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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 532

RIN 3206-AN29

Prevailing Rate Systems; Redefinition of the New York, NY, and Philadelphia, PA, Appropriated Fund Federal Wage System Wage Areas

AGENCY: U.S. Office of Personnel Management.

ACTION: Final rule.

SUMMARY: The U.S. Office of Personnel Management (OPM) is issuing a final rule to redefine the geographic boundaries of the New York, NY, and Philadelphia, PA, appropriated fund Federal Wage System (FWS) wage areas. The final rule will address an anomalous situation affecting Joint Base McGuire-Dix-Lakehurst. Portions of the Joint Base are currently defined to the Philadelphia wage area and to the New York wage area. OPM has developed a new criterion for defining wage areas to address this unique situation so that the entire Joint Base is covered by a single wage schedule.

DATES: *Effective date:* This regulation is effective on November 30, 2016.

Applicability date: This change applies on the first day of the first applicable pay period beginning on or after December 30, 2016.

FOR FURTHER INFORMATION CONTACT: Madeline Gonzalez, by telephone at (202) 606-2838 or by email at pay-leave-policy@opm.gov.

SUPPLEMENTARY INFORMATION: On July 20, 2016, OPM issued a proposed rule (81 FR 47049) to redefine the Joint Base McGuire-Dix-Lakehurst portions of Burlington County, NJ, and Ocean County, NJ, that are currently defined to the Philadelphia, PA, wage area to the New York, NY, wage area so that the entire Joint Base is covered by a single

FWS wage schedule. This change is based on a majority recommendation of the Federal Prevailing Rate Advisory Committee (FPRAC), the national labor-management committee responsible for advising OPM on the administration of the FWS.

The 30-day comment period ended on August 19, 2016. OPM received comments from several hundred Federal employees, several Members of Congress, and one agency. Public comments supported defining the Joint Base McGuire-Dix-Lakehurst portions of Burlington County and Ocean County currently defined to the Philadelphia wage area to the New York wage area.

Employees stationed at Tobyhanna Army Depot in northeastern Pennsylvania asked that OPM also consider redefining Monroe County, PA, from the Scranton-Wilkes-Barre, PA, wage area to the New York wage area. FPRAC made a separate recommendation by majority vote in January 2016 that OPM redefine Monroe County to the New York wage area. FPRAC's recommendation, and the public comments regarding Tobyhanna Army Depot, is beyond the scope of this rule. The intent of this rule is to address an anomalous situation created when a contiguous Joint Base overlaps two metropolitan areas and two FWS wage areas. The proposed rule's new criterion for defining FWS wage area boundaries has limited applicability and was not intended to address any other situation.

An agency suggested that instead of defining a single contiguous Joint Base that overlaps two wage areas to the wage area with the most favorable payline, OPM should in the future consider basing the wage area definition for a Joint Base on the part of the Joint Base with the largest FWS employment count. The agency expressed concerns that Joint Bases were established in part to save costs and the proposed new criterion would result in higher wage costs. Although OPM considered this option when developing the proposed rule, it was not adopted because the new proposed criterion follows a protocol already established in similar FWS special wage schedule regulations as an equitable method for compensating employees stationed at a small contiguous installation.

In addition, several commenters questioned the effective date of the proposed change recommending

retroactive applicability. OPM defines wage areas through regulations in 5 CFR part 532. Changes in OPM's regulations are prospective, not retroactive, following an appropriate period for public comment. This change will apply on the first day of the first applicable pay period beginning on or after 30 days following publication of the final regulations.

Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they will affect only Federal agencies and employees.

Executive Order 13563 and Executive Order 12866

This final rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 13563 and Executive Order 12866.

List of Subjects in 5 CFR Part 532

Administrative practice and procedure, Freedom of information, Government employees, Reporting and recordkeeping requirements, Wages.

U.S. Office of Personnel Management.

Beth F. Cobert,
Acting Director.

Accordingly, OPM amends 5 CFR part 532 as follows:

PART 532—PREVAILING RATE SYSTEMS

■ 1. The authority citation for part 532 continues to read as follows:

Authority: 5 U.S.C. 5343, 5346; § 532.707 also issued under 5 U.S.C. 552.

Subpart B—Prevailing Rate Determinations

■ 2. Section 532.211 is amended by adding a new paragraph (f) to read as follows:

§ 532.211 Criteria for establishing appropriated fund wage areas.

* * * * *

(f) A single contiguous military installation defined as a Joint Base that would otherwise overlap two separate wage areas shall be included in only a single wage area. The wage area of such a Joint Base shall be defined to be the wage area with the most favorable payline based on an analysis of the simple average of the 15 nonsupervisory

second step rates on each one of the regular wage schedules applicable in the otherwise overlapped wage areas.

■ 3. Appendix C to subpart B is amended by revising the wage area listing for the New York, NY, and Philadelphia, PA, wage areas to read as follows:

Appendix C to Subpart B of Part 532—Appropriated Fund Wage and Survey Areas

* * * * *
NEW YORK
 * * * * *
New York
Survey Area

- New Jersey:
- Bergen
- Essex
- Hudson
- Middlesex
- Morris
- Passaic
- Somerset
- Union
- New York:
- Bronx
- Kings
- Nassau
- New York
- Orange
- Queens
- Suffolk
- Westchester

Area of Application. Survey area plus:

- New Jersey:
- Burlington (Joint Base McGuire-Dix-Lakehurst portion only)
- Hunterdon
- Monmouth
- Ocean
- Sussex
- New York:
- Dutchess
- Putnam
- Richmond
- Rockland
- Pennsylvania:
- Pike

* * * * *
PENNSYLVANIA
 * * * * *
Philadelphia
Survey Area

- New Jersey:
- Burlington (Excluding the Joint Base McGuire-Dix-Lakehurst portion)
- Camden
- Gloucester
- Pennsylvania:
- Bucks
- Chester
- Delaware
- Montgomery
- Philadelphia

Area of Application. Survey area plus:

- New Jersey:

- Atlantic
- Cape May
- Cumberland
- Mercer
- Warren
- Pennsylvania:
- Carbon
- Lehigh
- Northampton

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 [FR Doc. 2016–28769 Filed 11–29–16; 8:45 am]

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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 34

[Docket No. OCC–2015–0021]

RIN 1557–AD99

FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Docket No. R–1443]

RIN 7100–AD 90

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1026

[Docket No. CFPB–2016–0035]

RIN 3170–AA68

Appraisals for Higher-Priced Mortgage Loans Exemption Threshold

AGENCY: Board of Governors of the Federal Reserve System (Board); Bureau of Consumer Financial Protection (Bureau); and Office of the Comptroller of the Currency, Treasury (OCC).

ACTION: Final rules, official interpretations and commentary.

SUMMARY: The OCC, the Board, and the Bureau are finalizing amendments to the official interpretations for their regulations that implement section 129H of the Truth in Lending Act (TILA). Section 129H of TILA establishes special appraisal requirements for “higher-risk mortgages,” termed “higher-priced mortgage loans” or “HPMLs” in the agencies’ regulations. The OCC, the Board, the Bureau, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA) and the Federal Housing Finance Agency (FHFA) (collectively, the Agencies) issued joint final rules implementing these requirements, effective January 18, 2014. The

Agencies’ rules exempted, among other loan types, transactions of \$25,000 or less, and required that this loan amount be adjusted annually based on any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI–W). If there is no annual percentage increase in the CPI–W, the OCC, the Board and the Bureau will not adjust this exemption threshold from the prior year. The final rule will memorialize this as well as the agencies’ calculation method for determining the adjustment in years following a year in which there is no annual percentage increase in the CPI–W. Based on the CPI–W in effect as of June 1, 2016, the exemption threshold will remain at \$25,500 through 2017.

DATES: This final rule is effective January 1, 2017.

FOR FURTHER INFORMATION CONTACT: OCC: MaryAnn Nash, Counsel, Legislative and Regulatory Activities Division, (202) 649–6287; for persons who are deaf and hard of hearing TTY, (202) 649–5597. *Board:* Lorna M. Neill, Senior Counsel, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452–3667; for users of Telecommunications Device for the Deaf (TDD) only, contact (202) 263–4869. *Bureau:* Jaclyn Maier, Counsel, Office of Regulations, Consumer Financial Protection Bureau, at (202) 435–7700.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) amended the Truth in Lending Act (TILA) to add special appraisal requirements for “higher-risk mortgages.”¹ In January 2013, the Agencies issued a joint final rule implementing these requirements and adopted the term “higher-priced mortgage loan” (HPML) instead of “higher-risk mortgage” (the January 2013 Final Rule).² In July 2013, the Agencies proposed additional exemptions from the January 2013 Final Rule (the 2013 Supplemental Proposed Rule).³ In December 2013, the Agencies issued a supplemental final rule with additional exemptions from the January 2013 Final Rule (the December 2013 Supplemental Final Rule).⁴ Among other exemptions, the Agencies adopted an exemption from the new HPML appraisal rules for transactions of

¹ Public Law 111–203 section 1471, 124 Stat. 1376 (2010), codified at TILA section 129H, 15 U.S.C. 1639h.

² 78 FR 10368 (Feb. 13, 2013).

³ 78 FR 48548 (Aug. 8, 2013).

⁴ 78 FR 78520 (Dec. 26, 2013).