans, which are serviced under part 1782 of this title.

■ 6. The section heading and introductory text to § 1956.147 are revised to read as follows:

### § 1956.147 Debt settlement under the Federal Claims Collection Standard.

Unless otherwise provided in this title, loans and claims will be settled in accordance with the Federal Claims Collection Standards at 31 CFR parts 900 through 904, inclusive.

\* \* \* \* \*

Dated: February 27, 2015.

**Lisa Mensah,**  
*Under Secretary.*

Dated: February 26, 2015.

**Michael Scuse,**  
*Under Secretary, Farm and Foreign Agricultural Services.*

[FR Doc. 2015-05435 Filed 3-12-15; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Docket No. FAA-2014-0467; Airspace Docket No. 14-ANM-7]

### Establishment of Class E Airspace; Spokane, WA

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action establishes Class E airspace at Spokane, WA, to facilitate vectoring of Instrument Flight Rules (IFR) aircraft under control of Seattle Air Route Traffic Control Center (ARTCC). This action enhances the safety and management of IFR operations within the National Airspace System (NAS).

**DATES:** Effective 0901 UTC, April 30, 2015. The Director of the Federal Register approves this incorporation by reference action under title 1, Code of Federal Regulations, part 51, subject to the annual revision of FAA Order 7400.9 and publication of conforming amendments.

**ADDRESSES:** FAA Order 7400.9Y, Airspace Designations and Reporting Points, and subsequent amendments can be viewed on line at <http://www.faa.gov/airtraffic/publications/>. The Order is also available for inspection 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>.

FAA Order 7400.9, Airspace Designations and Reporting Points, is published yearly and effective on September 15. For further information, you can contact the Airspace Policy and ATC Regulations Group, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 29591; telephone: 202-267-8783.

### FOR FURTHER INFORMATION CONTACT:

Steve Haga, Federal Aviation Administration, Operations Support Group, Western Service Center, 1601 Lind Avenue SW., Renton, WA 98057; telephone (425) 203-4563.

### SUPPLEMENTARY INFORMATION:

#### History

On November 19, 2014 the FAA published in the **Federal Register** a notice of proposed rulemaking (NPRM) to establish Class E en route domestic airspace at Spokane, WA (79 FR 68809). Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. One comment was received from the National Business Aviation Association in support of the proposal.

Class E airspace designations are published in paragraph 6006, of FAA Order 7400.9Y, dated August 6, 2014, and effective September 15, 2014, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document will be published subsequently in the Order.

### Availability and Summary of Documents for Incorporation by Reference

This document amends FAA Order 7400.9Y, Airspace Designations and Reporting Points, dated August 6, 2014, and effective September 15, 2014. FAA Order 7400.9Y is publicly available as listed in the **ADDRESSES** section of this final rule. FAA Order 7400.9Y lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points.

### The Rule

This amendment to Title 14, Code of Federal Regulations (14 CFR) part 71 establishes Class E en route domestic airspace extending upward from 1,200 feet above the surface at Spokane, WA. By this action, aircraft are contained while in IFR conditions under control of Seattle ARTCC by vectoring aircraft from en route airspace to terminal areas. This action enhances the safety and