

**§ 1489.29 Property standards.**

The RAPP Participant shall insure all RAPP-funded property and equipment acquired in furtherance of program activities and safeguard such against theft, damage and unauthorized use. The Participant shall promptly report any loss, theft, or damage of property to the insurance company.

**§ 1489.30 Anti-fraud requirements.**

(a) *All RAPP Participants.* (1) All RAPP Participants shall submit to the CCC for approval a detailed fraud prevention program. The CCC will notify all new and existing RAPP Participants in writing in each Participant's approval letter and through the FAS website as to applicable submission dates for and dates for approvals of fraud prevention programs. RAPP Participants should review their fraud prevention programs annually. The fraud prevention program shall, at a minimum, include an annual review of physical controls and weaknesses, a standard process for investigating and remediation of suspected fraud cases, and training in risk management and fraud detection for all current and future employees. The RAPP Participant shall not conduct or permit any RAPP promotion activities to occur unless and until the CCC has communicated in writing approval of the RAPP Participant's fraud prevention program.

(2) The RAPP Participant, within five business days of receiving an allegation or information giving rise to a reasonable suspicion of misrepresentation or fraud that could give rise to a claim by CCC, shall report such allegation or information in writing to such USDA personnel as specified in the Participant's RAPP program agreement and/or approval letter. The RAPP Participant shall cooperate fully in any USDA investigation of such allegation or occurrence of misrepresentation or fraud and shall comply with any directives given by the CCC or USDA to the RAPP Participant for the prompt investigation of such allegation or occurrence.

(b) *RAPP Participants with brand programs.* (1) The RAPP Participant may charge a fee to brand participants to cover the cost of the fraud prevention program.

(2) The RAPP Participant shall repay to the CCC funds paid to a brand participant through the RAPP Participant on claims that the RAPP Participant or the CCC subsequently determines are unauthorized or otherwise non-reimbursable expenses within 30 days of the RAPP Participant's determination or CCC's

disallowance. The RAPP Participant shall repay CCC by submitting a check to CCC or by offsetting the RAPP Participant's next reimbursement claim. The RAPP Participant shall make such payment in U.S. dollars, unless otherwise approved in advance by CCC. A RAPP Participant operating a brand program in strict accordance with an approved fraud prevention program, however, will not be liable to reimburse CCC for RAPP funds paid on such claims if the claims were based on misrepresentations or fraud of the brand participant, its employees or agents, unless the CCC determines that the RAPP Participant was grossly negligent in the operation of the brand program regarding such claims. The CCC shall communicate any such determination to the RAPP Participant in writing.

**§ 1489.31 Program income.**

Any revenue or refunds generated from an activity, e.g., participation fees, proceeds of sales, refunds of value added taxes (VAT), the expenditures for which have been wholly or partially reimbursed with RAPP funds, shall be used by the RAPP Participant in furtherance of its approved RAPP activities in the budget period during which the RAPP funds are available for obligation by the RAPP Participant. The use of such revenue or refunds shall be governed by this part. Interest earned on funds advanced by the CCC is not program income.

**§ 1489.32 Amendment.**

A program agreement may be amended in writing with the written consent of the CCC and the RAPP Participant.

**§ 1489.33 Noncompliance with an agreement or this part.**

If a RAPP Participant fails to comply with any term in its program agreement or approval letter, or this part, the CCC may take one or more of the enforcement actions in 2 CFR part 200 and, if appropriate, initiate a claim against the RAPP Participant, following the procedures set forth in this part. The CCC may also initiate a claim against a RAPP Participant if program income or CCC-provided funds are lost due to an action or omission of the RAPP Participant.

**§ 1489.34 Suspension, termination, and closeout of agreements.**

A program agreement may be suspended or terminated in accordance with the suspension and termination procedures in 2 CFR part 200. If an agreement is terminated, the applicable regulations in 2 CFR part 200 will apply to the closeout of the agreement.

**§ 1489.35 Paperwork reduction requirements.**

The paperwork and record keeping requirements imposed by this part have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995. The control number for this information collection is 0551-0049.

Marcus Graham,  
*Acting Executive Vice President, Commodity Credit Corporation.*

[FR Doc. 2023-25015 Filed 11-16-23; 8:45 am]

BILLING CODE 3410-10-P

**FEDERAL RESERVE SYSTEM****12 CFR Part 265**

[Docket No. R-1778]

RIN No. 7100-AG37

**Rules Regarding Delegation of Authority**

**AGENCY:** Board of Governors of the Federal Reserve System (Board).

**ACTION:** Final rule; correcting amendments.

**SUMMARY:** The Board is revising its Rules Regarding Delegation of Authority to add delegations of authority previously approved by the Board and make certain technical corrections.

**DATE:** Effective November 17, 2023.

**FOR FURTHER INFORMATION CONTACT:** Andrew Hartlage, Special Counsel, (202) 452-6483; Amory Goldberg, Senior Counsel, (202) 452-3124; or Leah Kazar, Legal Assistant/Attorney, (202) 452-4638, Legal Division, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551. For users of TTY-TRS, please call 711 from any telephone, anywhere in the United States.

**SUPPLEMENTARY INFORMATION:** Section 11(k) of the Federal Reserve Act authorizes the Board to delegate, by published order or rule and subject to the Administrative Procedure Act, any of its functions, other than those related to rulemaking or pertaining principally to monetary and credit policies, to one or more administrative law judges, members or staff of the Board, or the Reserve Banks.<sup>1</sup> The Board has delegated authority to Board members (in their individual capacity and as chairs of committees of the Board), Board staff, and the Federal Reserve Banks to take certain actions under the various statutes that the Board

<sup>1</sup> 12 U.S.C. 248(k).

administers. The Board's Rules Regarding Delegation of Authority (delegation rules) implement section 11(k) of the Federal Reserve Act and enumerate the actions that the Board has determined to delegate. By delegating actions that do not raise significant legal, supervisory, or policy issues, the Board can respond more efficiently to applications, requests, and other matters.

The Board published a final rule in 2022 that comprehensively revised the delegation rules.<sup>2</sup> The Board is amending the delegation rules to publish delegations of authority previously approved by the Board and make certain technical corrections.

#### List of Subjects in 12 CFR Part 265

Authority delegations (Government agencies); Banks, Banking.

#### Authority and Issuance

For the reasons stated in the preamble the Board of Governors of the Federal Reserve System amends 12 CFR part 265 as follows:

### PART 265—RULES REGARDING DELEGATION OF AUTHORITY

■ 1. The authority citation for part 265 continues to read as follows: 12 U.S.C. 248(i) and (k).

#### Subpart B—Delegations of Authority

■ 2. In § 265.6, in paragraph (d)(1), remove “12 CFR 238.6” and add, in its place, “12 CFR 238.96”.

■ 3. In § 265.7:

■ a. In paragraph (c)(7)(iii), remove “(12 U.S.C. 1843(m)); and” and add, in its place, “(12 U.S.C. 1843(m));”;

■ b. In paragraph (c)(7)(iv), remove “(12 U.S.C. 1843(m));” and add, in its place, “(12 U.S.C. 1843(m)); and”;

■ c. Add paragraph (c)(7)(v);

■ d. In paragraph (d)(7)(ii)(B)(3), remove “(§§ 252.146 and 252.158)” and add, in its place, “(12 CFR 252.146 and 252.158)”;

■ e. In paragraph (e)(5), remove the words “To exercise the functions described in § 265.20(e)(5), (11), and (12) (reductions in capital, issuance of subordinated debt, and early retirement of subordinated debt)” and add, in their place, the words “To exercise the functions described in §§ 265.20(e)(5) and (11) (reductions in capital and early retirement of subordinated debt)”;

■ f. In paragraph (j)(1)(viii), remove the words, “of receipt of receipt” and add, in their place, the words “of receipt”;

■ g. In paragraph (k)(1)(ii)(E), remove “and” at the end;

■ h. In paragraph (k)(1)(ii)(F), remove “soundness.” and add, in its place, “soundness;”;

■ i. Add paragraphs (k)(1)(ii)(G) and (k)(1)(ii)(H);

■ j. In paragraph (k)(7)(i), remove “II.A.1.c.ii.(2)” and add, in its place, “II.A.1.c.ii.(2)”;

■ k. Add paragraph (k)(8).

■ l. The additions read as follows:

#### § 265.7 Functions delegated to the Director of the Division of Supervision and Regulation. [Amended]

\* \* \* \* \*

(c) \* \* \*

(7) \* \* \*

(v) To acquire shares or assets pursuant to section 4(k) of the Bank Holding Company Act (12 U.S.C. 1843(k)) without prior Board approval up to the following thresholds:

(A) \$25 million in consideration for a single transaction;

(B) \$125 million in consideration over the past 12 months; and

(C) \$400 million in consideration over the entire period the financial holding company is subject to the agreement required by section 4(m) of the Bank Holding Company Act (12 U.S.C. 1843(m)).

\* \* \* \* \*

(k) \* \* \*

(1) \* \* \*

(ii) \* \* \*

(G) To approve a request by a Board-regulated institution to make or change an election, or a choice of treatment, under § 217.1(g)(2)(ii) of Regulation Q (12 CFR 217.1(g)(2)(ii)); and

(H) To review and adjust estimated total consolidated assets under the definition of “insurance bank holding company” or “insurance savings and loan holding company” in § 217.2 of Regulation Q (12 CFR 217.2) or under § 217.601(b)(2) of Regulation Q (12 CFR 217.601(b)(2)).

\* \* \* \* \*

(8) *Delegations regarding the Building Block Approach in subpart J of Regulation Q (12 CFR part 217, subpart J).*

(i) [Reserved]

(ii) After consultation with the General Counsel:

(A) To require a supervised insurance organization to exclude all or a portion of a particular company capital element from building block available capital, to approve the inclusion on a permanent or temporary basis of a capital resource in building block available capital, to adjust the building block capital requirement and building block available capital of a supervised

insurance organization, or to require a supervised insurance organization to take certain actions to better reflect the risk profile of an inventory company or the supervised insurance organization, under § 217.601(d) of Regulation Q (12 CFR 217.601(d));

(B) To require a supervised insurance organization to apply an alternative treatment to a treatment otherwise required by subpart J of Regulation Q (12 CFR part 217 subpart J) under § 217.601(d)(4) of Regulation Q (12 CFR 217.601(d)(4));

(C) To approve a request to exercise a call option on an instrument under § 217.608(a)(1)(v)(A) or § 217.608(a)(2)(iv)(A) of Regulation Q (12 CFR 217.608(a)(1)(v)(A) or 217.608(a)(2)(iv)(A));

(D) To approve a request to redeem or repurchase an instrument under 217.608(a)(1)(vi) or § 217.608(a)(2)(v) of Regulation Q (12 CFR 217.608(a)(1)(vi) or 217.608(a)(2)(v)); and

(E) To approve a request to include in building block available capital an instrument issued by a company in a supervised insurance organization under § 217.608(g) of Regulation Q (12 CFR 217.608(g)).

\* \* \* \* \*

■ 4. In § 265.8:

■ a. In paragraph (c)(2), remove “(15 U.S.C. 1693q),” and add, in its place, “(15 U.S.C. 1693q) and”; and

■ b. In paragraph (c)(3), remove “(15 U.S.C. 1691d(f))” and add, in its place, “(15 U.S.C. 1691d(f))”.

■ 5. In § 265.10:

■ a. Redesignate paragraph (b) as paragraph (c); and

■ b. Add new paragraph (b).

The addition reads as follows:

#### § 265.10 Functions delegated to the Director of the Division of Monetary Affairs.

\* \* \* \* \*

(b) *Regulation D.* With the concurrence of the General Counsel, to approve the annual indexation of the reserve requirement exemption amount and low reserve tranche amount under Regulation D (12 CFR part 204), so long as no change is proposed to any of the formulas by which these amounts are calculated.

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority.

**Michele Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

[FR Doc. 2023–25387 Filed 11–16–23; 8:45 am]

**BILLING CODE 6201–01–P**

<sup>2</sup> Rules Regarding Delegation of Authority, 87 FR 53988 (September 1, 2022).