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**SUPPLEMENTARY INFORMATION:** On August 5, 1994 (59 FR 39956), the Department published in the **Federal Register** a final rule that revised, in its entirety, 24 CFR Part 204. With that revision, only one section (§ 204.1) remained in Part 204.

On October 3, 1994 (59 FR 50456), the Department published a final rule establishing minimum standards for real estate appraisals made by staff, fee panel and contract appraisers in determining the maximum insurable mortgage amount in most HUD/FHA single family (one-to-four family) and multifamily transactions; and establishing criteria for the selection of appraisers by mortgagees. The October 3 rule erroneously revised a nonexistent 24 CFR 204.3(b). It also added a new part 267 to title 24 of the Code of Federal Regulations.

In addition, on December 2, 1994 (59 FR 61800), the Department published a correction document to the October 3 final rule. In the December 2 document, § 267.3 was corrected by removing the paragraph designations for paragraphs (c)(3)(i), (ii), and (iii) of that section, and by running the text together to form a single paragraph (c)(3). The document failed, however, to remove two cross-references to paragraph (c)(3)(iii), which were contained in §§ 267.3(c)(1) and (c)(2).

The purpose of this document is to correct errors made in the October 3, 1994 final rule by removing the revision to § 204.3(b), and by amending § 267.3 to remove cross-references contained in §§ 267.3(c)(1) and (c)(2).

Accordingly, FR Doc. 94-24327, a final rule published in the **Federal Register** on October 3, 1994 (59 FR 50456), is corrected as follows:

#### **§ 204.3 [Amended]**

1. On page 50464, in column one, amendatory instruction 6. and § 204.3(b) are removed.

#### **§ 267.3 [Amended]**

2. On page 50465, in column one, in § 267.3, paragraph (c)(1) is corrected by

removing the phrase "paragraph (c)(3)(iii) of this section.", and by adding in its place "paragraph (c)(3) of this section."

3. On page 50465, in column one, in § 267.3, paragraph (c)(2) is corrected by removing the phrase "paragraph (c)(3)(iii) of this section.", and by adding in its place "paragraph (c)(3) of this section."

Dated: March 28, 1995.

**Camille E. Acevedo,**

*Assistant General Counsel for Regulations.*

[FR Doc. 95-8053 Filed 3-30-95; 8:45 am]

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### **Office of the Assistant Secretary for Housing—Federal Housing Commissioner**

#### **24 CFR Parts 246 and 266**

[Docket No. R-95-1685; FR-3383-F-04]

#### **Housing Finance Agency Risk-Sharing Program for Insured Affordable Multifamily Project Loans: Conforming Amendment**

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

**ACTION:** Final rule; Conforming Amendment.

**SUMMARY:** On December 5, 1994, HUD published a final rule that finalized the standards and procedures of the Housing Finance Agency Risk-Sharing Program for Insured Affordable Multifamily Project Loans, first implemented by a December 3, 1993 interim rule.

The purpose of this final rule is to make a conforming amendment to the December 5, 1994 final rule that will reflect the assumption of environmental review responsibilities by States and units of general local government as provided in an interim rule published by HUD on March 13, 1995.

**DATES:** May 1, 1995.

**FOR FURTHER INFORMATION CONTACT:**

Jane Luton, Acting Director, Policies and Procedures Division, Office of Insured Multifamily Housing Development, Room 6116, (202) 708-2556. Hearing- and speech-impaired persons may call (202) 708-4594. (The above listed telephone numbers are not toll-free.)

**SUPPLEMENTARY INFORMATION:**

#### **I. Background**

On December 5, 1994 (59 FR 52514), HUD published a final rule that finalized the standards and procedures of the Housing Finance Agency Risk-

Sharing Program for Insured Affordable Multifamily Project Loans, a program that was implemented by a December 3, 1993 interim rule (58 FR 64032). The preamble to the December 5, 1994 final rule stated that 24 CFR part 266 would be amended upon publication of the changes made to 24 CFR part 58 (See 59 FR 62517, column one).

On March 13, 1995 (60 FR 13518) HUD published an interim rule amending 24 CFR part 58, entitled "Environmental Review Procedures for Recipients Assuming HUD Responsibilities." Section 58.1(c)(8) of the March 13, 1995 interim rule adds the FHA Multifamily Housing Finance Agency Risk Sharing Pilot Program under section 542(c) of the Housing and Community Development Act of 1992 as one of the programs and activities for which States and units of general local government are authorized to assume responsibility of environmental review (in lieu of HUD).

Accordingly, § 266.210(b) of the December 5, 1994 final rule, which identifies environmental reviews as a HUD-retained review function, is amended by this final rule to be consistent with § 58.1(c)(8) of the March 13, 1995 interim rule.

#### **II. Justification for Final Rule**

In general, the Department publishes a rule for public comment before issuing a rule for effect, in accordance with its own regulations on rulemaking, 24 CFR part 10. However, part 10 does provide for exceptions from that general rule where the agency finds good cause to omit advance notice and public participation. The good cause requirement is satisfied with prior public procedure is "impracticable, unnecessary, or contrary to the public interest." (24 CFR 10.1) The Department finds that good cause exists to publish this rule for effect without first soliciting public comment, in that prior public procedure is unnecessary and contrary to the public interest. In the December 5, 1994 final rule, the public was advised that this amendment would be made to the HFA Risk Sharing rule as soon as the changes to part 58 were made. This rule is also technical in nature, since it makes a conforming amendment to part 266 to make it consistent with the recently issued changes to part 58. Additionally, it is contrary to public interest to first seek public comment before issuing this rule for effect because it is in the interest of the HFA Risk Sharing Program, and the participants and beneficiaries thereof, to be able to utilize as soon as possible the amended environmental review procedures of part 58.

### III. Other Matters

#### *Impact on the Environment*

A Finding of No Significant Impact with respect to the environment was made in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332, in connection with the HFA Risk Sharing final rule. That Finding of No Significant Impact remains applicable to this technical confirming rule, and is available for public inspection and copying during regular business hours (7:30 a.m. to 5:30 p.m.) in the Office of the Rules Docket Clerk, room 10276, 451 Seventh Street, SW, Washington, DC 20410-0500.

#### *Federalism Impact*

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies contained in this rule do not have significant impact on States or their political subdivisions since the requirements of the rule are limited to technical amendments necessary to carry out accurately the provisions of programs whose regulations were not amended in the original Consolidated Plan rule.

#### *Impact on the Family*

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this rule does not have potential for significant impact on family formation, maintenance, and general well-being, and, thus is not subject to review under the Order since it is only a technical, confirming rule.

#### *Impact on Small Entities*

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed this rule before publication and by approving it certifies that this rule will not have a significant impact on a substantial number of small entities, because it imposes no new burdens on jurisdictions.

#### *Regulatory Agenda*

This rule was not listed in the Department's Semiannual Regulatory Agenda published on November 14, 1994 (59 FR 57632, 57641), under Executive Order 12866 and the Regulatory Flexibility Act.

#### **List of Subjects in 24 CFR Part 266**

Aged, Fair housing, Intergovernmental relations, Mortgage insurance, Low and moderate income housing, Reporting and recordkeeping requirements.

In accordance with the reasons set forth in the preamble, 24 CFR part 266 is amended as follows:

#### **PART 266—HOUSING FINANCE AGENCY RISK-SHARING PROGRAM FOR INSURED AFFORDABLE MULTIFAMILY PROJECT LOANS**

1. The authority citation for part 266 continues to read as follows:

**Authority:** 12 U.S.C. 1707; 42 U.S.C. 3535(d).

2. In § 266.201, paragraph (b) is revised to read as follows:

#### **§ 266.210 HUD-retained review functions.**

\* \* \* \* \*

(b) *Environmental review requirements.* To determine compliance with the requirements of the National Environmental Policy Act of 1969 and related laws and authorities, the HUD Field Office (or other responsible entity through such delegation as may be in effect by regulation hereafter) will visit each project site proposed for insurance under this part and prepare the applicable environmental reviews as set forth in 24 CFR part 50 (or as set forth in 24 CFR part 58 for the other responsible entity). These requirements must be completed before HUD may issue the firm approval letter.

\* \* \* \* \*

Dated: March 28, 1995.

**Nicolas P. Retsinas,**

*Assistant Secretary for Housing-Federal Housing Commissioner.*

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## **DEPARTMENT OF THE TREASURY**

### **Internal Revenue Service**

#### **26 CFR Part 1**

[TD 8584]

RIN 1545-AK03

#### **Capitalization of Interest; Correction**

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

**ACTION:** Correction to final regulations.

**SUMMARY:** This document contains corrections to the final regulations [TD 8584] which were published in the **Federal Register** for Thursday, December 29, 1994 (59 FR 67187). The final regulations relate to the requirement to capitalize interest with respect to the production of property.

**EFFECTIVE DATE:** January 1, 1995.

**FOR FURTHER INFORMATION CONTACT:** Jan L. Skelton, (202) 622-4970 (not a toll-free number).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

The final regulations that are the subject of these corrections are under section 263A(f) of the Internal Revenue Code.

##### **Need for Correction**

As published, the final regulations contains errors that are misleading and in need of correction.

##### **Correction of Publication**

Accordingly, the publication of final regulations which is the subject of FR Doc. 94-31431, is corrected as follows:

1. On page 67190, column 1, in the preamble following the paragraph heading "In General", second full paragraph, eighth line from the bottom of the paragraph, the word "that" is corrected to read "than".

2. On page 67190, column 1, in the preamble following the paragraph heading "In General", second full paragraph, sixth line from the bottom of the paragraph, the word "for" is corrected to read "under".

3. On page 67190, column 2, in the preamble following the paragraph heading "Accounts Payable and Simplification Rule for Tracing", third full paragraph, line 8, the language "expenditures for all property. IRS and" is corrected to read "expenditures for all property. The IRS and".

4. On page 67191, column 1, in the preamble following the paragraph heading "Notional Principal Contracts", line 1, the word "principle" is corrected to read "principal".

5. On page 67192, in the preamble following the paragraph heading "Land Attributable to Benefitted Property", line 11 from the top of column 1, the word "on" is corrected to read "of".

6. On page 67192, column 3, in the preamble following the paragraph heading "Utilities—Construction Work in Process", paragraph 2, line 7, the language "FAS" is corrected to read "SFAS".

7. On page 67195, column 1, in the preamble following the paragraph heading "In General", paragraph 2, line 1, the date "August 17, 1998" is corrected to read "August 17, 1988".

8. On page 67195, column 2, in the preamble following the paragraph heading "Consolidated Return Interest Rule", first full paragraph, line 5 from the bottom of the paragraph, the language "interest intragroup debt, but at the same" is corrected to read