

3. Section 200.1205 is amended by revising the definition for "Consent form", to read as follows:

**§ 200.1205 Definitions.**

\* \* \* \* \*

*Consent form* means a consent form or forms approved by HUD to be signed by applicants and participants for the purpose of obtaining employee income information from employers; wage and claim information from SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, payments of retirement income as referenced at section 6103(l)(7)(A) of the Internal Revenue Code (26 U.S.C. 6103); and return information for unearned income (i.e., interest and dividends) from the Internal Revenue Service as referenced at section 6103(l)(7)(B) (26 U.S.C. 6103). Also, the consent forms may authorize the collection of other information from applicants or participants to determine eligibility or level of benefits as provided in 24 CFR 813.109 and 24 CFR 913.109. The consent form expires after a limited amount of time.

\* \* \* \* \*

4. Section 200.1210 is amended by revising paragraph (c), to read as follows:

**§ 200.1210 Consent by applicants and participants.**

\* \* \* \* \*

(c) *Consent form requirements.* The consent form required by this subpart V shall contain, at a minimum, the following:

(1) A provision authorizing HUD to obtain from SWICAs any information or materials necessary to complete or verify the application for participation and/or to maintain continued assistance under a program referred to in § 200.1203;

(2) A provision authorizing HUD or the owner (or mortgagee as applicable) responsible for determining eligibility for or level of assistance, to verify with previous or current employers employee income information pertinent to the applicant's or participant's eligibility for or level of assistance under a program referred to in § 200.1203;

(3) A provision authorizing HUD to request tax return information from the Internal Revenue Service and the Social Security Administration for the sole purpose of verifying income information pertinent to the applicant's or participant's eligibility or level of benefits; and

(4) A statement that the authorization to release the information requested by

the consent form expires 15 months after the consent form was signed.

(5) These requirements may be contained in more than one consent form.

**PART 760—PROCEDURES FOR OBTAINING WAGE AND CLAIM INFORMATION ABOUT APPLICANTS AND PARTICIPANTS IN HUD'S SECTION 8 AND PUBLIC HOUSING PROGRAMS FROM STATE WAGE INFORMATION COLLECTION AGENCIES (SWICAs)**

5. The authority citation for part 760 is revised to read as follows:

**Authority:** 12 U.S.C. 1701q; 42 U.S.C. 1437a, 1437d, 1437ee, 1437f, 3535(d), and 3544.

6. Section 760.3 is amended by revising paragraph (a), to read as follows:

**§ 760.3 Applicability.**

(a) *Information to be covered by consent forms.* The information covered by consent forms described in this part involves wage and claim information from SWICAs; and wages, net earnings from self-employment, payments of retirement income, and unearned income as referenced at sections 6103(l)(7)(A) and 6103(l)(7)(B) of the Internal Revenue Code (26 U.S.C. 6103). In addition, consent forms may authorize the collection of other information as identified in 24 CFR 813.109(b) and 24 CFR 913.109(b) for current verification procedures, including requirements regarding signing and submitting consent forms, for the covered programs.

\* \* \* \* \*

7. Section 760.5 is amended by revising the definition for "Consent form", to read as follows:

**§ 760.5 Definitions.**

\* \* \* \* \*

*Consent form* means a consent form or forms approved by HUD to be signed by applicants and participants for the purpose of obtaining employee income information from employers; wage and claim information from SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, payments of retirement income as referenced at section 6103(l)(7)(A) of the Internal Revenue Code (26 U.S.C. 6103); and return information for unearned income (i.e., interest and dividends) from the Internal Revenue Service as referenced at section 6103(l)(7)(B) (26 U.S.C. 6103). Also, the consent forms may authorize the collection of other information from applicants or

participants to determine eligibility or level of benefits as provided in 24 CFR 813.109 and 24 CFR 913.109. The consent form expires after a limited amount of time.

\* \* \* \* \*

8. Section 760.10 is amended by revising paragraph (c), to read as follows:

**§ 760.10 Consent by applicants and participants.**

\* \* \* \* \*

(c) *Consent form requirements.* The consent form required by this subpart B shall, at a minimum, contain the following:

(1) A provision authorizing HUD and HAs to obtain from SWICAs any information or materials necessary to complete or verify the application for participation or to maintain continued assistance under a program referred to in § 760.3;

(2) A provision authorizing HUD, HAs, or the owner responsible for determining eligibility for or level of assistance, to verify with previous or current employers income information pertinent to the applicant's or participant's eligibility for or level of assistance under a program referred to in §§ 200.1203, 813.109 and 913.109 of this title;

(3) A provision authorizing HUD to request income return information from the Internal Revenue Service and the Social Security Administration for the sole purpose of verifying income information pertinent to the applicant's or participant's eligibility or level of benefits; and

(4) A statement that the authorization to release the information requested by the consent form expires 15 months after the consent form was signed.

Dated: March 3, 1995.

**Henry G. Cisneros,**  
*Secretary.*

[FR Doc. 95-6715 Filed 3-17-95; 8:45 am]  
BILLING CODE 4210-32-P

**24 CFR Part 3500**

[Docket No. R-95-1538; FR-2942-C-07]

RIN 2502-AG27

**Office of the Assistant Secretary for Housing-Federal Housing Commissioner; Real Estate Settlement Procedures Act, Section 6 Transfer of Servicing of Mortgage Loans (Regulation X): Corrections**

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

**ACTION:** Final rule.

**SUMMARY:** The final rule published on December 19, 1994, is being further amended to correct technical errors and to conform the rule text and an Appendix. Previously, on January 10, 1995, the Department published a substitute page correcting Appendix MS-1 to Part 3500 and correcting a cross-reference. The corrections published today are necessary to clarify certain other provisions.

**EFFECTIVE DATE:** June 19, 1995. This is the same effective date as applies to the final rule and earlier corrections.

However, the Department continues to encourage persons covered by the new rule to implement all of its provision earlier than the rule's effective date.

**FOR FURTHER INFORMATION CONTACT:** David R. Williamson, Director, RESPA Enforcement, Room 5239, Department of Housing and Urban Development, 451 7th Street, S.W., Washington, D.C. 20410, telephone (202) 708-4560. The TDD number for hearing-impaired persons is (202) 708-4594. (These are not toll-free numbers.)

**SUPPLEMENTARY INFORMATION:** Under the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) (RESPA), the Secretary is to publish regulations implementing the requirements in Section 6 (12 U.S.C. 2605) concerning the servicing of mortgage loans. On December 19, 1994 (59 FR 65442), the Department published a final rule implementing Section 6 of RESPA. On January 10, 1995 (60 FR 2642), the Department published a substitute page correcting Appendix MS-1 to Part 3500, the Servicing Disclosure Statement, to include the Acknowledgment of Mortgage Loan Applicant that was referenced in the rule text. In addition, the January 10, 1995, publication corrected a cross-reference in § 3500.21(e) of the rule.

Additional corrections are necessary:

(a) To clarify terminology relating to the period of time applicable to certain calculations;

(b) To clarify how long signed acknowledgements must be retained;

(c) To clarify the contents of the Notices of Transfer, including removing one unnecessary requirement and ensuring that borrowers are advised of their rights in connection with complaint resolution; and

(d) To clarify the protections applicable to borrowers during a transfer of loan servicing and to conform the text of the rule with Appendix MS-2, Notice of Assignment, Sale, or Transfer of Servicing Rights.

In addition, the Department is correcting a cross-reference in one of the definitions applicable to part 3500.

Accordingly, 24 CFR 3500.2 is amended and FR Doc. 94-30413, the final rule on Real Estate Settlement Procedures Act, Section 6 Transfer of Servicing of Mortgage Loans (Regulation X); and Real Estate Settlement Procedures Act (Regulation X); Escrow Accounting Procedures: Technical Correction, published December 19, 1994 (59 FR 65442), is corrected, as follows:

**PART 3500—REAL ESTATE SETTLEMENT PROCEDURES ACT**

1. The authority citation for 24 CFR part 3500 continues to read as follows:

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

2. In § 3500.2, the definition of "Lender" is amended by revising the fourth sentence to read as follows:

**§ 3500.2 Definitions.**

\* \* \* \* \*

*Lender* \* \* \* See also § 3500.5(b)(7), secondary market transactions.

\* \* \* \* \*

**§ 3500.21 [Corrected]**

3. In the **Federal Register** of December 19, 1994, on page 65449, the second sentence in § 3500.21(b)(3)(iii) is amended at the first and fourth line of the third column by substituting the phrase "12-month period" for the phrase "calendar year" in the two places where it appears.

4. On page 65450, in the first column, in § 3500.21, a new paragraph (c)(3) is added, to read as follows:

**§ 3500.21 Mortgage servicing transfers.**

\* \* \* \* \*

(c) \* \* \*

(3) The signed Applicant Acknowledgment(s) shall be retained for a period of 5 years after the date of settlement as part of the loan file for every settled loan. There is no requirement for retention of Applicant Acknowledgment(s) if the loan is not settled.

\* \* \* \* \*

5. On page 65450, beginning in the second column, in § 3500.21:

a. Paragraphs (d)(3) (ii) and (iii) are revised;

b. The word "and" is removed following the semicolon at the end of paragraph (d)(3)(v) in the third column;

c. The period at the end of paragraph (d)(3)(vi) in the third column is replaced with the word "; and";

d. A new paragraph (d)(3)(vii) is added; and

e. Paragraph (d)(5) is revised, to read as follows:

\* \* \* \* \*

(d) \* \* \*

(3) \* \* \*

(ii) The name, consumer inquiry addresses (including, at the option of the servicer, a separate address where qualified written requests must be sent), and a toll-free or collect-call telephone number for an employee or department of the transferee servicer;

(iii) A toll-free or collect-call telephone number for an employee or department of the transferor servicer that can be contacted by the borrower for answers to servicing transfer inquiries;

\* \* \* \* \*

(vii) A statement of the borrower's rights in connection with complaint resolution, including the information set forth in paragraph (e) of this section. Appendix MS-2 of this part illustrates a statement satisfactory to the Secretary.

\* \* \* \* \*

(5) *Consumer protection during transfer of servicing.* During the 60-day period beginning on the effective date of transfer of the servicing of any mortgage servicing loan, if the transferor servicer (rather than the transferee servicer that should properly receive payment on the loan) receives payment on or before the applicable due date (including any grace period allowed under the loan documents), a late fee may not be imposed on the borrower with respect to that payment and the payment may not be treated as late for any other purposes.

\* \* \* \* \*

Dated: March 14, 1995.

**Nicolas P. Retsinas,**  
*Assistant Secretary for Housing-Federal Housing Commissioner.*

[FR Doc. 95-6794 Filed 3-17-95; 8:45 am]

BILLING CODE 4210-27-P

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 8590]

RIN 1545-AR10

**Dividends Received Deduction Holding Period Reduced for Periods Where Risk of Loss Diminished**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations relating to the reduction in the holding period of stock where a taxpayer has diminished its risk of loss by holding one or more other positions with respect to substantially similar or