

Authority: 5 U.S.C. 1103(c), 2301, 2302, 4101, *et seq.*; E.O. 11348, 3 CFR, 1967 Comp., p. 275, E.O. 11478, 3 CFR 1966–1970 Comp., page 803, unless otherwise noted, E.O. 13087; and E.O. 13152.

■ 23. Amend § 410.306 by revising paragraph (c) to read as follows:

§ 410.306 Selecting and assigning employees to training.

* * * * *

(c) Subject to the prohibitions of § 410.308(a), an agency may pay all or part of the training expenses of students hired under the Pathways Internship Program (see 5 CFR part 362, subpart B).

[FR Doc. 2023–17372 Filed 8–15–23; 8:45 am]

BILLING CODE 6325–39–P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

7 CFR Parts 3550 and 3555

[Docket No. RHS–23–SFH–0007]

RIN 0575–AD32

Updating Manufactured Housing Provisions

AGENCY: Rural Housing Service, Department of Agriculture (USDA).

ACTION: Proposed rule.

SUMMARY: The Rural Housing Service (RHS or the Agency), a Rural Development agency of the United States Department of Agriculture (USDA), proposes to amend the current regulations for the Single-Family Housing (SFH) Section 502 Direct and the SFH Guaranteed Loan Program. The intent of this proposed rule is to allow the Agency to give borrowers increased purchase options within a competitive market and increase adequate housing along with an enhanced customer experience with the SFH programs.

DATES: Comments on the proposed rule must be received on or before October 16, 2023.

ADDRESSES: Comments may be submitted electronically by the Federal eRulemaking Portal: Go to <http://www.regulations.gov> and, in the “Search Field” box, labeled “Search for dockets and documents on agency actions,” enter the following docket number: https://aiomostl0as096.usda.net/desktop/container/?locale=en_US/-/home (RHS–23–SFH–0007) or RIN# 0575–AD32, then click search. To submit or view public comments, select the following document title: (Updating Manufactured Housing Provisions) from the “Search Results,” and select the “Comment”

button. Before inputting your comments, you may also review the “Commenter’s Checklist” (optional). Insert your comments under the “Comment” title, click “Browse” to attach files (if available). Input your email address and select “Submit Comment.” Information on using *Regulations.gov*, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site’s “FAQ” link.

Other Information: Additional information about Rural Development and its programs is available on the internet at <http://www.rurdev.usda.gov/index.html>.

All comments will be available for public inspection online at the Federal eRulemaking Portal (<http://www.regulations.gov>).

FOR FURTHER INFORMATION CONTACT:

Sonya Evans, Finance & Loan Analyst, SFH Direct Loan Division, Rural Housing Service, Rural Development, United States Department of Agriculture, 1400 Independence Avenue SW, Washington, DC 20250, Phone: 423–268–4333, Email: sonya.evans@usda.gov. Or contact Stephanie Freeman, Finance & Loan Analyst, Policy, Analysis, and Communications Branch, Single Family Housing Guaranteed Loan Division, Rural Housing Service, Rural Development, United States Department of Agriculture, 1400 Independence Avenue SW, Washington DC 20250, Phone: 314–457–6413, Email: stephanie.freeman@usda.gov.

SUPPLEMENTARY INFORMATION:

I. Background

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

Well built, affordable housing is essential to the vitality of communities in rural America. Rural Development’s (RD) Single Family Housing (SFH) Programs give families and individuals the opportunity to buy, build, or repair affordable homes located in rural America. Eligibility for these loans, loan guarantees, and grants is based on

income and varies according to the average median income for each area.

RHS administers the following SFH Programs under 7 CFR parts 3550 and 3555 authorized by Section 502 of the Housing Act of 1949, as amended, (42 U.S.C. 1472):

- Section 502 Direct Loan Program assists low- and very low-income applicants who currently do not own adequate housing and cannot obtain other credit, the opportunity to acquire, build, rehabilitate, improve, or relocate dwellings in rural areas.

- Section 502 Guaranteed Loan Program assists low- and moderate-income applicants the opportunity to acquire, build, rehabilitate, improve, or relocate dwellings in rural areas.

The President announced in May 2022, the release of a Housing Supply Action Plan (the Plan) to ease the burden of housing costs over time, by boosting the supply of quality housing in every community. The plan includes legislative and administrative actions that will help close America’s housing supply shortfall in five years, starting with the creation and preservation of hundreds of thousands of affordable housing units in the next three years. Under the Plan, the Administration intends to deploy new financing mechanisms to build and preserve more housing where housing gaps exist. There is special emphasis on supporting production and availability of manufactured housing through improved loan rates and terms making this type of homeownership more attainable and affordable.

II. Discussion of the Proposed Rule

The Housing and Urban Development’s (HUD) Office of Manufactured Housing Program regulates the construction of all manufactured homes built in the United States. These homes are built and installed in accordance with the Federal Manufactured Home Construction and Safety Standards (FMHCSS) administered by HUD. FMHCSS became effective June 15, 1976, replacing the term “Mobile Home” with “Manufactured Home.” These federal standards regulate manufactured housing design and construction, installation, strength and durability, transportability, fire resistance, energy efficiency and quality. The FMHCSS also sets performance standards for the heating, plumbing, air conditioning, thermal and electrical systems. Prior to the implementation of the FMHCSS in 1976, the construction and installation of manufactured homes were not uniformly regulated and were not generally considered to be quality, safe

and sanitary housing. Further improvements to the FMHCSS were enacted in 1994 and 2007 with additional improvements in 2021 that included the development of mandates for manufactured home installation, the creation of a federal installation oversight program, mandated updates to the HUD code to enforce construction and safety standards for factory built manufactured homes to address items such as structural design, wind force resistance, additional loads requirements that are in accordance with the design load identified on data plate, and smoke alarm requirements. These were all implemented in accordance with the Manufactured Home Improvement Act of 2000.

RHS defines a manufactured home as a structure that is built to FMHCSS and placed on a permanent foundation. It is transportable in one or more sections, which in the traveling mode is 10-body feet (3.048 meters) or more in width, and when erected on site is 400 or more square feet (37.16 square meters), and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. It is designed and constructed for permanent occupancy by a single family and contains permanent eating, cooking, sleeping, and sanitary facilities. The plumbing, heating, and electrical systems are contained in the structure. RHS will continue to require all new and existing manufactured homes to be constructed and placed on a permanent foundation in accordance with RD Instruction 1924–A, as applicable to the Direct Program, and the FMHCSS, established by HUD and found in 24 CFR part 3280.

The proposed revisions will allow the Agency to responsibly and effectively utilize funds appropriated by Congress by allowing borrowers more purchase options within a competitive market and thereby increasing the likelihood of finding adequate housing which increases program impact. The Agency proposes to modify the direct and guaranteed loan regulations as follows:

1. *Update the current regulations to permit the purchase of existing manufactured homes for direct and guaranteed loans.* The current direct and guaranteed regulations prohibit the purchase of a manufactured home unless it is a new unit, an existing unit and site already financed with a section 502 loan or is a RHS real estate owned (REO) property. The Agency has been operating a pilot for the direct and guaranteed programs to test the concept of waiving the regulatory restrictions to finance existing manufactured homes in

selected pilot states, even if the home is not currently financed by the agency. Under the pilot, the unit must have been constructed on or after January 1, 2006, in conformance with the Federal Manufactured Home Construction and Safety Standards (FMHCSS), as evidenced by an affixed Housing and Urban Development (HUD) Certification Label and the unit must not have been previously installed on a different homesite, or had any structural alterations to it since construction in the factory, except for porches, decks or other structures which were built to engineered designs or were approved and inspected by local code officials. Once this rulemaking is final, these requirements will be placed in the program handbooks and any adjustment to the date will be made public through a Federal Register notice. It has been determined that the pilot has been successful in increasing homeownership by expanding the Direct and Guaranteed portfolios by 1,372 loans. Therefore, regulatory revisions are being proposed to provide additional flexibility for the programs to lend on existing manufactured homes built in conformance with standards and a manufacture date, as determined by the Agency, based on factors such as industry standards and practices.

2. *For direct and guaranteed loans, update the current regulations language to meet conditions of the ownership requirement for energy efficient manufactured and modular home financing in Land-Lease Communities Operating on a Nonprofit Basis pilot, and expand this to include Tribal lands.* These updates are expected to provide additional flexibility for new energy efficient manufactured and modular homes that meet the conditions of the pilot, as well as provide consistency between the direct and guaranteed programs. Currently, the Agency is operating an ownership requirement pilot for energy efficient manufactured and modular home financing in land-lease communities operating on a nonprofit basis, for the direct and guaranteed programs. Under the pilot, RD accepts leases with an unexpired term that is at least two years beyond the term of the promissory note in the pilot states.

3. *Remove the administrative requirements from the regulations for review and approval of applications from manufactured housing dealers for direct loans.* The removal of this requirement will alleviate Agency staff from the review and approval of applications from manufactured housing dealers and the maintenance of a list that must be updated every two

years based on the activity of the “approved” dealer-contractors, thus providing the Agency with needed flexibility. This review process provided minimal value to both the applicant or dealer and contrasted from the requirements for site-built contractors who do not have a formal application or approval process nor is there a list of approved site-built contractors maintained. The removal will also prevent delays in the processing of a manufactured housing purchase request by eliminating the need to approve the dealer prior to proceeding, which can be time-consuming due to the review of financial and credit information for the dealer. The dealer will still be required to provide all site services and agree to construction and development requirements in 7 CFR 3550.73(d) and standards set forth in the FMHCSS.

4. *Revise the definition of “Manufactured home” in 7 CFR 3550.10 Definitions to remove reference to RHS Thermal Performance Standards for direct loans.*

The removal of this reference is necessary due to RHS exemption from these thermal standards. Instead, RHS relies on HUD FMHCSS for thermal performance requirements for construction of manufactured homes. This change will also provide further alignment between the Section 502 Direct and Guaranteed loan programs.

The Agency proposes to update the current Section 502 Direct and SFH Guaranteed Loan Programs regulations implemented under 7 CFR parts 3550 and 3555. This will be accomplished by reducing the regulatory burdens that are specifically related to manufactured housing requirements, enhancing program delivery, customer service, promoting consistency between the direct and guaranteed SFH loan programs, and reflect current housing market conditions and mortgage loan practices.

III. Summary of Changes

The Agency proposes to change 7 CFR parts 3555 and 3550 by:

(1) Update sections 3550.52(e)(1), 3550.73(b)(1), 3555.208(b)(3) and add new paragraph 3555.208(a)(3) to clarify that borrowers are allowed under the direct and guaranteed loan programs to purchase existing manufactured homes constructed in conformance with the FMHCSS standards, as specified in program handbooks.

(2) Update sections 3550.58(b) and 3555.203(b)(3) so that, for the direct and guaranteed loan programs, the Agency will accept a land-lease with an unexpired term that is at least two years longer than the mortgage term for new

energy efficient manufactured and modular home financing in Tribal and land-lease communities operating on a nonprofit basis.

(3) Remove paragraph (c) from section 3550.73 which requires Agency approval of manufactured housing dealers for direct loans.

(4) Update the definition of Manufactured home under section 3550.10, by removing reference to “RHS Thermal Performance Standards” for direct loans. SFH is exempt from RHS Thermal Performance Standards compliance.

IV. Regulatory Information

Statutory Authority

Section 510(k) of Title V the Housing Act of 1949 [42 U.S.C. 1480(k)], as amended, authorizes the Secretary of the Department of Agriculture to promulgate rules and regulations as deemed necessary to carry out the purpose of that title; and implemented under 7 CFR parts 3550 and 3555.

Executive Order 12372, Intergovernmental Review of Federal Programs

These programs are not subject to the requirements of Executive Order 12372, “Intergovernmental Review of Federal Programs,” as implemented under the USDA’s regulations at 2 CFR part 415, subpart C.

Executive Order 12866, Regulatory Planning and Review

This proposed rule has been determined to be non-significant and, therefore, was not reviewed by the Office of Management and Budget (OMB) under Executive Order 12866.

Executive Order 12988, Civil Justice Reform

This proposed rule has been reviewed under Executive Order 12988. In accordance with this proposed rule: (1) Unless otherwise specifically provided, all State and local laws that conflict with this proposed rule will be preempted; (2) no retroactive effect will be given to this proposed rule except as specifically prescribed in the proposed rule; and (3) administrative proceedings of the National Appeals Division of the Department of Agriculture (7 CFR part 11) must be exhausted before suing in court that challenges action taken under this proposed rule.

Executive Order 13132, Federalism

The policies contained in this proposed 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. This proposed rule does not impose substantial direct compliance costs on state and local governments; therefore, consultation with States is not required.

Executive Order 13175, Consultation and Coordination With Indian Tribal Governments

This executive order imposes requirements on RHS in the development of regulatory policies that have tribal implications or preempt tribal laws. RHS has determined that the proposed 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 proposed rule is not subject to the requirements of Executive Order 13175. If tribal leaders are interested in consulting with RHS on this rule, they are encouraged to contact USDA’s Office of Tribal Relations or RD’s Tribal Coordinator at: AIAN@usda.gov to request such a consultation.

National Environmental Policy Act

In accordance with the National Environmental Policy Act of 1969, Public Law 91–190, this document has been reviewed in accordance with 7 CFR part 1970 (“Environmental determined that i) this action meets the criteria established in 7 CFR 1970.53(f); ii) no extraordinary circumstances exist; and iii) the action is not “connected” to other actions with potentially significant impacts, is not considered a “cumulative action” and is not precluded by 40 CFR 1506.1. Therefore, the Agency has determined that the action does not have a significant effect on the human environment, and therefore neither an Environmental Assessment nor an Environmental Impact Statement is required.

Regulatory Flexibility Act

This proposed rule has been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612). The undersigned has determined and certified by signature on this document that this proposed rule will not have a significant economic impact on a substantial number of small entities since this rulemaking action does not involve a new or expanded program nor does it require any more action on the part of a small business than required of a large entity.

Unfunded Mandates Reform Act (UMRA)

Title II of the UMRA, Public Law 104–4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and on the private sector. Under section 202 of the UMRA, the Agency generally must prepare a written statement, including cost-benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures to state, local, or tribal Governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, section 205 of the UMRA generally requires the Agency to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost-effective, or least burdensome alternative that achieves the objectives of the rule.

This proposed rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for state, local, and tribal Governments or for the private sector. Therefore, this proposed rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Paperwork Reduction Act

The Office of Management and Budget’s (OMB) regulation (5 CFR part 1320) implementing provisions of the Paperwork Reduction Act of 1995 (Pub. L. 104–13) requires that interested members of the public and affected agencies have an opportunity to comment on information collection and recordkeeping activities (see 5 CFR 1320.8(d)). This notice identifies the following information collection that RHS is submitting to OMB as a revision to an existing approved collection with Agency adjustment. The Agency expects a modest change in burden once this proposed rule is published as a final rule in the **Federal Register**.

Title: Direct Single Family Housing Loan and Grant Programs, 7 CFR 3550–HB–1–3550, and HB–2–3550.

OMB Control Number: 0575–0172.

Expiration Date of Approval: February 28, 2025.

Type of Request: Revision of a currently approved information collection.

Estimate of Burden: Public reporting burden for this collection of information is estimated to average .500 hours per response.

Respondents: Business or other for profit, not-for-profit institutions.

Estimated Number of Respondents: Approximately 50 manufactured dealer-

contractors seeking approval to provide manufactured sales, service and site development services.

Estimated Number of Responses per Respondent: 1.

Estimated Number of Responses: 50.

Estimated Total Annual Burden on Respondents: 25 hours.

Abstract: Through the Section 502 direct single family housing loan program, RHS provides 100 percent loan financing to assist eligible low- and very low-income applicants purchase modest homes in eligible rural areas by providing payment assistance to increase an applicant's repayment ability.

Applicants must provide the Agency with a uniform residential loan application and supporting documentation (e.g., verification of income, assets, liabilities, etc.) when applying for assistance. The information requested is comparable to that required by any public or private mortgage lender.

Applicants who choose to purchase a new manufactured home are currently required to purchase from an approved manufactured dealer-contractor. Manufactured dealer-contractors who wish to participate in the Section 502 direct program are required to submit RD Form 1944-5, Manufactured Housing Dealer-Contractor Application, along with supplementary data sources such as financial statements and tax returns to verify or determine employment, income, and held assets. After RHS review, a dealer-contractor meeting qualification criteria may be added to list of approved dealer-contractors maintained for each state. Applicants must choose an approved dealer-contractor from this list for purchase and all other site services related to the transaction. If an applicant wishes to purchase a new manufactured home from a dealer-contractor who has not received prior approval, the applicant is notified of other approved dealer-contractors on the state list. If applicants still request to purchase from a dealer-contractor who has not received prior approval, the dealer-contractor must submit the required form and supplementary documentation and wait for their approval prior to entering into a contract with the applicant. Elimination of prior approval will remove obstacles and potential delays for applicants to purchase new manufactured housing while sustained manufactured construction regulations will continue to maintain quality and installation standards.

Comments are invited on:

(a) Whether the collection of information is necessary for the proper

performance of the functions of the agency, including whether the information will have practical utility;

(b) the accuracy of the agency's estimate of the burden of the collection of information including the validity of the methodology and assumptions used;

(c) ways to enhance the quality, utility, and clarity of the information to be collected; and

(d) ways to minimize the burden of the collection of information on respondents, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Copies of this information collection can be obtained from Crystal Pemberton, Rural Development Innovation Center—Regulations Management Division, at Telephone: (202) 260-8621, Email: Crystal.Pemberton@usda.gov.

All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

E-Government Act Compliance

RHS is committed to complying with the E-Government Act by promoting the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information, services, and other purposes.

Civil Rights Impact Analysis

Rural Development has reviewed this proposed rule in accordance with USDA Regulation 4300-004, Civil Rights Impact Analysis," to identify any major civil rights impacts the proposed rule might have on program participants on the basis of age, race, color, national origin, sex, or disability. After review and analysis of the proposed rule and available data, it has been determined that implementation of the proposed rule will not adversely or disproportionately impact very low-, low- and moderate-income populations, minority populations, women, Indian tribes, or persons with disability by virtue of their race, color, national origin, sex, age, disability, or marital or familial status. No major civil rights impact is likely to result from this proposed rule.

Assistance Listing

The programs affected by this regulation are listed in the Assistance Listing Catalog (formerly Catalog of Federal Domestic Assistance) under number 10.410, Very Low to Moderate Income Housing Loans (Section 502 Rural Housing Loans), and number 10.417, Very Low-Income Housing

Repair Loans and Grants (specifically the Section 504 direct loans and grants).

Non-Discrimination Statement

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

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language) should contact the responsible Mission Area, agency, or staff office; the USDA TARGET Center at (202) 720-2600 (voice and TTY); or the Federal Relay Service at (800) 877-8339.

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

The completed AD-3027 form or letter must be submitted to USDA by:

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

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

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

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List of Subjects

7 CFR Part 3550

Administrative practice and procedure, Environmental impact statements, Fair housing, Grant programs—housing and community development, Housing, Loan programs—housing and community development, low- and moderate-income housing, Reporting and recordkeeping requirements, Rural areas.

7 CFR Part 3555

Administrative practice and procedure, Business and industry, Conflicts of interest, Credit, Environmental impact statements, Fair housing, Flood insurance, Grant programs—housing and community development, Home improvement, Housing, Loan programs—housing and community development, low and moderate-income housing, Manufactured homes, Mortgages, Reporting and recordkeeping requirements, Rural areas.

For the reasons set forth in the preamble, the Rural Housing Service proposes to amend 7 CFR parts 3550 and 3555 as follows:

PART 3550—DIRECT SINGLE FAMILY HOUSING LOANS AND GRANTS

- 1. The authority citation for part 3550 continues to read as follows:

Authority: 5 U.S.C. 301; 42 U.S.C. 1480.

Subpart A—General

- 2. Amend § 3550.10 by revising the first sentence of the Manufactured home definition to read as follows:

§ 3550.10 Definitions.

* * * * *

Manufactured home. A structure that is built to Federally Manufactured Home Construction and Safety Standards established by HUD and found at 24 CFR part 3280.

* * * * *

Subpart B—Section 502 Origination

- 3. Amend § 3550.52 by revising paragraph (e)(1) to read as follows:

§ 3550.52 Loan purposes.

* * * * *

(e) * * *

(1) Purchase an existing manufactured home (unless the unit was constructed in conformance with Federal Manufactured Home Construction and Safety Standards (FMHCSS) standards as evidenced by both an affixed HUD

Certification label and HUD Data Plate); on or after a date specified in the program handbook (any adjustment to the date will be made public through a **Federal Register** notice); and has not been previously installed on a different homesite or had any alterations since construction in the factory (except for porches, decks or other structures which were built to engineered designs or were approved and inspected by local code officials), or for any other purposes prohibited in § 3550.73(b).

* * * * *

- 4. Amend § 3550.58 by adding a sentence to the end of paragraph (b) to read as follows:

§ 3550.58 Ownership requirements.

* * * * *

(b) * * * For new energy efficient manufactured and modular home financing in land-lease communities operating on a nonprofit basis, and on Tribal Trust land, individual (allotted) Trust land, or Tribal restricted fee land, the Agency will accept a lease with an unexpired term that is at least 2 years longer than the loan term.

* * * * *

- 5. Amend § 3550.73 by:
 - a. Revising paragraph (b)(1);
 - b. Removing paragraph (c); and
 - c. Redesignating paragraphs (d) through (h) as (c) through (g).

The revision reads as follows:

§ 3550.73 Manufactured homes.

* * * * *

(b) * * *

(1) An existing unit and site unless it is already financed with a section 502 loan or is an RHS REO property; or, the unit was constructed both in conformance with FMHCSS standards as evidenced by both an affixed HUD Certification label and HUD Data Plate on or after a date specified in the program handbook, the unit is installed on a permanent foundation which meets HUD regulations, and the unit has not been previously installed on a different homesite or had any alterations since construction in the factory except as specified in the program handbook.

* * * * *

PART 3555—GUARANTEED RURAL HOUSING PROGRAM

- 6. The authority citation for part 3555 continues read as follows:

Authority: 5 U.S.C. 301; 42 U.S.C. 1471 *et seq.*

Subpart E—Underwriting the Property

- 7. Amend § 3555.203 by revising paragraph (b)(3) to read as follows:

§ 3555.203 Ownership requirements.

* * * * *

(b) * * *

(3) The lease has an unexpired term of at least 45 years from the date of loan closing, except in the case of properties located on Tribal Trust land, individual (allotted) Trust land, or Tribal restricted fee land, where the lease must have an unexpired term at least equal to the term of the loan. Leases on Tribal Trust land, individual Trust (allotted) land, or Tribal restricted fee land, for period of 25 years which are renewable for a second 25 year period are permissible, as are leases of a longer duration. For new energy efficient manufactured and modular home financing in land-lease communities operating on a nonprofit basis and on Tribal Trust land, the Agency will accept a lease with an unexpired term that is at least two years longer than the loan term;

* * * * *

- 8. Amend § 3555.208 by:
 - a. Adding paragraph (a)(3); and
 - b. Revising paragraphs (b)(3)(iii) and (iv), and adding paragraphs (b)(3)(v) through (viii).

The addition and revisions read as follows:

§ 3555.208 Special requirements for manufactured homes.

* * * * *

(a) * * *

(3) An existing unit and site, provided:

(i) The unit was constructed in conformance with the Federal Manufactured Home Construction and Safety Standards (FMHCSS) as evidenced by both an affixed HUD Certification label and HUD Data Plate; and

(ii) The unit was installed on a permanent foundation in accordance to the manufacturer's requirements and HUD installation standards. Certification of a proper foundation is required; and

(iii) The unit has not been previously installed on a different homesite, or had any alterations since construction in the factory, except for porches, decks or other structures which were built to engineered designs or were approved and inspected by local code officials; and

(iv) The unit was constructed on or after the date specified in the program handbook (any adjustment to the date will be made public through a Federal Register notice).

* * * * *

(b) * * *

(3) * * *

(iii) The unit and site are being sold from the lender's inventory, and the

loan for which the unit and site served as security was a loan guaranteed by Rural Development;

(iv) The unit was installed on its initial installation site on a permanent foundation complying with the manufacturers and HUD installation standards; or

(v) The unit was constructed in conformance with the Federal Manufactured Home Construction and Safety Standards (FMHCSS) as evidenced by an affixed HUD Certification label and HUD Data Plate; and

(vi) The foundation design meets HUD standards for manufactured housing; and

(vii) The unit has not had any alterations or modifications since construction in the factory, except for porches, decks or other structures which were built to engineered designs or were approved and inspected by local code officials; and

(viii) The unit was constructed on or after a date, as specified in the program handbook (any adjustment to the date will be made public through a **Federal Register** notice) (any adjustment to the date will be made public through a **Federal Register** notice).

* * * * *

(e) *HUD requirements.* The FMHCSS and HUD requirements can be located in the National Archives Code of Federal Regulations, 24 CFR part 3280—Manufactured Home Construction Safety Standards.

* * * * *

Joaquin Altoro,

Administrator, Rural Housing Service.

[FR Doc. 2023–17519 Filed 8–15–23; 8:45 am]

BILLING CODE 3410–XV–P

FEDERAL ELECTION COMMISSION

11 CFR Part 112

[Notice 2023–13]

Artificial Intelligence in Campaign Ads

AGENCY: Federal Election Commission.

ACTION: Notification of availability of Petition for Rulemaking.

SUMMARY: The Commission announces its receipt of a Petition for Rulemaking filed by Public Citizen. The Petition asks the Commission to amend its regulation on fraudulent misrepresentation of campaign authority to make clear that the related statutory prohibition applies to deliberately deceptive Artificial Intelligence campaign ads.

DATES: Comments must be submitted on or before October 16, 2023.

ADDRESSES: All comments must be in writing. Commenters may submit comments electronically via the Commission’s website at <https://sers.fec.gov/fosers/>, reference REG 2023–02.

Each commenter must provide, at a minimum, his or her first name, last name, city and state. All properly submitted comments, including attachments, will become part of the public record, and the Commission will make comments available for public viewing on the Commission’s website and in the Commission’s Public Records Office. Accordingly, commenters should not provide in their comments any information that they do not wish to make public, such as a home street address, personal email address, date of birth, phone number, social security number, or driver’s license number, or any information that is restricted from disclosure, such as trade secrets or commercial or financial information that is privileged or confidential.

FOR FURTHER INFORMATION CONTACT:

Robert M. Knop, Assistant General Counsel, or Ms. Jennifer Waldman, Attorney, 1050 First Street NE, Washington, DC 20463, (202) 694–1650 or (800) 424–9530.

SUPPLEMENTARY INFORMATION: On July 13, 2023, the Commission received a Petition for Rulemaking (“Petition”) from Public Citizen, a non-profit advocacy organization. The Petition asks the Commission to amend its regulation on “fraudulent misrepresentation” at 11 CFR 110.16 to clarify that “the restrictions and penalties of the law and the Code of Regulations are applicable” should “candidates or their agents fraudulently misrepresent other candidates or political parties through deliberately false [Artificial Intelligence]-generated content in campaign ads or other communications.” Petition at 5.

The Federal Election Campaign Act (the “Act”) provides that a candidate for federal office, employee, or agent of such a candidate shall not “fraudulently misrepresent” themselves or any committee or organization under their control “as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof.” 52 U.S.C. 30124(a)(1).

The Petition asserts that generative Artificial Intelligence and deepfake technology, is being “used to create convincing images, audio and video

hoaxes.” Petition at 2. The Petition asserts that while the technology is not so far advanced currently as for viewers to not be able to identify when it is used disingenuously, if the use of the “technology continues to improve, it will become increasingly difficult, and perhaps, nearly impossible for an average person to distinguish deepfake videos and audio clips from authentic media.” *Id.*

The Petition notes that the technology will “almost certainly create the opportunity for political actors to deploy it to deceive voters[,] in ways that extend well beyond any First Amendment protections for political expression, opinion or satire.” *Id.* According to the Petition, this technology might be used to “create a video that purports to show an opponent making an offensive statement or accepting a bribe” and, once disseminated, be used for the purpose of “persuading voters that the opponent said or did something they did not say or do.” *Id.* The Petition explains that a deepfake audio clip or video by a candidate or their agent would violate the fraudulent misrepresentation provision by “falsely putting words into another candidate’s mouth, or showing the candidate taking action they did not [take],” thereby “fraudulently speak[ing] or act[ing] ‘for’ that candidate in a way deliberately intended to [harm] him or her.” *Id.* at 3. The Petitioner states that because the deepfaker misrepresents themselves as speaking for the deepfaked candidate, “the deepfake is fraudulent because the deepfaked candidate in fact did not say or do what is depicted by the deepfake and because the deepfake aims to deceive the public.” *Id.* The Petitioner draws a distinction between deepfakes, which it contends violates the prohibition on fraudulent misrepresentation, and other uses of Artificial Intelligence in campaign communications, such as in parodies, where the purpose and effect are not to deceive voters, or as in other communications where “there is a sufficiently prominent disclosure that the image, audio or video was generated by [A]rtificial [I]ntelligence and portrays fictitious statements and actions.” *Id.* at 4.

The Commission seeks comment on the Petition. The public may inspect the Petition on the Commission’s website at <http://www.fec.gov/fosers/>.

The Commission will not consider the Petition’s merits until after the comment period closes. If the Commission decides that the Petition has merit, it may begin a rulemaking proceeding. The Commission will announce any