

DEPARTMENT OF TRANSPORTATION**Federal Highway Administration****23 CFR Part 625**

[FHWA Docket No. 93-14]

RIN 2125-AD23

Design Standards for Highways

AGENCY: Federal Highway Administration (FHWA), DOT.
ACTION: Correction to final rule.

SUMMARY: This document contains a correction to the authority statement in the interim final rule published on December 10, 1993 (58 FR 64895). The regulation related to design standards for highways, metric values for geometric design.

EFFECTIVE DATE: March 30, 1994.

FOR FURTHER INFORMATION CONTACT: Mr. Seppo I. Sillan, Office of Engineering (202) 366-0312, or Mr. Wilbert Baccus, Office of the Chief Counsel (202) 366-0780, Federal Highway Administration, 400 Seventh Street, SW., Washington, DC 20590. Office hours are from 7:45 a.m. to 4:15 p.m., e.t., Monday through Friday, except Federal legal holidays.

The FHWA hereby corrects the authority statement of 23 CFR part 625 which was published on Friday, December 10, 1993 in FR Doc. 93-29261 to read as follows:

Authority: 23 U.S.C. 109, 315, and 402; Sec. 1073 of Pub. L. 102-240, 105 Stat. 1914, 2012; 49 CFR 1.48 (b) and (n).

Issued on: March 24, 1994.

Theodore A. McConnell,
Chief Counsel.

[FR Doc. 94-7525 Filed 3-29-94; 8:45 am]

BILLING CODE 4910-22-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing-Federal Housing Commissioner

24 CFR Part 3500

[Docket No. R-94-1653; FR-3382-C-04]

RIN 2502-AG13

Amendments to Regulation X, the Real Estate Settlement Procedures Act Regulation (Subordinate Liens), Final Rule; Correction

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Final rule; correction.

SUMMARY: The Department is publishing corrections to the final rule on Amendments to Regulation X, the Real Estate Settlement Procedures Act Regulation (Subordinate Liens), published February 10, 1994 (59 FR 6505).

DATES: *Effective date:* August 9, 1994, except that the corrections and clarifications in § 3500.5(b) are effective upon publication.

FOR FURTHER INFORMATION CONTACT: Grant E. Mitchell, Senior Attorney for RESPA, Office of General Counsel, room 10252 (202) 708-1550, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-0500. The TDD number is (202) 708-4594. (These are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:**Background**

On February 10, 1994, the Department issued amendments to its regulations to implement sections 908 and 951 of the Housing and Community Development Act of 1992 (Pub. L. 102-550, approved October 28, 1992) (Act). That Act expanded the coverage of RESPA to include mortgages secured by subordinate liens, and restated the Department's authority over refinancing transactions. The Department's final rule of February 10, 1994 adopted certain definitions and disclosure requirements of the Truth in Lending Act (TILA) and its implementing regulation, Regulation Z, to minimize the burden on lenders and others in complying with different or conflicting definitions and disclosure requirements for transactions also covered by the TILA.

Need for Correction

As published, the preamble and the final rule contain material that may be misleading and is in need of correction or clarification.

For example, some readers have erroneously interpreted a provision in the preamble (at the end of the first column of 59 FR 6508) that was intended to clarify treatment of certain specific owner-occupied programs of the Federal Housing Administration (FHA) as modifying the entire business purpose exemption. With one exception, the business purpose exemption of Regulation X extends to all business purpose transactions exempted under Regulation Z, and persons may rely on Regulation Z in determining whether the exemption applies. The one exception is loans to individuals to acquire, refinance, improve, or maintain 1- to 4-family

residential properties used, or to be used, for rental purposes; these transactions have been determined by the Department to be covered by RESPA. An individual who has voluntarily chosen to act as a sole proprietorship is not considered an individual under the exception to the business purpose exemption; however, a lender may not require sole proprietorship status as a condition for making the loan. The preamble has been amended by isolating the FHA-related language, and clarifying language is included in § 3500.5(b)(2) of the rule.

Questions have also been raised regarding the title of the HUD-1A form—Optional Form for Transactions without Sellers. It is called "optional," which is synonymous with "alternative" in this context, because the HUD-1 can be used for all transactions, using the borrower's side of the form where there is no seller, or the HUD-1A can be used for borrower-only transactions. As clarified in this correction, pursuant to § 3500.8, one or the other of these forms must be used, except for open-end lines of credit (home equity plans) under the Truth in Lending Act and Regulation Z, for which neither form is required.

On the HUD-1A, unlike the HUD-1, there is no reference to assumption fees, because no such fees are contemplated in refinance or subordinate lien transactions. By this document, however, the Department also clarifies that it has no objection if form or software companies leave line 807 blank on the HUD-1A and use line 808 for mortgage broker fees, so that the treatment of disclosure in the HUD-1 and HUD-1A is more parallel.

Correction of Publication

Accordingly, FR Doc. 94-3035, the final rule (FR-3382) on Amendments to Regulation X, the Real Estate Settlement Procedures Act Regulation (Subordinate Liens), published on February 10, 1994 (59 FR 6505), is corrected as follows:

1. On page 6508, in the first column, in the preamble, at the end of the first paragraph under Item 7, the following two sentences are added:

The exemptions requested in comments (a), (c), and (d) were effectively adopted as part of the business purpose exemption. Comment (b) was not adopted in its entirety, because the Department chose not to exempt loans to individuals (natural persons) to acquire, refinance, improve, or maintain 1- to 4-family residential rental properties.

2. On page 6508, in the second paragraph under Item 7 in the preamble, the first sentence is removed and the

following sentence is substituted in its place:

The Department decided generally to adopt the "business purpose" exemption of Regulation Z, but does not include in the business purpose exemption a loan to one or more natural persons to acquire, refinance, improve or maintain 1- to 4-family residential properties used or to be used for rental purposes. An individual choosing to act as a sole proprietorship is not an individual under this rule.

3. On page 6508, in the first column and continuing in the second column, in the third paragraph under Item 7 in the preamble, the last two sentences in the paragraph are removed and a new Item 7A is added in their place, to include the following heading and text:

7A. FHA-Related Transactions

Questions have arisen under the eligibility standards of certain FHA owner-occupancy programs where both an individual and a living trust (or a corporation, association, or partnership) are named on the note or deed. For purposes of the relevant FHA programs, this dual denomination on the note or deed continues to satisfy the owner-occupied program definitions. These transactions are covered by RESPA.

§ 3500.2 [Corrected]

4. On page 6511, in the third column, in the definition in § 3500.2 of "federally related mortgage loan", the last sentence in paragraph (2) is removed from paragraph (2) and is redesignated as a separate paragraph (3).

§ 3500.5 [Corrected]

5. On page 6512, in the third column, in § 3500.5, paragraph (b)(1)(ii) is corrected by removing the word "and" at the end of the paragraph and adding the word "or" in its place.

6. On page 6512, in the third column, and continuing on page 6513, in the first column, in § 3500.5, paragraph (b)(2) is clarified by removing the period before the last sentence and adding a comma in its place, and by removing the last sentence and by adding the following clause and two sentences in its place:

(b) * * *
(2) * * *

* * * and persons may rely on Regulation Z in determining whether the exemption applies. Notwithstanding the foregoing, the exemption in this section for business purpose loans does not include any loan to one or more persons acting in an individual capacity (natural persons) to acquire, refinance, improve, or maintain 1- to 4-family residential property used, or to be used, to rent to other persons. An individual

who voluntarily chooses to act as a sole proprietorship is not considered to be acting in an individual capacity for purposes of this part.

§ 3500.7 [Corrected]

7. On page 6514, in the second column, in § 3500.7, paragraph (f) is corrected by removing the parentheses in the citation "12 CFR 226.5(b)", to read "12 CFR 226.5b".

§ 3500.8 [Corrected]

8. On page 6514, in the second column, in § 3500.8, the last sentence of paragraph (a) is removed and the following two sentences are added in its place:

(a) * * * Either the HUD-1 or the HUD-1A, as appropriate, shall be used for every RESPA-covered transaction, unless its use is specifically exempted, but the HUD-1 or HUD-1A may be modified as permitted under this part. The use of the HUD-1 or HUD-1A is exempted for open-end lines of credit (home-equity plans) covered by the Truth in Lending Act and Regulation Z.

§ 3500.9 [Corrected]

9. On page 6515, in the first column, in § 3500.9, paragraph (b) is corrected by removing the clause "paragraphs (a)(3), (6), and (11)" at the end of the section and adding in its place the clause "paragraphs (a)(3) and (6)".

Authority: 12 U.S.C. 2601 et seq.

Dated: March 24, 1994.

Nicolas P. Retsinas,
Assistant Secretary for Housing-Federal
Housing Commissioner.
[FR Doc. 94-7490 Filed 3-29-94; 8:45 am]
BILLING CODE 4210-27-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8533]

RIN 1545-AS58

Accuracy-Related Penalty; Correction

AGENCY: Internal Revenue Service, Treasury.

ACTION: Correction to temporary regulations.

SUMMARY: This document contains a correction to temporary regulations relating to the accuracy-related penalty under chapter 1 of the Internal Revenue Code. This document was published in the *Federal Register* on Thursday, March 17, 1994 (59 FR 12547).

EFFECTIVE DATE: March 17, 1994.

FOR FURTHER INFORMATION CONTACT: David L. Meyer, (202) 622-6232 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations provide rules under section 6662 of the Internal Revenue Code.

Need for Correction

As published, TD 8533 contains an error which may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of the temporary regulations (TD 8533), which is the subject of FR Doc. 94-6236 is corrected as follows:

§ 1.6662-7T [Corrected]

On page 12548, column 3, § 1.6662-7T(a)(2), line 5, the language "provisions of these regulations relating" is corrected to read "provisions of this section relating".

Dale D. Goode,

Federal Register Liaison Officer, Assistant
Chief Counsel (Corporate).

[FR Doc. 94-7404 Filed 3-29-94; 8:45 am]

BILLING CODE 4830-01-J

DEPARTMENT OF LABOR

Office of Labor-Management Standards

29 CFR Part 403

RIN 1294-AA07

Labor Organization Annual Financial Reports

AGENCY: Office of Labor-Management
Standards, Office of the American
Workplace, Labor.

ACTION: Final Rule; correction.

SUMMARY: This document contains a correction to the final rule which was published on Tuesday, December 21, 1993 (58 FR 67593). The rule relates to the annual financial reports required to be filed by labor organizations. The final rule inadvertently omitted a revised instruction for one of the reporting forms.

EFFECTIVE DATE: December 31, 1994.

FOR FURTHER INFORMATION CONTACT: Kay H. Oshel, Chief, Division of Interpretations and Standards, Office of Labor-Management Standards, Office of the American Workplace, U.S. Department of Labor, 200 Constitution Avenue, NW., room N-5605,