(v) AASHTO LRFD Bridge Design Specifications, 7th Edition, AASHTO 2014.

(vi) AASHTO LRFD Movable Highway Bridge Design Specifications, 2nd Edition, including 2008, 2010, 2011, 2012, 2014, and 2015 Interim Revisions, AASHTO 2007.

(vii) AASHTO/AWS D1.5M/D1.5: 2010 Bridge Welding Code, 6th Edition, with 2011 and 2012 Interim Revisions, AASHTO 2011.

(viii) Standard Specifications for Structural Supports for Highway Signs, Luminaires and Traffic Signals, 6th Edition, AASHTO 2013.

(2) American Welding Society (AWS), 8669 NW 36 Street, # 130 Miami, FL 33166–6672; *www.aws.org*; or (800) 443–9353 or (305) 443–9353.

(i) D1.4/D1.4M: 2011 Structural Welding Code—Reinforcing Steel, American Welding Society, 2011.

(ii) [Reserved]

[FR Doc. 2015–13097 Filed 6–1–15; 8:45 am]

BILLING CODE 4910–22–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 888

[Docket No. FR–5855–A–01]

RIN 2501–AD74

Establishing a More Effective Fair Market Rent (FMR) System; Using Small Area Fair Market Rents (SAFMRs) in Housing Choice Voucher Program Instead of the Current 50th Percentile FMRs; Advanced Notice of Proposed Rulemaking

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Advanced notice of proposed rulemaking.

SUMMARY: Section 8(c)(1) of the United States Housing Act of 1937 (USHA) requires HUD to publish Fair Market Rents (FMRs) periodically, but not less than annually, adjusted to be effective on October 1 of each year. Some examples of uses of FMRs are to determine payment standard amounts for the Housing Choice Voucher (HCV) program, to establish a limit on the amount of rent to owner for project-based vouchers, to determine initial and renewal rents for some new and expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), and to serve as a rent ceiling in the HOME rental assistance program.

This document announces HUD's intention to amend HUD's FMR regulations applicable to the HCV program (24 CFR part 888) to provide HCV tenants with subsidies that better reflect the localized rental market, including subsidies that would be relatively higher if they move into areas that potentially have better access to jobs, transportation, services, and educational opportunities. Specifically, this document requests public comments on the use of small area FMRs (SAFMRs) for the HCV program within certain metropolitan areas. Small areas FMRs vary by ZIP code and support a greater range of payment standards than can be achieved under existing regulations.

DATES: *Comments Due Date:* July 2, 2015.

ADDRESSES: Interested persons are invited to submit comments to the Office of the General Counsel, Rules Docket Clerk, Department of Housing and Urban Development, 451 Seventh Street SW., Room 10276, Washington, DC 20410–0001. Communications should refer to the above docket number and title and should contain the information specified in the ''Request for Comments'' section. There are two methods for submitting public comments.

1. Submission of Comments by Mail. Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410–0500. Due to security measures at all federal agencies, however, submission of comments by mail often results in delayed delivery. To ensure timely receipt of comments, HUD recommends that comments submitted by mail be submitted at least two weeks in advance of the public comment deadline.

2. Electronic Submission of Comments. Interested persons may submit comments electronically through the Federal eRulemaking Portal at *http://www.regulations.gov*. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through the *http://www.regulations.gov* Web site can be viewed by other commenters and interested members of the public. Commenters should follow instructions provided on that site to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted using one of the two methods specified above. Again, all submissions must refer to the docket number and title of the notice.

No Facsimile Comments. Facsimile (fax) comments are not acceptable.

Public Inspection of Comments. All comments and communications submitted to HUD will be available, for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at (202) 708–3055 (this is not a toll-free number). Copies of all comments submitted are available for inspection and downloading at *http://www.regulations.gov*.

FOR FURTHER INFORMATION CONTACT: Marie L. Lihn, Senior Economist, Economic Market Analysis Division, Office of Economic Affairs, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410, telephone (202) 402–5866; email: *marie.l.lihn@hud.gov*. Hearing- or speech-impaired persons may use the Telecommunications Devices for the Deaf (TTY) by contacting the Federal Relay Service at 1–800–877–8339. (Other than the ''800'' TTY number, telephone numbers are not toll free.)

Electronic Data Availability. This **Federal Register** notice will be available electronically from the HUD User page at *http://www.huduser.org/datasets/fmr.html*. **Federal Register** notices also are available electronically from *http://www.gpoaccess.gov/fr/index.html*, the U.S. Government Publishing Office Web site. SAFMRs based on Final Fiscal Year (FY) 2015 Metropolitan Area Rents are available in Microsoft Excel format at the same HUD web address *http://www.huduser.org/portal/datasets/fmr/smallarea/index.html*.

SUPPLEMENTARY INFORMATION:

I. Background

HUD's HCV program helps low-income households obtain standard rental housing and reduces the share of their income that goes toward rent. Vouchers issued under the HCV program provide subsidies that allow individuals and families to rent eligible units in the private market. A key parameter in operating the HCV program is the FMR.

In the HCV program, the FMR is the basis for determining the ''payment standard amount'' used to calculate the maximum monthly subsidy for a voucher household (see 24 CFR 982.503). Public Housing Agencies (PHAs) may establish payment standards between 90 and 110 percent of the FMR. Voucher program households receive a housing assistance payment equal to the difference between the payment standard established by the PHAs and the family's Total Tenant Payment (TTP), which is generally 30 percent of the household's adjusted monthly income. Participants in the voucher program can choose to live in units with gross rents higher than the payment standard, but they must then pay the full cost of the difference between the gross rent and the payment standard, in addition to their TTP. Please note that at initial occupancy the family's share cannot exceed 40 percent of monthly adjusted income.

HUD establishes FMRs for different geographic areas. Because payment standards are based on FMRs, housing assistance payments on behalf of the voucher household are limited by the geographic area in which the voucher household resides. In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, and safe rental housing of a modest (non-luxury) nature with suitable amenities. In addition, all rents subsidized under the HCV program must meet rent reasonableness standards. Rent reasonableness is determined by PHAs with reference to rents for comparable unassisted units.

Currently, HUD calculates FMRs for all nonmetropolitan counties and metropolitan areas. The same FMR is applicable throughout a nonmetropolitan county or metropolitan area, which generally is comprised of several metropolitan counties. FMRs in a metropolitan area represent the 40th percentile (or in special circumstances the 50th percentile) gross rent for typical non-substandard rental units occupied by recent movers in a local housing market.[1]

As noted earlier, PHAs may set a payment standard between 90 percent and 110 percent (inclusive) of the FMR. PHAs may determine that payment standards that are higher than 110 percent, or lower than 90 percent, are appropriate for subareas of their market; in this instance, a PHA would request HUD approval for a payment standard below 90 percent or an exception payment standard above 110 percent. The total population of a HUD-approved exception payment area (*i.e.,* an area covered by a payment standard that exceeds 110 percent of the FMR) may not include more than 50 percent of the population of the FMR area (see 24 CFR 982.503).

For eligible areas, HUD establishes the FMR at the 50th percentile rather than at the 40th percentile of gross rent. For an FMR area to qualify to use the 50th percentile FMR, the following conditions must be met (see 24 CFR 888.113(c)):

1. Minimum Area Size—the FMR area must be a metropolitan area containing at least 100 Census tracts;

2. Concentration of Participants—25 percent or more of voucher program participants in the FMR area must be located in the 5 percent of Census tracts with the highest number of voucher participants; and

3. Concentration of Affordable Units—70 percent or fewer of the FMR area's Census tracts containing 10 or more rental units have at least 30 percent of rental units at or below the 40th percentile FMR.

The main objective of the 50th percentile program was to provide a broad range of housing opportunities that would enable voucher holders to de-concentrate from low opportunity areas. However, research indicates that 50th percentile FMRs are not an effective tool in increasing HCV tenant moves from areas of low opportunity to higher opportunity areas; specifically, it appears that much of the benefit of increased FMRs simply accrues to landlords in lower rent submarket areas in the form of higher rents rather than creating an incentive for tenants to move to units in communities with more and/or better opportunities. To determine the 50th percentile program's effectiveness, HUD must measure the reduction in concentration of HCV tenants (measure 2 above) presumably from high poverty areas, over a three-year period. If there is no measureable reduction in the concentration of HCV tenants, the FMR area loses the use of 50th percentile FMRs for a three-year period. A large number of areas have been disqualified from the program for failure to show measurable reduction in voucher concentration of HCV tenants[2] since 2001 when the program started, strongly suggesting that the de-concentration objective is not being met.

Since the establishment of the 50th percentile program, HUD has developed SAMFRs to reflect rents in ZIP code-based areas with a goal to improve HCV tenant outcomes. SAFMRs have been shown to be a more direct approach to encouraging tenant moves to housing in lower poverty areas by increasing the subsidy available to support such moves.[3] Since 2010, when the Census Bureau made available data collected over the first 5 years of the American Community Survey (ACS), HUD has considered various methodologies that would set FMRs at a more granular level. HUD's goal in pursuing the SAFMR methodology is to create more effective means for HCV tenants to move into higher opportunity, lower poverty areas by providing them with subsidy adequate to make such areas accessible and to thereby help reduce the number of voucher families that reside in areas of high poverty concentration. Toward this end, on May 18, 2010, at 75 FR 27808, HUD announced a SAFMR demonstration project to ascertain the efficacy of FMRs which are published using U.S. Postal Service ZIP codes as FMR areas within metropolitan areas. On August 4, 2010, at 75 FR 46958, HUD mandated the use of SAFMRs in place of metropolitan-area-wide-FMRs to settle litigation in the Dallas, TX, HUD Metro FMR Area. HUD began a SAFMR demonstration on November 20, 2012, at 77 FR 69651, with the following PHAs: the Housing Authority of the County of Cook (IL), the City of Long Beach (CA) Housing Authority, the Chattanooga (TN) Housing Authority, the Town of Mamaroneck (NY) Housing Authority, and the Housing Authority of Laredo (TX).

Based on HUD's research and experience with the SAFMR demonstration, HUD believes that amending its current FMR regulation to enable adoption of the SAFMR methodology could provide HCV tenants greater access to higher opportunity, lower poverty neighborhoods. As a part of this change, HUD would eliminate the use of 50th percentile FMRs as a means to reduce HCV tenant concentration. Before publication of a proposed rule, however, HUD is soliciting public comment on several pivotal issues, as described in section IV of this notice. As described in this notice, HUD is only considering such a change in its tenant-based HCV program, but is also specifically seeking comments on whether using the SAFMRs for new project-based voucher (PBV) projects is advisable. All other programs that use FMRs would continue

[1] See *http://www.huduser.org/periodicals/USHMC/winter98/summary-2.html.*

[2] Areas may subsequently requalify for 50th percentile status after a three-year period.

[3] Please see Collinson and Ganong, ''The Incidence of Housing Voucher Generosity'', available at: *http://papers.ssrn.com/sol3/Papers.cfm?abstract_id=2255799.*

to use area-wide FMRs. HUD is also considering whether regulations governing the use the 50th percentile FMR for success rate payment standards (under 24 CFR 982.503(e)) should be eliminated or changed. Success rate payment standards, which are set between 90 and 110 percent of the 50th percentile rent, are established for the entire FMR area when that area is having considerable lease-up issues in areas, both metropolitan and nonmetropolitan, that do not have 50th percentile FMRs. HUD will use public comments received in response to this notice in developing a proposed rule.

II. Methodology for SAFMRs

In general, SAFMRs are calculated using a rent ratio determined by dividing the median gross rent across all standard quality units for the small area (a ZIP code) by the similar median gross rent for the metropolitan area (the Core Based Statistical Area (CBSA)) of the ZIP code. ZIP codes were chosen because they localize rental rates, and a unit's ZIP code is easily identified by both PHAs and tenants.

The rent ratio is calculated using median gross rents provided by the Census Bureau for both the small area and its encompassing metropolitan area. HUD restricts the use of ZIP code level median gross rents to those areas for which the margin of error of the ACS estimate is smaller than the estimate itself. The rent relationship is calculated in the following manner for those ZIP codes within the metropolitan area that have a sufficiently small margin of error:

Rental Rate Ratio = Median Gross Rent for ZIP Code Area/Median Gross Rent for CBSA

The rent relationship is capped at 150 percent for areas that would otherwise be greater. This cap was instituted as a mechanism for ensuring that HCV program funds are used as judiciously as possible. At the time of the institution of the SAFMR demonstration program, 2000 Census data showed that only one percent of all metropolitan ZIP codes had rents above this 150 percent.

If the gross rent estimate for a ZIP code within the CBSA has a margin of error that is greater than the estimate, then the median gross rent for the county within the state containing the ZIP code is divided by the similar median gross rent for the CBSA of the ZIP code; the rent relationship is calculated as:

Rental Rate Ratio = Median Gross Rent of the County/Median Gross Rent of the CBSA

For metropolitan areas, FMRs will be calculated and published for each small area.

HUD multiplies this rent ratio by the current estimate of the 40th percentile two-bedroom rent for recent movers into standard quality units for the entire metropolitan area containing the small area to estimate the current year two-bedroom rent for the small area. For FY 2015 SAFMRs, HUD continues to use the rent ratios developed in conjunction with the calculation of FY 2013 FMRs based on 2006–2010 5-year ZIP Code Tabulation Area (ZCTA) median gross rent data. The Census Bureau requires the use of ZCTAs to report data for ZIP codes, because ZCTAs are a standard Census geography. In addition to ZCTAs defined by the Census Bureau, HUD produces SAFMR estimates for ZIP codes obtained from the U.S. Postal Service where the number of residential addresses is greater than zero. The rent ratio set for these ZIP codes is based on the county-to-metropolitan relationship for the ZIP code in question.

To set the floor for SAFMRs in a metropolitan area, HUD compares two-bedroom SAFMR estimates to the state nonmetropolitan minimum two-bedroom rent for the state in which the area is located that is established as a floor for all FMRs. If the ZIP code rent determined using the rental rate ratio is less than the state minimum, the ZIP code rent is set at this state nonmetropolitan minimum. SAFMRs for bedroom counts other than two-bedroom are based on the bedroom-size relationships estimated for the metropolitan area. The final calculated rents are then rounded to the nearest $10. SAFMRs for all metropolitan areas are available for viewing and download on the Internet at (*http://www.huduser.org/portal/datasets/fmr/smallarea/index.html*). There are also detailed calculations for each ZIP code area in participating jurisdictions at this Web site.

III. Current Problems With 50th Percentile FMR Areas and Proposed Replacement With Small Area FMRs

The 50th percentile FMR allows payment standards set between 90 percent and 110 percent of the 50th percentile FMR across the entire qualifying area, whereas Small Area FMRs better differentiate between higher and lower rent areas within a metropolitan area. As mentioned earlier, the use of 50th percentile FMRs has several limitations with respect to the goal of providing tenants more choice in the neighborhoods where they can rent and reducing HCV household concentration.

There is a regulatory requirement to reevaluate the designations after three years to gauge progress in alleviating HCV tenant concentration in the designated FMR area. If an area does not show an improvement in its voucher tenant concentration level after a three-year period, then the area loses its 50th percentile FMR for a period of three years. After the three-year period, these areas may, and generally do, return to the 50th percentile FMR. While there are a couple of FMR areas that graduated from the 50th percentile FMRs (which means they no longer have at least 25 percent of the voucher holders living in the five percent of the Census tracts with the most voucher participants), most of the remaining FMR areas have cycled in and out of the 50th percentile FMR program at least once. Originally, in 2001, there were 39 areas that qualified to use 50th percentile FMRs. With the change in FMR area definitions and the use of 2000 Decennial Census data to determine the concentration of affordable units (criteria 3), only 21 FMR areas remained eligible, while an additional 10 areas became newly eligible. In FY 2008, there were 28 50th percentile FMR areas, the most since FY 2006. Only three of the original and two of the new areas have never lost the use of 50th percentile FMRs; most of the remaining areas lost the 50th percentile FMR for failure to de-concentrate, though a few have cycled in and out as they hover around the HCV tenant concentration threshold (three areas) and a few areas have only had reporting issues (two areas), meaning that their exclusion from the program is reassessed annually instead of every 3 years. The cycling in and out of the 50th percentile FMRs over a three year period for failure to reduce HCV concentration by the majority of program participant areas shows that the program is not meeting its de-concentration goals. In addition, a loss of 50th percentile FMRs is disruptive both to the HCV program and to other non-HCV programs (where payment standard flexibility to modify assistance payments does not exist), such as the Shelter Plus Care program, the Low Income Housing Tax Credit program, and other state and local programs tied to HUD's FMRs.

HUD's analysis of the FY 2015 FMRs indicates that the 50th percentile FMRs provide a rent that is on average, weighted by population, 7.3 percent higher than the 40th percentile FMR for those sixteen areas that currently use 50th percentile FMRs. Even with the use of a 110 percent payment standard authority, the FMR in 50th percentile areas would not reach a gross rent that is 120 percent above the 40th percentile rent (it would on average be 110 percent of 1.073 or 118 percent higher). This average 50th percentile FMR rent differential is generally not high enough to provide HCV households with access to higher opportunity neighborhoods. Also, by providing the same FMR for the entire FMR area, 50th percentile FMRs fail to provide tenants sufficient means to move to areas of higher opportunity while also unnecessarily raising subsidies in neighborhoods with lower rents.

Alternatively, SAFMRs may provide voucher families with subsidies that better reflect the localized rental market, including subsidies that would be relatively higher if they move into areas that potentially have better access to jobs, transportation, services, and educational opportunities. More importantly, SAFMRs vary within an FMR area, and they can go as high as 165 percent of the 40th percentile FMR (using 110 percent payment standard authority when the SAFMR is at 150 percent of the metropolitan area rent).

A third issue with the current 50th percentile FMRs is that they only measure the degree to which vouchers are concentrated in a small share of neighborhoods but do not take poverty rates into account. In moving to SAFMRs, HUD will have an opportunity to reconsider the criteria for identifying areas with undue voucher concentration and make sure the SAFMRs are also available in areas where vouchers are concentrated in high-poverty areas. Measuring whether vouchers are concentrated in high-poverty areas will enable HUD to target SAFMRs to areas where voucher concentration likely has the most severe adverse effects.

In addition, HUD would limit application to FMR areas where there are a substantial number of units in neighborhoods where SAFMRs are significantly above or below the 40th percentile FMR. This will ensure that the SAFMR program is targeted to FMR areas where PHAs' normal authority to set payment standards between 90 and 110 percent of the FMR would not allow access to opportunity areas but SAFMRs would.

IV. Request for Public Comments on Replacing the 50th Percentile FMRs With the Use of Small Area FMRs

This notice seeks comments on the use of SAFMRs to provide HCV tenants with access to better housing and better neighborhoods and to reduce poverty concentration. The SAFMRs would be limited to metropolitan areas with significant rent differentials in areas with adequate housing, since these are the areas in which SAFMRs have the greatest potential to improve the housing options available to HCV-assisted households. HUD plans to limit the use of SAFMRs to the HCV program only and to a limited number or percentage of vouchers, especially now while the demonstration program is under way. HUD also wants to eliminate the cycling in and out of FMR areas; once an area qualifies for the use of SAFMRs, the area would not be subject to losing the use of SAFMRs. To assist HUD in framing the issues involved in moving to SAFMRs, HUD seeks public comment on this topic, but specifically on the following questions:

1. *Measurement of undue voucher concentration: What poverty rate and concentration level should be used in determining the criteria for selecting SAFMR areas?* Measuring the extent to which vouchers are concentrated in high-poverty areas will enable HUD to target SAFMRs to areas where voucher concentration likely has the most severely adverse effects. Poverty concentration levels of 20 percent and 40 percent have been identified as particularly significant thresholds for adverse impacts.[4] However, simply measuring the share of voucher holders in areas with poverty rates above these levels may be inadequate since this share will tend to be higher in metropolitan areas with generally high poverty rates regardless of the performance of the voucher program. Should the Department attempt to target areas where concentration of voucher tenants in high-poverty census tracts, however defined, is generally higher than the concentration of rental units? Should the Department target some higher threshold of relative poverty concentration?

2. *SAFMR effectiveness: What percentage of an area's rental stock should be above and below the FMR?* SAFMRs will only be an effective means of reducing HCV tenant concentration in high-poverty neighborhoods in metropolitan areas where there are sufficient numbers of rental units in ZIP codes with rents substantially above or below metropolitan area-wide FMRs. PHAs may establish voucher payment standards up to 10 percent above or below the FMR, so SAFMRs must be substantially above or below this range. What is the appropriate ''sufficient'' threshold proportion of units in ZIP codes with rents substantially different from metropolitan-area-wide FMRs? What is the appropriate threshold for defining ''substantial'' variation in SAFMRs above and below the 90 to 110 payment standard basic range around metropolitan area-wide FMRs?

3. *Program scale: In terms of number or percentage of metropolitan-area vouchers (which is roughly 1.9 million), what should be the size of the SAFMR program?* Based on rental housing stock limitations, SAFMR estimations are limited to metropolitan areas. Because SAFMRs are more complex to administer for PHAs serving a territory containing many ZIP codes, HUD does not wish to impose too high an administrative burden on PHAs by moving to SAFMRs in place of 50th percentile FMRs. The current 50th percentile FMRs account for about 10 percent of the vouchers in all metropolitan areas, or less than 175,000 vouchers, and affect about 150 PHAs. For areas that have ever been 50th percentile areas, the number of vouchers shows a program size of just over 350,000 vouchers, with more than 300 PHAs serving these vouchers. Would SAFMRs of similar size (in terms of number of vouchers used) to the current or the maximum (ever) 50th percentile FMR be appropriate? Note that the selection of the thresholds described in 1 and 2 above will necessarily affect the size of the SAFMR program in terms of the number of voucher holders or PHAs that administer the program, and that the selected areas will not necessarily include areas currently statistically eligible for the 50th percentile FMR.

4. *PHA or metropolitan-wide: Should SAFMRs apply to all PHAs in a metropolitan area, or only to PHAs that display a pattern of HCV tenant concentration in high-poverty census tracts?* Limiting the application of SAFMRs to individual PHAs would reduce overall administrative burden; however, might it be too confusing to have PHAs that service the same area not use the same set of FMRs. HUD

[4] Thresholds, or tipping points, also prove important. In a recent review of research, Galster notes that studies suggest ''that the independent impacts of neighborhood poverty rates in encouraging negative outcomes for individuals like crime, school leaving, and duration of poverty spells appear to be nil unless the neighborhood exceeds about 20 percent poverty, whereupon the externality effects grow rapidly until the neighborhood reaches approximately 40 percent poverty; subsequent increases in the poverty population appear to have no marginal effect.'' George C. Galster, ''The Mechanism(s) of Neighborhood Effects: Theory, Evidence, and Policy Implications.'' Presentation at the ESRC Seminar, St. Andrews University, Scotland, UK, 4–5 February 2010 as footnoted in the HUD publication at: *http://www.huduser.org/portal/periodicals/em/winter11/highlight2.html.*

seeks comments on the relative value of limiting the use of SAFMRs to those agencies exhibiting a pattern of HCV tenant concentration in high-poverty areas versus using SAFMRs for all PHAs servicing an area where HCV tenants are concentrated in high-poverty areas.

5. *Voluntary participation: Should a PHA be allowed to use SAFMRs even if the PHA or the underlying metropolitan area would not qualify for the use of SAFMRs?* Qualification thresholds as discussed above will invariably result in ''near misses'' of areas or PHAs falling just below qualification thresholds, but where PHAs may see value in the SAFMR approach for addressing voucher concentration, or providing better access to opportunity. HUD seeks comment on whether the choice to use SAFMRs should be entirely up to individual PHAs, or if participation should be limited in some way.

6. *PBV Use of SAFMRs: Should SAFMRs be applied to PBVs at least for future PBV projects?* HUD seeks comment on whether the SAFMRs should be applied to PBV assistance as well as tenant-based rental assistance. Under the PBV program, one of the limitations on the amount of subsidy that may be paid is that the rent to owner may not exceed 110 percent of the applicable FMR (or an exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance. As a result, the use of SAFMRs for future PBV projects could potentially increase the number of PBV units that are located in areas of opportunity, because the SAFMRs would recognize the higher rents that are prevalent in more desirable neighborhoods, rather than applying the same 110 percent FMR limitation to all PBV projects throughout the entire metro area, regardless of the project's location.

Because the 110 percent FMR rent limitation applies not only to the initial rent to owner but also to the re-determined rent to owner during the term of the HAP contract, a change to SAFMRs could impact the rents for existing PBV projects and could have an adverse impact on some PBV projects. Should the applicability of SAFMRs to PBV be limited to future PBV projects (or limited in some other manner) so that the change would not potentially impact the rents of existing PBV projects?

7. *Success Rate Payment Standards: In addition to using Small Area FMRs as a tool to alleviate concentrations of voucher tenants in high poverty areas, should Small Area FMRs also be used in areas that qualify for success rate payment standards?* HUD seeks comment on whether the Success Rate Payment Standard regulations (24 CFR 982.503(e)) should continue to use 50th percentile FMRs or if these areas would also benefit from operating under Small Area FMRs. Raising the level of rents across an entire FMR area to the 50th percentile may be necessary in areas where current success rates are low; consequently, the Department could continue to produce 50th percentile rents for this purpose. Such an area may not have enough of a rent differential and/or may not be in a metropolitan area and may benefit from the higher payment standard, up to 110 percent of the 50th percentile rent.

8. *Relevant PHA Experience:* What information do PHAs currently using SAFMRs (Dallas area and SAFMR Demonstration PHAs), or other PHAs that have used SAFMRs for helping set Housing Choice Voucher payment standards (such as PHAs in the Moving to Work Demonstration) have regarding their use of Small Area FMRs? HUD is seeking information about the impacts of implementing Small Area FMRs, including (but not limited to) administrative burden, tenant outcomes and landlord participation.

Environmental Impact

A Finding of No Significant Impact with respect to the environment as required by the National Environmental Policy Act (42 U.S.C. 4321–4374) is unnecessary, since the Housing Choice Voucher Program is categorically excluded from the Department's National Environmental Policy Act procedures under 24 CFR 50.19(c)(d).

Regulatory Review—Executive Orders 12866 and 13563

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. This advance notice of proposed rulemaking was reviewed by OMB and determined to likely result in a ''significant regulatory action,'' as defined in section 3(f) of Executive Order 12866, and potentially an ''economically significant action,'' as provided in section 3(f)(1) of that Order.

The docket file is available for public inspection in the Regulations Division, Office of the General Counsel, 451 7th Street SW., Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the docket file by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at 800–877–8339.

Dated: May 27, 2015.

Katherine M. O'Regan,

Assistant Secretary for Policy Development and Research.

[FR Doc. 2015–13430 Filed 6–1–15; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE TREASURY

Office of the Secretary

31 CFR Part 1

RIN 1505–AC50

Privacy Act; Implementation

AGENCY: Office of the Comptroller of the Currency, Department of the Treasury.

ACTION: Proposed rule.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, the Department of the Treasury (Treasury) amends this part to partially exempt a new Office of the Comptroller of the Currency (OCC) system of records entitled ''Treasury/CC .800—Office of Inspector General Investigations System'' from certain provisions of the Privacy Act.

DATES: Comments must be received no later than July 2, 2015.

ADDRESSES: Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by email, if possible. Please use the title ''Proposed Rule for New Privacy Act System of Records'' to facilitate the organization and distribution of the comments. You may submit comments by any of the following methods:

• *Email: regs.comments@occ.treas.gov.*

• *Mail:* Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th