

**Department of Housing and Urban Development
Report on Implementation of Executive Order 13563,
Improving Regulation and Regulatory Review**

Title and Regulatory Identification Number (RIN)	Description and Anticipated Benefits	Status and Target Dates
Office of Housing – Federal Housing Administration (FHA)		
<p>Federal Housing Administration (FHA): Refinancing an Existing Cooperative under Section 207 Pursuant to Section 223(f) of the National Housing Act;</p> <p>Final Rule</p> <p>RIN 2502-AI92</p>	<p>This final rule will remove a regulatory barrier to the refinancing of existing mortgage debt with FHA insurance by owners of multifamily cooperative housing projects. Although the statutory language authorizing such insurance does not distinguish between rental or cooperative multifamily projects, HUD’s current regulations limit FHA insurance to existing rental projects. Given the current state of the capital markets and the significant downturn in the multifamily market, HUD determined it is an appropriate time to reconsider this regulatory imposed limitation with respect to the mortgage insurance for the refinancing of cooperative projects. The final rule follows publication of a February 1, 2011, proposed rule (76 FR 5518).</p> <p>Anticipated Benefits: The final rule will remove a regulatory restriction on FHA refinancing of existing mortgage debt by owners of multifamily cooperative projects, thus expanding the number of individuals eligible to participate in FHA programs.</p>	<p>Final rule under development.</p> <p>The projected publication date of the final rule is July 2012</p>

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Office of Housing – Federal Housing Administration (FHA)		
<p>Streamlining Inspection and Warranty Requirements for Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of the FHA Inspector Roster and of the Ten-Year Protection Plan Requirements for High Loan-to-Value Ratio Mortgages; Proposed Rule</p> <p>RIN 2502-AJ03</p>	<p>This proposed rule would streamline the inspection and home warranty requirements for FHA single family mortgage insurance. HUD’s regulations currently require the use of an inspector listed on FHA’s Inspector Roster as a condition for FHA mortgage insurance. The Inspector Roster lists inspectors selected by FHA as eligible to determine if the construction quality of a one unit property is acceptable as security for an FHA-insured loan. Current regulations also require newly constructed homes to have a 10-year protection plan in order to qualify for high loan-to-value (LTV) FHA-insured mortgages. Although such protection plans are no longer statutorily mandated, HUD continued to require the plans through regulation. The proposed streamlining changes recognize the sufficiency and quality of inspections carried out by local jurisdictions as a result of the building permit and certification of occupancy processes.</p> <p>Anticipated Benefits: The proposed rule removes the regulations for the FHA Inspector Roster, making it easier for lenders and borrowers to have inspections performed and streamlining the mortgage insurance application process. The proposed rule also removes the outdated 10-year protection plan requirement for high LTV newly constructed single family homes securing FHA-insured mortgages. This eliminates an unnecessary layer of regulatory burden.</p>	<p>The rule is currently under review by the Office of Management and Budget.</p> <p>The projected publication date of the proposed rule is August 2012.</p>
<p>Federal Housing Administration (FHA) Single Family Mortgage Insurance: Removal of Requests for Alternative Mortgage Amounts; Proposed Rule</p> <p>RIN 2502-AJ02</p>	<p>This proposed rule would remove the regulations providing for requests for an alternative maximum mortgage amount in the FHA single family mortgage insurance programs and, in doing so, would establish certainty in FHA’s annual announcement of applicable maximum mortgage amounts for the calendar year. The existing regulations provide for requests to be submitted at any time with no end date provided for the submission of requests. This open-ended practice, initiated in 1980, does not bring stability to a mortgage market. Over 30 years later, the quality of FHA’s data in establishing mortgage amounts for any given geographic area is such that the requests for alternative mortgage amounts have dropped dramatically in the past few years so that no requests were submitted to FHA in calendar year 2010. The removal of this process in and of itself will</p>	<p>This proposed rule published in the Federal Register on January 13, 2012. The public comment period closed March 13, 2013.</p> <p>Public comments are under review, and the final rule is being developed.</p> <p>The projected publication date of the final rule is October 2012.</p>

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	<p>signal the certainty to FHA’s annual announcement of maximum mortgage amounts.</p> <p>Anticipated Benefits: The proposed rule would bring certainty to and streamline the announced maximum mortgage amounts for each calendar year, by removing a regulation that is no longer relevant.</p>	

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Office of Housing – Federal Housing Administration (FHA)		
<p>Federal Housing Administration (FHA): Approval of Lending Institutions and Mortgagees— Alternative Reporting Requirements for Small Supervised Lenders Proposed Rule</p> <p>No RIN assigned yet.</p>	<p>This proposed rule would create alternative financial statement reporting requirements for FHA-approved lenders and mortgagees supervised by a Federal banking agency and possessing consolidated assets of less than \$500 million. HUD’s regulations at 24 CFR § 202.5 currently require all lenders and mortgagees to submit audited financial statements as a condition for FHA lender approval and renewal. Through this proposed rule, in lieu of an audited financial statement, smaller supervised lenders and mortgagees would be required to submit a copy of their unaudited regulatory report prepared for another Federal agency that aligns with their fiscal year end. Because the Federal banking agencies do not require an audited financial statement for financial institutions with consolidated assets less than \$500 million, this rule would align HUD practice with that of other agencies and lift an excessive regulatory burden in order to reduce the cost of participating in FHA programs. This rule would not affect the requirement that larger supervised lenders and mortgagees and all unsupervised lenders and mortgagees submit an audited financial statement and thus would not impact HUD’s strong risk management practices.</p> <p>Anticipated Benefits: The proposed rule would relieve small lenders wishing to participate in FHA programs of certain reporting requirements. The proposed rule also eliminates duplicative reporting requirements for lenders who already report to other Federal agencies, thus reducing paperwork and minimizing the burden of the process of becoming an FHA-approved lender.</p>	<p>The rule is under development.</p> <p>The projected publication date of the proposed rule is October 2012.</p>
<p>Section 8 New Construction and Substantial Rehabilitation Programs: Changes to Limitation on Distributions of Project Funds and Adjustment of Initial Equity; Proposed Rule</p>	<p>The proposed rule streamlines the regulations governing the participation of nonprofit organizations in the Section 8 new construction and substantial rehabilitation programs. These programs made rental assistance available in connection with the development of newly constructed and the improvement and renovation of existing privately owned rental housing financed with any type of construction or permanent financing, including the applicable FHA</p>	<p>The proposed rule is under development.</p> <p>The projected publication date of the proposed rule is September 2012.</p>

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Office of Housing – Federal Housing Administration (FHA)		
RIN 2502-AI98	<p>Multifamily Mortgage Insurance Programs. In 1979 and 1980, HUD issued final rules that revised regulations pertaining to the Section 8 Housing Assistance Payments Program for New Construction (24 CFR part 880), Substantial Rehabilitation (24 CFR part 881), and State Housing Agencies (24 CFR part 883) in order to impose limits on distribution of project funds to profit-motivated owners and prohibiting entitlement to distribution entirely for nonprofit owners. This rule removes the prohibition, thereby providing an incentive for nonprofit owners to contribute to the availability of affordable housing.</p> <p>Anticipated Benefits: By reducing regulatory barriers, this change removes a disincentive for nonprofit owners to promote affordable housing.</p>	

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Office of Housing – Federal Housing Administration (FHA)		
<p>Streamlining Requirements Governing the Use of Funding for Supportive Housing for the Elderly and Persons with Disabilities Programs; Proposed Rule</p> <p>2502-AI67</p>	<p>This proposed rule would amend HUD’s regulations governing the Section 202 Supportive Housing for the Elderly Program (Section 202) and the Section 811 Supportive Housing for Persons with Disabilities Program (Section 811) for the purpose of streamlining the requirements for mixed-financed Section 202 and Section 811 developments. The amendments made by this proposed rule would attract private capital and the expertise of the private developer community to create attractive and affordable supportive housing developments for the elderly and for persons with disabilities.</p> <p>Anticipated Benefits: The proposed rule would remove restrictions on the portions of developments not funded through capital advances. The proposed rule also would remove regulatory barriers on participation s by creating new exemptions to the conflict of interest provisions. Moreover, the proposed rule will provide flexibility regarding amenities that may be provided in projects and will streamline requirements for release of capital advance funds upon completion of the project.</p> <p>The voluntary nature of funding units with covered amenities or developments that contain healthcare facilities makes it difficult to predict the impact of these changes on future Section 202 and 811 units because these two programs together produce only a few hundred developments a year (193 in 2008 and 170 in 2009). Consequently, the overall economic impact from these proposed limited changes in development and unit configuration is expected to be small.</p>	<p>The proposed rule published on March 28, 2012. The public comment period closes on May 29, 2012.</p> <p>The projected publication date of the final rule is November 2012</p>
<p>Title and Regulatory Identification Number(RIN)</p>	<p>Description and Anticipated Benefits</p>	<p>Status and Target Dates</p>
Office of Public and Indian Housing (PIH)		
<p>Public Housing Assessment System (PHAS); Final Rule</p> <p>2577-AC68</p>	<p>On February 23, 2011, HUD published an interim rule to amend HUD’s Public Housing Assessment System (PHAS) regulations for the purposes of (1) consolidating the regulations governing assessment of public housing in one part of the Code of Federal Regulations (CFR); (2) revising certain PHAS</p>	<p>The PHAS interim rule published on February 23, 2011. The public comment period ended April 25, 2011. HUD has considered the public comments and the</p>

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	<p>regulations based on HUD’s experience with PHAS since it was established in 1998; (3) updating certain PHAS procedures to reflect changes in public housing operations resulting from conversion by Public Housing Agencies (PHAs) to asset management; and (4) removing HUD’s predecessor assessment regulations, the Public Housing Management Assessment Program (PHMAP) at 24 CFR part 901. The changes implemented by the interim rule will enhance the efficiency and utility of PHAS, and are based on changes submitted for public comment in an August 21, 2008, proposed rule. The changes made by the interim rule, became effective March 25, 2011, and took into consideration the public comments received on the August 21, 2008, proposed rule.</p> <p>The interim rule solicited additional public comment. The public comment period on the interim rule closed on April 25, 2011. HUD will consider the public comments in development of the final rule.</p> <p>Anticipated Benefits: The final rule will consolidate the assessment regulations in 24 CFR part 902. The rule also removes the outdated PHMAP regulations at 24 CFR part 901.</p>	<p>final rule is in development.</p> <p>The projected publication date of the final rule is January 2013.</p>
<p>Public Housing Capital Fund Program; Final Rule</p> <p>RIN-2577-AC50</p>	<p>This final rule combines and streamlines the former legacy public housing modernization programs, including the Comprehensive Grant Program , the Comprehensive Improvement Assistance Program, and the Public Housing Development Program (which encompasses mixed-finance development), into the Capital Fund Program. The final rule also provides the ability for PHAs to request a total development cost exception for integrated utility management, capital planning, and other capital and management activities that maximize energy conservation and efficiency, including green construction and retrofits. The final rule follows publication of a February 7, 2011, proposed rule (76 FR 6654).</p> <p>Anticipated Benefits: The final rule will streamline and consolidate the modernization requirements for the public housing programs in HUD’s Capital</p>	<p>The proposed rule published on February 7, 2011. The public comment period closed April 8, 2011. HUD has considered the public comments and the final rule is in development.</p> <p>The projected publication date of the final rule is October 2012.</p>

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	<p>Fund Program regulations at 24 CFR part 905. The final rule removes the outdated parts 941, 968, 969, which currently codify the legacy modernization program requirements.</p> <p>HUD has determined that this final rule would not have any impact on the level of funding for the Capital Fund Program - which level is determined by annual congressional appropriations, but would potentially create some financial transfers among program participants. The total amount of transfer is estimated to be less than \$100 million annually, with most of these transfers being inter-agency transfers. However, the benefits of the rule such as regulatory consolidation, program clarification, removal of obsolete references, and enhanced efficiencies make the rule necessary regardless of the transfers of funding involved.</p>	
<p>Revisions to the Consortia of Public Housing Agencies; Proposed Rule</p> <p>RIN 2577-AC89</p>	<p>This proposed rule revises the PHA consortium regulations to provide additional flexibility and increase administrative efficiencies associated with forming a consortium. The changes will also help ensure maximum family choice in locating suitable housing. The proposed rule would allow PHAs to form a new category of cross-jurisdictional consortia for administration of the Section 8 Housing Choice Voucher (HCV) program. The proposed rule would also revise the categories of Section 8 programs eligible to be administered under a consortium. Specifically, the Section 8 programs administered by HUD’s Office of Multifamily Housing programs would no longer be eligible for consortia administration. HUD also proposes to establish new requirements regarding the timeframes for the establishment and dissolution of a consortium. Further, HUD has taken the opportunity afforded by this proposed rule to make several technical, non-substantive changes to improve the clarity and organization of the consortium regulations.</p> <p>Anticipated Benefits: The proposed rule will enable PHAs to establish cross-jurisdictional consortia that would be treated as a single PHA, with a single jurisdiction and a single set of reporting and audit requirements, for purposes of</p>	<p>The proposed rule is under development.</p> <p>The projected publication date of the proposed rule is September 2012.</p>

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Office of Housing – Federal Housing Administration (FHA)		
	administering the HCV program in a more streamlined and less burdensome fashion.	
<p>Public Housing and Section 8 Programs: Housing Choice Voucher - Improving Portability for Voucher Families Proposed Rule</p> <p>RIN 2577-AC86</p>	<p>This proposed rule would amend HUD’s regulations governing portability in the Housing Choice Voucher program (HCV program). Portability is a feature of the HCV program that allows an eligible family with a housing choice voucher to use that voucher to lease a unit anywhere in the United States where there is a public housing agency (PHA) operating a housing choice voucher program. The purpose of HUD’s proposed changes to the portability regulations is to streamline the process for such inter-jurisdictional moves. Reducing the administrative burdens involved with processing portability requests will enable initial and receiving PHAs to better serve families and expand housing opportunities.</p> <p>Anticipated Benefits: The proposed rule would remove the administrative burdens involved with processing portability requests. The proposed changes to the HCV regulations would not have a significant incidence on the program budget. The proposed rule, however, would yield certain non-tangible benefits to program participant and, if successful, increase financial transfers between PHAs.</p>	<p>The proposed rule published on March 28, 2012. The public comment period ends May 29, 2012.</p> <p>The projected publication date of the final rule is October 2012.</p>
<p>Revision to the Section 8 Management Assessment Program (SEMAP) Lease-Up Indicator; Final Rule</p> <p>RIN 2577-AC76</p>	<p>This final rule amends HUD’s SEMAP regulations to conform the process by which HUD measures and verifies performance under the SEMAP lease-up indicator to the process by which HUD measures and verifies voucher leasing and cost data. The amendment will reflect that assessment of a lease-up rate (that is, SEMAP lease-up indicator) by a public housing agency (PHA) is based on a calendar year cycle, rather than a fiscal year cycle. HUD measures and verifies voucher leasing and cost data on a calendar year basis. The two different systems of measurement result in administrative burden for PHAs and inefficiencies in the voucher program. This rule also clarifies that units assisted under the voucher homeownership option or under a project-based housing assistance (HAP) contract are included in the assessment of PHA units leased. I This final rule follows publication of a September 23, 2011, proposed rule.</p>	<p>The proposed rule published on September 23, 2011. The public comment period closed October 24, 2011. The final rule is close to being ready for submission to the Federal Register.</p> <p>The projected publication date of the final rule is October 2012.</p>

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	<p>Anticipated Benefits: The final rule removes complexity and administrative burden caused by use of both the fiscal year and calendar year systems. The rule also provides a critical synchronization of administration of the voucher program, which will reduce program inefficiencies.</p>	

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Office of Community Planning and Development (CPD)		
<p>Implementation of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act)</p> <p>RINs:</p> <p>Definition of “Homeless” Final Rule RIN 2506–AC26</p> <p>Continuum of Care program; Interim Rule RIN 2506–AC29</p> <p>Emergency Solutions Grants program; Final Rule RIN 2506–AC31</p> <p>Homeless Management Information System (HMIS);</p>	<p>These prules implementing the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) consolidate and amends three separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program that is designed to improve administrative efficiency and enhance response coordination and effectiveness in addressing the needs of homeless persons. The HEARTH Act also codifies in law and enhances the Continuum of Care planning process, long a part of HUD's application process to assist homeless persons by providing greater coordination in responding to their needs.</p> <p>Anticipated Benefits: The HEARTH Act rules strengthens and consolidate to a certain extent the homeless grant assistance programs that HUD has administered for over a decade. For example, the HEARTH act codifies into law the Continuum of Care program, which was administratively created in 1995, and consolidates into the Continuum of Care program, the Supportive Housing Program, the Shelter Plus Care Program, and the Moderate Rehabilitation Single Room Occupancy Program. The HEARTH Act replaces the Emergency Shelter Grants program with the Emergency Solutions Grants program, which places a greater focus on homeless prevention. The HEARTH</p>	<p>The Definition of Homeless final rule was published on December 5, 2011 (76 FR 75994). This rulemaking has been completed.</p> <p>The Emergency Solutions Grants program interim rule was published on December 5, 2011 (76 FR 75954). The public comment period closed on February 3, 2012. The public comments are under review. The projected publication date of the final rule is October 2012.</p> <p>The HMIS proposed rule was published on December 9, 2011 (76 FR 76917). The public comment period closed on February 7, 2012. The public comments are under review. The projected</p>

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<p>Final Rule RIN 2506-AC32</p> <p>Rural Housing Stability program; Interim Rule RIN 2506-AC33</p>	<p>Act also directs that HUD issue regulations for the Homeless Management Information System (HMIS), a database that HUD established to compile information on homelessness. The HEARTH Act rules implemented by HUD do not alter the fundamental goals of the homeless assistance grant programs, in existence prior to amendment by the HEARTH Act. Accordingly, these rules do not result in an economic effect equal to or greater than \$100 million.</p>	<p>publication date of the final rule is August 2012.</p> <p>The Continuum of Care program interim and the Rural Housing Stability interim rule are currently under review by the Office of Management and Budget. The projected publication date for both rules is June 2012.</p>
<p>HOME Investment Partnerships—Improving Performance and Accountability; and Updating Property Standards; Final rule</p> <p>RIN 2501-AC94</p>	<p>HUD’s HOME Investment Partnerships Program (HOME program or HOME) provides formula grants to States and units of local government to fund a wide range of activities directed to producing or maintaining affordable housing, both homes and rental housing. This final rule amends the HOME regulations to address many of the operational challenges facing participating jurisdictions, particularly challenges related to recent housing market conditions and the alignment of Federal housing programs. The final rule also clarifies certain existing regulatory requirements and establishes new requirements designed to enhance accountability by states and units of local government in the use of HOME funds, strengthening performance standards and requiring more timely housing production. The final rule also updates property standards applicable to housing assisted by HOME funds. This final rule follows publication of a December 16, 2011, proposed rule (76 FR 78344).</p> <p>Anticipated Benefits: This rule proposes to make a number of changes to the HOME program in order to improve the performance of the program and to implement foreclosure prevention measures required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Accountability and performance would be enhanced by such regulatory changes as placing limits and standards</p>	<p>The public comment period on the proposed rule closes on February 14, 2012. The public comments are under review.</p> <p>The projected publication date of the final rule is October 2012.</p>

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Office of Community Planning and Development (CPD)		
	on the use of Community Housing Development Organizations (CHDOs), strengthening performance standards by participating jurisdictions and requiring more timely housing production.	