

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**24 CFR Parts 58 and 1005**

[Docket No. FR-5593-F-04]

RIN 2577-AD01

Strengthening the Section 184 Indian Housing Loan Guarantee Program; Delay of Effective and Compliance Dates**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.**ACTION:** Final rule; delay of effective date, establishment of compliance dates.

SUMMARY: The Department of Housing and Urban Development (HUD) published in the **Federal Register** on March 20, 2024, a final rule to strengthen its Section 184 Indian Loan Guarantee Program by, among other things, clarifying rules for Tribes, lenders, servicers, and other participants. The final rule established an effective date of June 18, 2024. To provide time for HUD to develop and implement a comprehensive handbook for the Section 184 Program and to allow Tribes, lenders, servicers, and other participants time to conform their policies, procedures, and systems to comply with HUD's March 20, 2024, final rule, this rulemaking delays that effective date to December 31, 2024, and establishes a compliance date of March 1, 2025.

DATES:

Effective date: The effective date for the final rule published March 20, 2024, at 89 FR 20032, is delayed from June 18, 2024, until December 31, 2024.

Compliance date: March 1, 2025.

FOR FURTHER INFORMATION CONTACT:

Brian Cook, Acting Director, Office of Loan Guarantee, Office of Native American Programs, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street SW, Room 4108, Washington, DC 20410; telephone number 202-402-4978 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION: On March 20, 2024, HUD published a final rule titled "Strengthening the Section 184 Indian Housing Loan Guarantee Program" (the Final Rule). The Final

Rule amended the regulations to the Section 184 Indian Housing Loan Guarantee Program (Section 184 Program). Since its inception, the Section 184 Program has experienced an increase in demand. As a result, HUD's March 20, 2024, final rule updated program regulations to minimize potential risk and increase program participation by financial institutions. The final rule added eligibility and participation requirements for Lender Applicants, Direct Guarantee Lenders, Non-Direct Guarantee Lenders, Holders and Servicers and other Section 184 Program participants. The final rule also clarified the rules governing Tribal participation in the program, established underwriting requirements, specifies rules on the closing and endorsement process, established stronger and clearer servicing requirements, established program rules governing claims submitted by Servicers and paid by HUD, and added standards governing monitoring, reporting, sanctions, and appeals. Lastly, the final rule added new definitions and makes statutory conforming amendments, including the categorical exclusion of the Section 184 Program in HUD's environmental review regulations. The final rule established a June 18, 2024, effective date.

Since publishing the final rule, HUD has determined that additional time is required to fully implement the rule. Initially, HUD has been drafting the Section 184 Program Indian Housing Loan Guarantee Program Handbook (Section 184 Handbook). The Section 184 Handbook will provide comprehensive guidance and clarification for all stakeholders to fully understand and implement the final rule. Given the size of the Section 184 Handbook, HUD has determined that it will not be available prior to the current June 18, 2024, effective date. HUD has also determined that it needs additional time to ensure compliance with the Paperwork Reduction Act requirements. Finally, HUD has determined that Tribes, lenders, servicers, and other participants need additional time to conform their policies, procedures, and systems to comply with final rule. As a result of these factors, HUD is delaying the effective date of the March 20, 2024, final rule from June 18, 2024, until December 31, 2024. In addition, to provide HUD time to complete drafting the Section 184 Handbook and to provide stakeholders time to implement the instructions in the Section 184 Handbook, which may not be fully available before the effective date, HUD

is delaying compliance until March 1, 2025.

Administrative Procedure Act and 24 CFR Part 10

In general, HUD publishes a rule for public comment before issuing a rule for effect, in accordance with both the Administrative Procedure Act (APA), 5 U.S.C. 553, and its own regulations on rulemaking, 24 CFR part 10. Both the APA and Part 10, however, provide for exceptions from that general rule where HUD finds good cause to omit advance notice and public participation. The good cause requirement is satisfied when the prior public procedure is "impracticable, unnecessary, or contrary to the public interest." To publish a rule for effect prior to receiving and responding to public comments, the agency must make a finding that at least one of these "good cause" exceptions applies.

HUD has determined that good cause exists to promulgate this final rule without prior notice and comment. Without this rulemaking, the final rule published at 89 FR 20032 will become effective June 18, 2024. Given the imminence of the effective date, seeking prior notice and the opportunity for public comment on this delay is impractical. Specifically, if prior notice and opportunity for public comment are required to delay the effective date to December 31, 2024, this final rule will not be issued prior to June 18, 2024. If this were to happen, HUD would not be able to provide comprehensive guidance to Tribes, lenders, servicers, and other participants to assist them in implementing the requirements of the March 20, 2024, final rule. Further, implementation of the rule would further be complicated by the absence of approved paperwork. Finally, this delay will provide Tribes, lenders, servicers, and other participants time to update their procedures, policies, and systems to ensure a smooth implementation of the rule.

Findings and Certifications

Regulatory Review—Executive Orders 12866 and 13563 and 14094

Under Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the order. Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are "outmoded, ineffective, insufficient, or excessively

burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. Executive Order 14094 (Modernizing Regulatory Review) amends section 3(f) of Executive Order 12866, among other things. This rule has been determined not to be a “significant regulatory action” as defined in section 3(f) of the Executive order and therefore was not reviewed by OMB.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) establishes requirements for Federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments, and the private sector. This rule will not impose any Federal mandates on any state, local, or tribal government or the private sector within the meaning of the Unfunded Mandates Reform Act of 1995.

Environmental Review

A Finding of No Significant Impact with respect to the environment was made prior to publication of the March 20, 2024, final rule, in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact remains applicable and is available for public inspection between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410–0500. The Finding of No Significant Impact will also be available for review in the docket for this rule on [Regulations.gov](https://www.regulations.gov).

Executive Order 13132, Federalism

Executive Order 13132 (entitled “Federalism”) prohibits, to the extent practicable and permitted by law, an agency from promulgating a regulation that has federalism implications and either imposes substantial direct compliance costs on state and local governments and is not required by statute, or preempts state law, unless the relevant requirements of section 6 of the Executive order are met. This rule does not have federalism implications and does not impose substantial direct

compliance costs on state and local governments or preempt state law within the meaning of the Executive order.

Damon Smith,
General Counsel.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9945]

RIN 1545–BO81

Guidance Under Section 1061; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final rule; correction and correcting amendments.

SUMMARY: This document contains corrections to Treasury Decision 9945 published in the **Federal Register** on Tuesday, January 19, 2021. Treasury Decision 9945 issued final regulations that recharacterize certain net long-term capital gains of a partner that holds one or more applicable partnership interests as short-term capital gains.

DATES: These corrections are effective on June 14, 2024 and for dates of applicability, see §§ 1.702–1(g), 1.704–3(f), 1.1061–1(b), 1.1061–2(c), 1.1061–3(f), 1.1061–4(d), 1.1061–5(g), 1.1061–6(e), and 1.1223–3(g).

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Alta Li of the Office of Associate Chief Counsel (Passthroughs and Special Industries) at (202) 317–5279 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9945) subject to these corrections are issued under section 1061 of the Internal Revenue Code.

Corrections to Publication

Accordingly, the final regulations (TD 9945) that are the subject of FR Doc. 2021–00427, published on Tuesday, January 19, 2021, are corrected as follows:

1. On page 5455, in the first column, in the seventh line of the column the language “make” is corrected to read “made”.

2. On page 5455, in the first column, in the fifteenth line of the column the language “are” is corrected to read “at”.

3. On page 5456, in the first column, the fourteenth line of the column is corrected to read “terms, priority, type and level of risk”.

4. On page 5457, in the first column, in the last line of the column the language “allocation” is corrected to read “allocations”.

5. On page 5459, in the first column, the thirteenth line from the bottom of the column is corrected to read “other partner, other than”.

6. On page 5459, in the first column, the fifth line from the bottom of the column is corrected to read “advances made by another partner in the”.

7. On page 5459, in the first column, the fourth line from the bottom of the column is corrected to read “partnership (or any Related Person with respect to such”.

8. On page 5459, in the first column, the third line from the bottom of the column is corrected to read “other partner, other than the partnership) to a”.

9. On page 5459, in the second column, the ninth line of the column is corrected to read “loan or advance made by another partner (or”.

10. On page 5459, in the second column, the tenth line of the column is corrected to read “any Related Person with respect to such other partner, other than the”.

11. On page 5463, in the third column, the second line of the second full paragraph is corrected to read “that once a partnership interest qualifies as”.

12. On page 5465, in the first column, the twelfth line of the first full paragraph is corrected to read “Assets; and (vi) options or derivative”.

13. On page 5465, in the third column, in the twelfth line of the second full paragraph the language “APIs” is corrected to read “API”.

14. On page 5467, in the first column, in the ninth line from the bottom of the column, the language “API Distributed” is corrected to read “Distributed API”.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction to the Regulations

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *