§ 597.500  
(1) Has modified the boundaries of the area;
(2) Has failed to make progress in achieving the benchmarks set forth in the strategic plan; or
(3) Has not complied substantially with the strategic plan.

(b) Letter of warning. Before revoking the designation of an urban area as an Empowerment Zone or Enterprise Community, the Secretary will issue a letter of warning to the nominating State(s) and local government(s):
(1) Advising that the Secretary has determined that the nominating local government(s) and/or State(s) has:
   (i) Modified the boundaries of the area; or
   (ii) Is not complying substantially with, or has failed to make progress in achieving the benchmarks set forth in the strategic plan prepared pursuant to § 597.200(c); and
(2) Requesting a reply from all involved parties within 90 days of the receipt of this letter of warning.

(c) Notice of revocation. After allowing 90 days from the date of receipt of the letter of warning for response, and after making a determination pursuant to paragraph (a) of this section, the Secretary may issue a final notice of revocation of the designation of the urban area as an Empowerment Zone or Enterprise Community.

(d) Notice to affected Federal agencies. HUD will notify all affected Federal agencies providing assistance in an urban Empowerment Zone or Enterprise Community of its determination to revoke any designation pursuant to this section or to modify a designation pursuant to § 597.402(b).

Subpart F—Special Rules

§ 597.500  Indian Reservations.
No urban Empowerment Zone or Enterprise Community may include any area within an Indian reservation.

§ 597.501  Governments.
If more than one State or local government seeks to nominate an urban area under this part, any reference to or requirement of this part shall apply to all such governments.