

Assessment, there are 837 fewer affordable homes in Minot today than there were in 2010, a shortage contributing to the widespread lack of affordable housing in the city.

2. The SRRRP will commence three years after the units in question were rendered uninhabitable. According to the city, 2,328 households were displaced as a result of the flood, 2,062 were provided with temporary housing, but only 20 households continue to reside in temporary housing units which are assisted through other programs with other forms of assistance.

3. In the absence of this waiver, any assistance provided to former residential occupants under the URA might duplicate insurance proceeds and federal, state, or local housing assistance that has already been disbursed.

4. The waiver will simplify the administration of a disaster recovery program (SRRRP) initiated years following the disaster and expedite recovery in a location where rehabilitation activities are restricted to a very short building season due to the region's climate. This waiver does not apply to persons in physical occupancy of real property who are displaced by the SRRRP or other HUD-funded disaster recovery programs or projects. Such persons will continue to be eligible for relocation assistance and payments under the URA. Additionally, persons displaced by the effects of the disaster may continue to apply for assistance under the city's approved disaster recovery programs. This waiver does not address programs or projects receiving other HUD funding or funding from other federal sources. The city or the State of North Dakota may already be performing some elements of a re-housing plan, such as providing a public rental registry or undertaking outreach and placement services to those former residents still receiving FEMA housing assistance. The city will provide a description in the re-housing plan of how those existing efforts will be available for the SRRRP to satisfy the requirements of this Notice.

### III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice is as follows: 14.269; 14.218; 14.228.

### IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental

Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

Dated: October 1, 2014.

**Clifford Taffet,**

*General Deputy Assistant Secretary for Community Planning and Development.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5811-N-01]

### Section 184 Indian Housing Loan Guarantee Program New Annual Premium

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.

**ACTION:** Notice.

**SUMMARY:** The Section 184 Indian Housing Loan Guarantee program (Section 184 program) provides access to sources of private financing for Indian families, Indian housing authorities, and Indian tribes that otherwise could not acquire housing financing because of the unique legal status of Indian land, by guaranteeing loans to eligible persons and entities. Over the last 5 years, the Section 184 program has doubled the number of loans and eligible families being assisted by the program. For HUD to continue to meet the increasing demand for participation in this program, HUD is exercising its new statutory authority to implement an annual premium to the borrower in the amount of 0.15 percent of the remaining loan balance until the unpaid principal balance, excluding the upfront loan guarantee fee, reaches 78 percent of the lower of the initial sales price or appraised value based on the initial amortization schedule. Effective November 15, 2014 the new annual premium of 0.15 percent of the remaining loan balance will apply to all new loan guarantees, including

refinances. This notice also provides guidance on the cancellation of the annual premium when the loan reaches the 78 percent loan-to-value ratio.

**DATES:** *Effective Date:* November 15, 2014.

### FOR FURTHER INFORMATION CONTACT:

Rodger J. Boyd, Deputy Assistant Secretary for Native American Programs, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street SW., Room 4126, Washington, DC 20410; telephone number 202-401-7914 (this is not a toll-free number). Persons with hearing or speech disabilities may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

### SUPPLEMENTARY INFORMATION:

#### I. Background

Section 184 of the Housing and Community Development Act of 1992 (Public Law 102-550, approved October 28, 1992), as amended by the Native American Housing Assistance and Self-Determination Act of 1996 (Pub. L. 104-330, approved October 26, 1996), established the Section 184 program to provide access to sources of private financing to Indian families, Indian housing authorities, and Indian tribes that otherwise could not acquire housing financing because of the unique legal status of Indian land. Because title to trust or restricted land is inalienable, title cannot be conveyed to eligible Section 184 program borrowers. As a consequence, financial institutions cannot utilize the land as security in mortgage lending transactions. The Section 184 program addresses obstacles to mortgage financing on trust land and in other Indian and Alaska Native areas by giving HUD the authority to guarantee loans to eligible persons and entities to construct, acquire, refinance, or rehabilitate one-to-four family dwellings in these areas.

The Section 184 Loan Guarantee Fund (the Fund) receives annual appropriations to cover the cost of the program. Guarantee fees and any other amounts, claims, notes, mortgages, contracts, and property acquired by the Secretary under the Section 184 program reduce the amount of appropriations needed to support the program, and together with appropriations are used to fulfill obligations of the Secretary with respect to the loans guaranteed under this section.

In recent years, rapidly growing demand has increased the need for subsidy appropriations to support new loan guarantees. HUD issued loan

guarantee commitments for \$308 million in 2008, \$501 million in 2009, \$536 million in 2010, \$577 million in 2011, \$792 million in 2012, and \$642 million in 2013.<sup>1</sup> Additionally, expenses have increased for acquisitions, insurance, and other program costs, and HUD has seen higher losses now that the Fund has guaranteed over \$4 billion in current loans.

The 2013 Consolidated and Further Continuing Appropriations Act (Pub. L. 113–6, approved March 26, 2013) amended section 184(d) of the Housing and Community Development Act of 1992, by authorizing the Secretary to increase the upfront fee for the guarantee of loans up to 3 percent of the principal obligation of the loan and to establish and collect annual premium payments in an amount not exceeding one percent of the remaining guaranteed balance (excluding the portion of the remaining balance attributable to the fee collected at the time of the issuance of the guarantee) by publishing a notice in the **Federal Register**. On April 4, 2014, HUD exercised its larger loan guarantee fee authority to increase the one-time, loan guarantee fee that borrowers pay at loan closing from 1 percent to 1.5 percent of a mortgage (79 FR 12520). This increase ensured that there would be enough funding to meet borrower demand for all of fiscal year 2014, and reduce the amount of subsidy needed to meet demand in future years.

## II. New Annual Premium

To meet projected demand for participation in the Section 184 program for fiscal year 2015, HUD is establishing an annual premium of 0.15 percent of the remaining loan balance until the unpaid principal balance, excluding the upfront loan guarantee fee, reaches 78 percent of the lower of the initial sales price or appraised value based on the initial amortization schedule on all new loans, including refinances. With the establishment of the annual premium, the Section 184 program will now have two sources of funds derived from the borrower (the other being the one-time, up-front loan guarantee fee). Without an annual premium, an appropriation of \$8 million for Fiscal Year (FY) 2015<sup>2</sup> would support only about \$318 million in new loan guarantee commitments, less than half of the amount the program guaranteed in 2013. This may force

HUD to limit access to the program for otherwise eligible program participants. If HUD were to limit access to the loan guarantee program, HUD predicts that some lenders currently participating in the Section 184 program may choose to no longer partner with HUD to provide mortgage lending through the Section 184 program. Without those lenders, the Section 184 program would be unable to meet the demand for mortgage lending on trust land and in Indian and Alaska Native areas and tribal lands, potentially causing a further reduction in program activity.

By establishing an annual premium paid by borrowers, the credit subsidy rate<sup>3</sup> will go down, and HUD expects the program will be able to guarantee the volume of loans predicted for FY 2015. Establishing a 0.15 percent annual premium would cost a borrower with a \$175,000 mortgage (the average loan size for the program) an extra \$22 a month on the borrower's monthly payment or \$264 annually. Since the 0.15 percent annual premium is tied to the loan balance, the annual premium will decrease for the borrower every year as the loan balance declines and then disappears after the loan-to-value ratio reaches 78 percent of the lower of the initial sales price or appraised value based on the initial amortization schedule. Even with these additional costs to borrowers, the Section 184 program will still be affordable. While paying an annual premium may be a hardship for some borrowers, HUD does not believe that the extra cost is prohibitive and believes it will have a limited impact on the demand for the program. However, the new annual premium will allow HUD to continue to meet the demand for mortgage lending transactions in fiscal year 2015 so that more Indian and Alaska Native families have the opportunity for homeownership.<sup>4</sup> To reduce some of the hardship accompanying the annual premium, HUD provides that payment of the annual premium can be made through monthly payments, to spread out the cost for borrowers, or annual and lump sum payments, to keep a borrower's monthly payment lower.

<sup>3</sup> Credit Subsidy Rate as defined in the Federal Credit Reform Act (FCRA) of 1990, as amended by the Balanced Budget Act of 1997.

<sup>4</sup> In its Congressional Justifications for HUD's FY 2015 budget, HUD announced that it would pursue a .15 percent annual premium payment in the Section 184 program. Please see page M-5 of HUD's Congressional Justification for the "Indian Housing Loan Guarantee Fund (Section 184)" at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/cfo/reports/fy15\\_CJ](http://portal.hud.gov/hudportal/HUD?src=/program_offices/cfo/reports/fy15_CJ).

## III. Cancelling the Section 184 Annual Premium at 78 Percent Loan-to-Value.

The new Section 184 annual premium applies only while the unpaid principal balance, excluding the upfront loan guarantee fee, exceeds 78 percent of the lower of the initial sales price or appraised value based on the initial amortization schedule. Once the mortgage amortizes to a loan-to-value (LTV) ratio of 78 percent, collection of the annual premium will cease. HUD will determine when the mortgage reaches the amortized 78 percent LTV threshold based on the contract interest rate and the LTV information provided to HUD's mortgage processing system by the originating lender, and will cease billing the servicing lender accordingly. HUD's calculation of the 78 percent threshold will be predicated on the loan amount excluding the upfront loan guarantee fee.

The LTV ratio on streamline refinances performed without appraisals will be based on data regarding the mortgage being refinanced, including sales price and appraised value amounts residing in the HUD's Office of Native American Program's (ONAP) mortgage processing system. HUD will compute a new LTV ratio by dividing the new loan amount, excluding any upfront guarantee fee, by the lower of the sales price or appraised value amount residing in ONAP's mortgage processing system. From this computed loan-to-value ratio, HUD will determine when the 78 percent threshold is to be reached based on the scheduled amortization. If a computed LTV ratio is not possible, due to missing data or previous refinancing without an appraisal, the new LTV will default to 89.99 percent unless a new appraisal is provided.

In addition to the HUD initiated annual premium cancellation process, borrowers can also request through their lenders cancellation of the collection of the annual premium for those mortgages that reach the 78 percent threshold due to prepayments (principal curtailment). Those loans reaching the 78 percent loan to value threshold sooner than projected due to advanced payments of principal will have the annual premium collections canceled upon the servicing lender submitting supporting information to HUD following the borrower's request. As part of their annual disclosures to homeowners, servicers are to notify borrowers of their option to cancel the annual premium in advance of the projected date by making additional payments of mortgage principal and requesting the lender cancel the collection of the annual premium.

<sup>1</sup> The volume in 2013 does not represent program demand because during FY 2013, the program was shut down for 8 weeks and did not guarantee refinances, which typically accounts for 30 percent of the Section 184 program's business.

<sup>2</sup> Requested by the President in his FY 2015 HUD at <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/hud.pdf>.

This notice establishes the annual premium of 0.15 percent of the remaining loan balance for all new case numbers assigned on or after November 15, 2014 until the unpaid principal balance, excluding the upfront loan guarantee fee, reaches 78 percent of the lower of the initial sales price or appraised value based on the initial amortization schedule.

#### IV. Tribal Consultation

HUD's policy is to consult with Indian tribes early in the process on matters that have tribal implications. Accordingly, on July 31, 2014, HUD sent letters to all tribal leaders participating in the Section 184 program, informing them of the nature of the forthcoming notice and soliciting comments. A summary of comments received and responses can be found on HUD's Web site at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/ih/homeownership/184](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/homeownership/184).

#### V. Environmental Impact

This notice involves the establishment of a rate or cost determination that does not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (U.S.C. 4321).

Dated: October 2, 2014.

**Jemine A. Bryon,**

*Acting Assistant Secretary for Public and Indian Housing.*

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## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

[LLCAD05000, L10200000.EE000.14X]

#### Notice of Intent To Amend the Caliente Resource Management Plan for the Bakersfield Field Office, and the California Desert Conservation Area Plan, California and Prepare an Associated Environmental Assessment

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice of intent.

**SUMMARY:** In compliance with the National Environmental Policy Act of 1969, as amended (NEPA), and the Federal Land Policy and Management

Act of 1976, as amended (FLPMA), the Bureau of Land Management (BLM) Ridgecrest Field Office, Ridgecrest, California, and Bakersfield Field Office, Bakersfield, California intend to prepare Resource Management Plan (RMP) amendments with an associated Environmental Assessment (EA) for the Bakersfield Field Office and the Ridgecrest Field Office and by this notice is announcing the beginning of the scoping process to solicit public comments and identify issues.

**DATES:** This notice initiates the public scoping process for the Plan Amendment with an associated EA. Comments on issues may be submitted in writing until November 6, 2014. The date(s) and location(s) of any scoping meetings will be announced at least 15 days in advance through local news media, newspapers and the BLM Web site at: <http://www.blm.gov/ca/st/en/fo/ridgecrest.html>. In order to be included in the analysis, all comments must be received prior to the close of the 30-day scoping period or 15 days after the last public meeting, whichever is later. We will provide additional opportunities for public participation as appropriate.

**ADDRESSES:** You may submit comments on issues and planning criteria related to Kelso Peak Plan Amendments by any of the following methods:

- *Web site:* <http://www.blm.gov/ca/st/en/fo/ridgecrest.html>.
- *Email:* [stfitton@blm.gov](mailto:stfitton@blm.gov).
- *Fax:* (760)-384-5499.
- *Mail:* 300 S. Richmond Rd., Ridgecrest, CA 93555.

Documents pertinent to this proposal may be examined at the Ridgecrest Field Office, Ridgecrest, California 93555.

**FOR FURTHER INFORMATION CONTACT:** Sam Fitton, Natural Resource Specialist, telephone: (760) 384-5432; address: 300 S. Richmond Rd., Ridgecrest, CA 93555; email: [stfitton@blm.gov](mailto:stfitton@blm.gov). Contact Mr. Fitton to have your name added to our mailing list. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 to contact the above individual during normal business hours. The FIRS is available 24 hours a day, 7 days a week, to leave a message or question with the above individual. You will receive a reply during normal business hours.

**SUPPLEMENTARY INFORMATION:** This document provides notice that the BLM Field Office, Ridgecrest, CA, intends to prepare RMP amendments with an associated EA for the Bakersfield Field Office and the Ridgecrest Field Office. This notice announces the beginning of the scoping process, and seeks public input on issues and planning criteria.

The purpose of the public scoping process is to determine relevant issues that will influence the scope of the environmental analysis, including alternatives development, and to guide the planning process. The Kelso Peak grazing allotment is located in Kern County, California and encompasses approximately 2,718 acres of public land. This allotment formerly consisted of three parcels administered by the BLM Bakersfield Field Office, of which the southern parcel is wholly within the Bright Star Wilderness area. Grazing on the allotment is subject to the 1997 Caliente Resource Management Plan. In 2006, the Bakersfield Field Office divided the allotment, retaining the northern parcel and transferring the central and southern parcels, totaling 2718 acres, to the Ridgecrest Field Office because they are physically located within the Ridgecrest Resource Area and California Desert Conservation Area.

The BLM is considering a plan amendment to determine the appropriate level of grazing, if any, on the Kelso Peak Allotment. If the BLM determines that the area should be available for grazing, it will consider issuing a grazing permit, which would include allotment-specific grazing management practices and livestock forage amounts. Through this EA, the BLM will consider a range of alternatives for the management of the Kelso Peak Allotment, including maintaining current management, changing the season of use, altering the number of Animal Unit Months (AUMs), permitting grazing with resource protection measures, or making grazing unavailable.

Preliminary issues for the Plan Amendment area have been identified by BLM personnel; Federal, State, and local agencies; and other stakeholders. The issues include: Cultural resources; livestock grazing; Native American religious concerns; socioeconomic; soils, water quality; wetlands/riparian zones; wilderness; wildlife, including threatened or endangered species; and vegetation, including invasive species.

Preliminary planning criteria include: Developing the Plan Amendment(s) in compliance with FLPMA and all other applicable laws, regulations, executive orders, and BLM supplemental program guidance; developing an EA in the planning process that will comply with NEPA standards; initiating government to government consultation, including tribal interests; incorporating by reference the Standards for Rangeland Health and Guidelines for Livestock Grazing Management into the Plan Amendment/EA; complying with