FIGURE 1 TO PARAGRAPH (g)—SERVICE INFORMATION REFERENCES—Continued

Airplane model	Bombardier service information
Model CL–600–2B16	Bombardier Service Bulletin 605–35–005, Revision 01, dated June 28, 2023.
Model CL–600–2B16	Bombardier Service Bulletin 650–35–001, Revision 01, dated June 28, 2023.

(h) Retained Bracket Modification, With Specified Compliance Time

This paragraph restates the requirements of paragraph (h) of AD 2020–19–13, with a specified compliance time. If, during the inspection specified in paragraph (g) of this AD, any portable oxygen bottle is found to be manufactured by Scott (Avox/Zodiac) and is a 5500 or 5600 series 11 cubic foot bottle, with upper bracket P/N 36758–02, 36758–12, or H3–2091–1 installed at the neck of the bottle: Within 60 months after November 3, 2020 (the effective date of AD 2020–19–13), modify the portable oxygen bottle brackets in accordance with paragraph 2.C. of the Accomplishment Instructions of the applicable Bombardier service information specified in figure 1 to paragraph (g) of this AD.

(i) Retained Check for Airplanes Not Listed in the Service Information, With Revised Figure Reference and Revised Service Information

This paragraph restates the requirements of paragraph (i) of AD 2020–19–13, with a revised figure reference and revised service information. For airplanes with a serial number that is not listed in section 1.A. of the applicable Bombardier service information specified in figure 1 to paragraph (g) of this AD, within 60 months after November 3, 2020 (the effective date of AD 2020–19–13), check each portable oxygen bottle installation to determine the manufacturer and part number and accomplish corrective actions in accordance with the procedures specified in paragraph (l)(1) of this AD.

(j) New Check Requirement for Added Airplanes

For airplane S/Ns 6158, 6161, 6176, and 6181: Within 60 months after the effective date of this AD, check each portable oxygen bottle installation to determine the manufacturer and part number and accomplish corrective actions in accordance with the procedures specified in paragraph (l)(1) of this AD.

(k) Credit for Previous Actions

This paragraph provides credit for actions required by paragraphs (g) and (h) of this AD, if those actions were performed before the effective date of this AD using the applicable material specified in paragraphs (k)(1) through (5) of this AD. This material is not incorporated by reference in this AD.

(1) Bombardier Service Bulletin 600–0772, dated June 29, 2018;

(2) Bombardier Service Bulletin 601–0646, dated June 29, 2018;

(3) Bombardier Service Bulletin 604–35–006, dated June 29, 2018;

(4) Bombardier Service Bulletin 605–35–005, dated June 29, 2018; and

(5) Bombardier Service Bulletin 650–35–001, dated June 29, 2018.

(l) Additional AD Provisions

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager of the International Validation Branch, mail it to the address identified in paragraph (m) of this AD. Information may be emailed to: *AMOC@faa.gov.* Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, International Validation Branch, FAA; or Transport Canada; or Bombardier's Transport Canada Design Approval Organization (DAO). If approved by the DAO, the approval must include the DAO-authorized signature.

(m) Additional Information

For more information about this AD, contact Brenda Buitrago, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 516–228–7300; email *9-avs-nyaco-cos@faa.gov.*

(n) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(3) The following material was approved for IBR on [DATE 35 DAYS AFTER PUBLICATION OF THE FINAL RULE].

(i) Bombardier Service Bulletin 600–0772, Revision 01, dated June 28, 2023.

(ii) Bombardier Service Bulletin 601–0646, Revision 01, dated June 28, 2023.

(iii) Bombardier Service Bulletin 604–35–006, Revision 01, dated June 28, 2023.

(iv) Bombardier Service Bulletin 605–35–005, Revision 01, dated June 28, 2023.

(v) Bombardier Service Bulletin 650–35–001, Revision 01, dated June 28, 2023.

(4) For Bombardier material identified in this AD, contact Bombardier Business Aircraft Customer Response Center, 400 Côte-Vertu Road West, Dorval, Québec H4S 1Y9, Canada; telephone 514–855–2999; email *ac.yul@aero.bombardier.com;* website bombardier.com.

(5) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195.

(6) You may view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit *www.archives.gov/federal-register/cfr/ibr-locationsoremailfr.inspection@nara.gov.*

Issued on December 23, 2024.

Steven W. Thompson,

Acting Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2024–31379 Filed 12–30–24; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 4, 5, 75, 92, 93, 200, 570, 574, 576, 578, 700, 880, 881, 883, 884, 886, 905, 964, 965, 970, 990, 1000, 1003, 1005, 1006, and 1007

[Docket No. FR–6266–P–01]

RIN 2501–AE01

HUD's Implementation of OMB's Guidance for Federal Financial Assistance

AGENCY: Office of General Counsel, HUD.

ACTION: Proposed rule.

SUMMARY: The U.S. Department of Housing and Urban Development (HUD) is proposing to amend its regulations on Federal financial assistance to conform with 2020 and 2024 changes to Office of Management and Budget (OMB) guidance governing Federal financial assistance (previously called grants and agreements). The proposed amendments would implement the guidance and update cross-references to OMB provisions that have been renumbered or reorganized. HUD is also proposing changes to improve some grant management and administrative program regulations based on HUD's experience implementing OMB's

regulations and guidance in existing entitlement, discretionary, and other programs involving grant management and administration. Finally, HUD is proposing changes to its Title VI, Section 108, Section 184, and Section 184A loan guarantee program regulations to address OMB's changes for loan guarantee programs regarding System for Award Management (*SAM.gov*) registration and to clarify that the Section 184 and Section 184A programs are subject to audit requirements in OMB's regulations and final guidance. All these changes will improve HUD's processes for awarding Federal financial assistance and align HUD's regulations with governmentwide efforts to adopt consistent and standardized terms and data elements, implement data- and risk-based frameworks, reduce Federal agency and recipient burdens, promote consistent interpretations of OMB's regulations and guidance, and improve and maximize agencies' ability to assess performance of recipients.

DATES: *Comment Due Date:* March 3, 2025.

ADDRESSES: There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. Electronic Submission of Comments. Comments may be submitted electronically through the Federal eRulemaking Portal at *www.regulations.gov.* HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through *www.regulations.gov* can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that website to submit comments electronically.

2. Submission of Comments by Mail. Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410–0500.

Note: To receive consideration as a public comment, comments must be submitted through one of the two methods specified above.

Public Inspection of Public Comments. HUD will make all properly submitted comments and communications available for public inspection and copying during regular business hours at the above address. Due to security measures at the HUD Headquarters building, you must schedule an appointment in advance to review the public comments by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

Copies of all comments submitted are available for inspection and downloading at *www.regulations.gov.*

In accordance with 5 U.S.C. 553(b)(4), a summary of this proposed rule may be found at *www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Aaron Santa Anna, Office of General Counsel, Office of Legislation and Regulations, Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410–8000; telephone number 202–708–1793 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

SUPPLEMENTARY INFORMATION:

I. Background [1]

OMB's 2013 Uniform Guidance and HUD's Implementation

On December 26, 2013, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), parts of which are codified in 2 CFR part 200. This Uniform Guidance ''set standard requirements for financial management of Federal awards across the entire [F]ederal government.'' [2] OMB promulgated the Uniform Guidance to (1) streamline guidance in making Federal awards to ease administrative burden and (2) strengthen financial oversight over Federal funds to reduce risks of fraud, waste, and abuse.[3]

The requirements at 2 CFR part 200 derive from previously issued policies: Executive Order (E.O.) 13520 titled Reducing Improper Payments and Eliminating Waste in Federal Programs [4] and a related Presidential Memorandum on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments.[5] The E.O. required agencies to improve accountability by ''intensifying efforts to eliminate payment error, waste, fraud, and abuse'' in Federal programs.[6] The Presidential Memorandum directed OMB to ''review and where appropriate revise guidance concerning cost principles, burden minimizations, and audits for State, local, and tribal governments in order to eliminate, to the extent permitted by law, unnecessary, unduly burdensome, duplicative, or low-priority recordkeeping requirements and effectively tie such requirements to achievement of outcomes.'' [7] OMB's 2013 Uniform Guidance added a new 2 CFR part 200 based on work done by the Federal and non-Federal financial assistance community in response to these directives.[8]

In a joint interim final rule published December 19, 2014, and titled ''Federal Awarding Agency Regulatory Implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (UAR)'', all Federal award-making departments and agencies, including HUD, implemented OMB's 2013 Uniform Guidance.[9] HUD adopted and codified the Uniform Guidance as requirements for Federal awards at 2 CFR part 2400 and, amended 24 CFR parts 84 and 85 by

[1] Through OMB's 2024 round of revisions to its regulations and final guidance, OMB has indicated its preference for the use of the terms ''Federal financial assistance,'' ''recipient,'' and ''subrecipient'' over other terms. 89 FR 30046. This preamble sometimes uses the term ''Federal financial assistance,'' which is now used throughout OMB's regulations and guidance, in place of ''grant'' or ''Federal award,'' but this preamble also uses ''grant'' or ''Federal award'' where appropriate for a given program, when discussing prior rounds of OMB revisions (which used ''grant'' or ''Federal award''), when discussing updated OMB provisions that use ''grant'' or ''Federal award,'' or when used as part of a quote. Also in this preamble, HUD uses ''recipient'' and ''subrecipient'' interchangeably with ''grantee'' and ''subgrantee,'' respectively, as those terms are defined in OMB's regulations and guidance. See 2 CFR 200.1.

[2] 78 FR 78590, 78590 (Dec. 26, 2013).

[3] 78 FR 78590, 78950; *see also* 85 FR 3766 (Jan. 22, 2020) (providing additional explanation of OMB's 2013 final guidance).

[4] 74 FR 62201 (Nov. 25, 2009).

[5] Admin. of Barack Obama, 2011, Presidential Memorandum on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments (2011) [hereinafter Presidential Memo 2011], *https://www.gpo.gov/fdsys/pkg/DCPD-201100123/pdf/DCPD-201100123.pdf.*

[6] 74 FR 62201, 62201.

[7] Presidential Memo 2011, at 2.

[8] 78 FR 78590, 78591.

[9] 79 FR 75871 (Dec. 19, 2014).

removing substantive provisions implementing OMB circulars issued prior to OMB's Uniform Guidance in 2013.[10] Implementation of the Uniform Guidance became effective on December 26, 2014.[11] Shortly after, HUD published a notice that provided guidance to internal and external stakeholders on HUD's transition to the new UAR provisions.[12] On December 7, 2015, HUD published a final rule (HUD's 2015 rulemaking) to conform title 24 of the CFR to OMB's 2013 Uniform Guidance by removing references in title 24, including in HUD program regulations, to 24 CFR parts 84 and 85 and replacing them with corresponding references to 2 CFR part 200 in HUD program regulations.[13] These changes took effect January 6, 2016.[14]

OMB's 2013 Uniform Guidance and the 2014 UAR apply to the recipients (and, as provided, subrecipients) of Federal financial assistance from HUD, whether such assistance is provided in the form of grants or cooperative agreements, with such recipients and subrecipients.[15]

OMB's 2020 Updated Uniform Guidance: Summary of Changes

OMB reviews its Uniform Guidance periodically per 2 CFR 200.109. On August 13, 2020, OMB published final guidance titled ''Guidance for Grants and Agreements'', 85 FR 49506 (OMB's 2020 final guidance), which amended 2 CFR parts 25, 170, 183, and 200.[16] (Although OMB amended 2 CFR parts 25, 170, and 183, the changes made to these provisions do not require modifications to HUD's regulations at this time and thus are not the subject of this rulemaking.) OMB's 2020 final guidance, among other things, added new sections, such as the new 2 CFR 200.322, Domestic preferences for procurements; changed section numbers for several existing sections of 2 CFR part 200; revised and reorganized definitions; shifted requirements away from monitoring compliance to creating a ''risk-based, data-driven framework that balances compliance with demonstrating successful results''; implemented statutory requirements; and clarified areas to improve consistent interpretation.[17] For ease of reference, this preamble uses ''OMB's 2020 changes'' or ''2020 changes'' when referring to changes made by OMB's 2020 final guidance.

According to OMB's 2020 final guidance, the revisions were intended to support four strategies identified by the Results-Oriented Accountability for Grants Cross Agency Priority Goal Executive Steering Committee in the President's Management Agenda on March 20, 2018. Those strategies are to (1) operationalize the grants management standards, (2) establish a robust marketplace of modern solutions, (3) manage risk, and (4) achieve program goals and objectives. To further these strategies, OMB modified 2 CFR part 200, among other parts, to require Federal agencies to adopt standard data elements for the information recipients are required to report (in support of strategies 1 and 2), as well as to strengthen governmentwide approaches to performance and risk (in support of strategies 3 and 4).[18] OMB issued a reference document instructing agencies on the new revisions prior to the effective date of August 13, 2020.[19] This document stated that OMB's clarifying changes also meant to address areas of misinterpretation and reduce burdens on recipients by improving consistency in interpretation of the guidance.[20] For more information on the 2020 changes to 2 CFR part 200 and the previously mentioned strategies, see OMB's final guidance, 85 FR 49506, and OMB's reference document.[21]

Relevant to this proposed rulemaking are the following changes made by OMB's 2020 final guidance to 2 CFR part 200:

- OMB revised 2 CFR 200.318(a) and 200.319(a) to add language clarifying that those sections' (and other sections') requirements apply to procurement ''for the acquisition of property or services required under a Federal award.'' In § 200.318(a), the last phrase was revised to read, ''under a Federal award or subaward.'' OMB also reorganized 2 CFR 200.319 and separated paragraph (a) into two paragraphs (a) and (b). Therefore, where HUD's 2 CFR part 200 cross references refer to 2 CFR 200.319(a)(5), they should refer to paragraph (b)(5) under OMB's 2020 changes.
- OMB added a new section 2 CFR 200.322, *Domestic preferences for procurements,* to align with prior administration policy and E.O. 13788, Buy American and Hire American (April 18, 2017), and E.O. 13858, Strengthening Buy-American Preferences for Infrastructure Projects (January 31, 2019). Under OMB's 2020 changes, this provision stated non-Federal entities (and others subject to the requirement), as appropriate and to the extent permitted by law, should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). E.O. 14005, Ensuring the Future Is Made in All of America by All of America's Workers (January 25, 2021), revoked E.O. 13788 and E.O. 13858. OMB made changes to 2 CFR 200.322 through OMB's 2024 final rule and notification of final guidance, 89 FR 30046. These changes are discussed in more detail later in this preamble.
- At 2 CFR 200.340, *Termination,* OMB made changes to ensure that Federal awarding agencies could terminate a grant in whole or in part, to the greatest extent authorized by law, when the grant no longer effectuates the program goals or Federal awarding agency priorities. However, OMB also made changes focused on the need for agencies to communicate clearly to recipients, such as those changes at 2 CFR 200.211(c)(1)(v), which requires that recipients be clearly and unambiguously informed of the termination provisions at 2 CFR 200.340. OMB made further changes to 2 CFR 200.340 through OMB's 2024 final rule and notification of final guidance, 89 FR 30046. These changes are discussed in more detail later in this preamble.
- OMB revised 2 CFR 200.344, *Closeout,* ''to support timely closeout of awards, improve the accuracy of final

[10] 79 FR 75871, 76078; 80 FR 75931, 75931–32 (Dec. 7, 2015).

[11] 79 FR 75871, 75871.

[12] U.S. Dep't of Hous. & Urban Dev., Notice SD–2015–01: Transition to 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, (2015), *https://www.hudexchange.info/resource/4444/notice-sd201501-transition-to-2-cfr-part-200-uniform-administrative-requirements-cost-principles-and-audit-requirements-for-Federal-awards-final-guidance/.*

[13] 80 FR 75931, 75931–32.

[14] 80 FR 75931, 75931.

[15] OMB has used terms such as ''non-Federal entities'' in the past to collectively refer to recipients and subrecipients. *E.g.,* 85 FR 49506. However, under OMB's 2024 changes, OMB is replacing the term ''non-Federal entity'' with ''recipients,'' ''subrecipients,'' or both. See 89 FR 30046, 30047. HUD is adopting this terminology for this preamble and in HUD's regulations in title 24 of the Code of Federal Regulations.

[16] As explained in section II of this proposed rule, while OMB amended 2 CFR parts 25, 170, and 183, in its 2020 final guidance, the changes made to these parts do not require modifications to HUD's regulations at this time.

[17] 85 FR 49506, 49506.

[18] 85 FR 49506, 49506.

[19] Office of Mgmt. & Budget, Reference Document for **Federal Register** Document Number: 2020–17468 (2020), *https://www.trumpadministration.archives.performance.gov/CAP/20200812-2-CFR-Revision-Redline_Final.pdf.*

[20] *Id.* at 46–53.

[21] *https://www.trumpadministration.archives.performance.gov/CAP/20200812-2-CFR-Revision-Redline_Final.pdf.*

closeout reporting, and reduce recipient burden.'' [22] At § 200.344(a), OMB revised language to extend the deadline for report submission by recipients, established a deadline for subrecipients to submit reports to pass-through entities, and made changes such as changing ''non-Federal entity'' to ''recipient'' and adding ''or an earlier date as agreed upon by the pass-through entity and subrecipient.'' OMB made further changes to 2 CFR 200.344 through OMB's 2024 final rule and notification of final guidance, 89 FR 30046. These changes are discussed in more detail later in this preamble.

• OMB added a new paragraph (h) to 2 CFR 200.403, *Factors affecting allowability of costs.* Section 200.403 lists general criteria for costs to be allowed under Federal awards. New paragraph (h) states that costs must be incurred during the approved budget period, and it authorizes Federal awarding agencies to waive prior written approvals for carrying forward unobligated balances to later budget periods per § 200.308(e)(3). OMB made further changes to 2 CFR 200.403 through OMB's 2024 final rule and notification of final guidance, 89 FR 30046. These changes are discussed in more detail later in this preamble.

• OMB revised 2 CFR 200.414(f) to change the requirement permitting use of the 10 percent de minimis rate election for recovering indirect costs. Previously, a non-Federal entity was permitted to use the 10 percent de minimis option only if it had never received a negotiated indirect cost rate. The new rule permits use of the de minimis rate of 10 percent if the non-Federal entity does not have a current negotiated rate. OMB clarified that no documentation is required to justify the 10 percent de minimis indirect cost rate. OMB made further changes to 2 CFR 200.414(f) through OMB's 2024 final rule and notification of final guidance, 89 FR 30046. These changes are discussed in more detail later in this preamble.

• OMB revised 2 CFR 200.465, *Rental costs of real property and equipment,* by redesignating paragraph (c)(5) as paragraph (d), revising the text of paragraph (d), and adding a new paragraph (e). Revisions to paragraph (d) replace the reference to ''leases which are required to be treated as capital leases'' (in accordance with generally accepted accounting principles, GAAP) with ''leases which are required to be accounted for as a financed purchase under [Governmental Accounting Standards Board (GASB)] standards or a finance lease under [Financial Accounting Standards Board (FASB)] standards[.]'' New paragraph (e) provides for general allowability of rental or lease payments under lease contracts where the non-Federal entity must recognize an intangible right-to-use lease asset (per GASB) or right of use operating lease asset (per FASB) for purposes of financial reporting in accordance with generally accepted accounting principles. OMB made further changes to 2 CFR 200.465 through OMB's 2024 final rule and notification of final guidance, 89 FR 30046. These changes are discussed in more detail later in this preamble.

• OMB revised 2 CFR 200.515, *Audit reporting,* to better align the regulation with the Federal Audit Clearinghouse's audit form and collections on financial statements. Section 200.515 requires auditors to determine and provide an opinion on whether an auditee's financial statements ''are presented fairly in all material respects.'' Section 200.515 permits use of GAAP to make such determinations. OMB revised § 200.515 to permit use of a special purpose framework, such as cash, modified cash, or regulatory as required by State law, in addition to GAAP. OMB made further changes to 2 CFR 200.515 through OMB's 2024 final rule and notification of final guidance, 89 FR 30046. These changes are discussed in more detail later in this preamble.

OMB's 2024 Final Rulemaking and Notification of Final Guidance for Federal Financial Assistance

On October 5, 2023, OMB published another proposed rule to revise OMB's guidance and its regulations in title 2 of the Code of Federal Regulations, including, among other parts, part 200. 88 FR 69390 (October 2023 proposed rule). OMB's proposed rule sought to further streamline, clarify, and update the guidance, including raising certain thresholds, where permissible under law, in recognition of inflation over time. The proposals were based on four objectives: (1) incorporating statutory requirements and administration priorities related to Federal financial assistance; (2) reducing agency and recipient burden; (3) clarifying sections that recipients or agencies have interpreted in different ways; and (4) rewriting applicable sections in plain language, improving flow, and addressing inconsistent use of terms.

OMB partially based its proposed changes on Federal agency input from ongoing engagement with Federal agencies and the broader Federal financial assistance community, and from Federal agency comments and public comments on a previously issued Request for Information (RFI) that OMB published on February 9, 2023. 88 FR 8480. The RFI announced that OMB would be proposing revisions to chapters I and II of subtitle A of title 2 of the Code of Federal Regulations, which includes 2 CFR part 200 among other parts, and requested public comment on 2 CFR and several specific questions. OMB also published a proposed rule on the same date proposing to revise OMB Guidance for Grants and Agreements and soliciting public comment on the rule's proposals. 88 FR 8374 (OMB's 2023 proposed rule).[23] OMB proposed to create a new part 184 in 2 CFR chapter I and revise 2 CFR 200.322 to support implementation of the Build America, Buy America Act provisions of the Infrastructure Investment and Jobs Act (IIJA) [24] and to clarify existing requirements.[25]

After consideration of further public and Federal agency comments on the October 2023 proposed rule, OMB published a final rule on April 22, 2024, to finalize changes to guidance and OMB regulations in title 2 of the CFR, 89 FR 30046 (OMB's 2024 final rule), parts 1, 25, 170, 175, 180, 182, 183, 184, and 200.[26] OMB finalized these changes for purposes related to the four objectives stated in the October 2023 proposed rule, and to improve Federal financial assistance management, transparency, and oversight through more accessible and comprehensible guidance. OMB largely retained the overall structure and part, subpart, and section number organization from prior

[22] *Id.* at 32.

[23] The public comment period for this proposed rule ended on March 13, 2023.

[24] The Build America, Buy America Act (''BABA'' or ''the Act'') was enacted on November 15, 2021, as part of the Infrastructure Investment and Jobs Act (''IIJA'') (Pub. L. 117–58).

[25] Under the proposed rule, the new part 184 would address the Buy America Preference for all awards with infrastructure expenditures set forth in section 70914 of the Act, generally align with OMB guidance M–22–11, provide definitions for the purposes of 2 CFR part 184 and a common framework for applying Buy America Preferences to Federal Financial Assistance, include guidance for determining the cost of manufactured products and use the definition of ''cost of components'' in the Federal Acquisition Regulation (FAR) (48 CFR 25.003) that is used for Federal procurement, and include OMB's proposed standards for ''all manufacturing processes'' for the manufacture of construction materials. OMB's rule also proposed to modify 2 CFR 200.322 to direct Federal agencies to the new part in chapter I (2 CFR part 184) for guidance on all awards that include infrastructure projects.

[26] As explained in section II. of this proposed rule, while OMB amended 2 CFR parts 1, 170, 175, 180, 182, 183, and 184 in its 2024 final guidance, the changes made to these parts do not require modifications to HUD's regulations at this time. Some provisions in 2 CFR part 25 are relevant to this rulemaking, as explained later in this preamble.

iterations of its guidance and regulations. OMB made many plain language revisions to simplify text, reduce technical verbiage, and increase consistency and brevity, but largely did not change the substantive content of the guidance and regulations. The changes from OMB's 2024 final rule became effective October 1, 2024.[27]

Relevant to this proposed rulemaking are the following changes made by OMB's 2024 final guidance to 2 CFR part 25:

• OMB amended 2 CFR 25.105, *Applicability,* which now provides in paragraph (a) that 2 CFR part 25 applies to all applicants for and recipients of Federal financial assistance as defined in 2 CFR 25.400 unless exempted by Federal statute or 2 CFR 25.110. Under revised paragraph (b), subrecipients must obtain a unique entity identifier (UEI) by registering with the System for Award Management (*SAM.gov*) and acquiring a UEI through that website, as discussed below, in accordance with 2 CFR part 25, subpart C. OMB also clarified in a new paragraph (d) that recipients of the guarantee from the Federal agency, including for-profit lenders participating in loan guarantee programs, are required to register in *SAM.gov.* These lenders are also required to complete entity validations and acquire a UEI. Finally, a Federal agency may require non-individual beneficiary borrowers, including small businesses or corporations, to obtain a UEI or register in *SAM.gov.* There is no change to the underlying requirements, but OMB has clarified that applicability extends to lenders participating in loan guarantee programs.

• OMB revised 2 CFR 25.200, *Requirements for notice of funding opportunities, regulations, and application instructions,* to reorganize, provide clarity, and make plain language changes, but did not make substantive changes.[28]

• OMB revised 2 CFR 25.205, *Effect of noncompliance with a requirement to obtain a UEI or register in SAM.gov,* to make plain language revisions and provide minor clarifications, including that the requirement to have an active UEI does not apply to amendments to terminate or close a Federal award.

• OMB revised 2 CFR 25.300, *Requirement for recipients to ensure subrecipients have a unique entity identifier,* to make plain language changes, but did not make substantive changes.

• OMB amended the definition of *Federal financial assistance* in 2 CFR 25.400, *Definitions,* by adding ''loan guarantee'' as a form of assistance that constitutes Federal financial assistance. Read together with revised 2 CFR 25.105, OMB's changes clarify that 2 CFR part 25 applies to loan guarantee assistance.

• OMB amended Appendix A to 2 CFR part 25, *Award Term,* to make plain language revisions and minor clarifying edits, but did not make substantive changes. Appendix A to 2 CFR part 25 requires, among other things, that recipients to maintain current and active registration in *SAM.gov* until the recipient submits all final reports required under a Federal award or receives final payment, whichever is later; that recipients notify potential subrecipients that no entity may receive a subaward until the entity has provided its UEI to the recipient; and that recipients must not make subawards to an entity unless the entity has provided its UEI to the recipient.

Relevant to this proposed rulemaking are the following changes made by OMB's 2024 final guidance to 2 CFR part 200:

• OMB revised the definition of *Cost sharing* in 2 CFR 200.1 by removing ''*or matching*'' from the previously defined term ''*Cost sharing or matching*''. Instead, OMB has clarified that *cost sharing* includes *matching,* meaning the required levels of cost share that must be provided by entities such as recipients, subrecipients, and third parties. The definition continues to cross-reference 2 CFR 200.306, *Cost sharing.*

• OMB revised the definition of *Modified Total Direct Cost (MTDC),* in 2 CFR 200.1, by changing the two dollar amounts of $25,000 in the definition to $50,000. The MTDC definition now provides that MTDC includes up to the first $50,000 of each subaward, and that MTDC excludes the portion of each subaward in excess of $50,000.

• OMB revised the definition of *Federal financial assistance* in 2 CFR 200.1 by replacing ''non-Federal entities'' and with ''recipients or subrecipients'' throughout. The revised definition now specifies that 2 CFR part 200 provisions, including, under paragraph (2) of the definition of *Federal financial assistance,* 2 CFR 200.203 and subpart F of 2 CFR part 200, apply to loan guarantee program assistance that goes to or is administered by recipients and subrecipients. Under the previously existing definition of ''Non-Federal entity'' under 2 CFR 200.1, for-profit entities were not included.

• OMB made several revisions to 2 CFR 200.101, *Applicability.* Of relevance to this rulemaking's proposed changes to HUD regulations in 24 CFR parts 5, 1005, and 1007: OMB removed the table 1 for paragraph (b), and reorganized and clarified text describing the applicability of 2 CFR part 200 subparts and provisions for different types of Federal financial assistance, including loan guarantee program assistance. The items under revised paragraph (b)(5), including agreements for loan guarantees, are subject to 2 CFR part 200, subpart F, Audit Requirements only when awarded to a non-Federal entity as defined in 2 CFR 200.1.[29]

• Under 2 CFR 200.208, *Specific conditions,* paragraph (d), before OMB's 2024 changes, if a Federal awarding agency or pass-through entity was imposing additional requirements through specific conditions, they were required to notify the applicant or non-Federal entity without specification as to when this notice must be provided. Under revised paragraph (d), the Federal agency or pass-through entity must notify the recipient or subrecipient *prior* to imposing specific conditions. Notification must include the nature of and reason for the specific conditions, the action needed to remove them, the time allowed for completing such actions, and the method for requesting the Federal agency or pass-through entity to reconsider imposing a specific condition. 2 CFR 200.208(d)(1) through (5).

• OMB reorganized and revised 2 CFR 200.307. The previous paragraph (e), concerning use of program income, has been moved to new paragraph (b)(2). Additionally, OMB simplified language by revising all paragraphs in § 200.307(b), but the substantive requirements did not change. For purposes of cross-reference updates in this rulemaking, HUD notes that preexisting paragraph (e)(2) is now in paragraph (b)(2).

• OMB revised 2 CFR 200.317 by, among other things, adding ''Indian Tribes'' where States are mentioned in the regulation. This means that, if applicable, Indian Tribes receiving HUD Federal financial assistance must use their own procurement policies and procedures when conducting procurement transactions under a

[27] This rulemaking is part of HUD's effort to implement OMB's changes for HUD regulations and programs. ''Consistent with 2 CFR 200.106 and applicable law, Federal agencies must take appropriate steps to ensure the 2024 Revisions are effective for all Federal awards issued on or after October 1, 2024.'' OMB Memorandum M–24–11, *https://www.whitehouse.gov/wp-content/uploads/2024/04/M-24-11-Revisions-to-2-CFR.pdf.*

[28] 89 FR 30052.

[29] Non-Federal entity under 2 CFR 200.1 ''means a State, local government, Indian Tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.''

Federal award. If these policies and procedures do not exist, then a Tribe must follow the procurement standards in 2 CFR 200.318 through 200.327. Applicability does not extend to Tribally Designated Housing Entities under OMB's revisions.

• OMB revised 2 CFR 200.318 by, among other things, removing the term ''non-Federal entity'' and replacing it with ''recipient or subrecipient''. Paragraph (c) of this section concerns conflicts of interest, including organizational conflicts of interest, and is of relevance to this rulemaking. (Paragraph (c) was not changed substantively other than the addition of a ''board member with a real or apparent conflict of interest'' to the list of persons who may not participate in the selection, award, or administration of a contract supported by the Federal award.)

• After its 2020 changes to 2 CFR 200.319, OMB further reorganized and revised this section in its 2024 round of changes. Of relevance to this rulemaking is the requirement under what was, prior to OMB's 2020 and 2024 changes, paragraph (a)(5): To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. One situation ''considered to be'' restrictive of competition is organizational conflicts of interest; this example was, prior to OMB's 2020 and 2024 changes, provided in § 200.319(a)(5). These requirements are now found in paragraph (b), which speaks to the exclusions for procurement competition, and (c)(5), which contains the organizational conflicts of interest example. Therefore, where HUD's regulations cross reference 2 CFR 200.319(a)(5), they should now cross reference 2 CFR 200.319(b) and (c)(5) following OMB's 2020 and 2024 changes.

• OMB revised 2 CFR 200.321, *Contracting with small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms,* such that this section (as of October 1, 2024) no longer requires but instead recommends actions to ensure consideration of minority, women, and veteran-owned businesses and labor surplus area firms. OMB added qualifying language, ''When possible,'' to the beginning of paragraph (a), changed the language of requirement ''must'' in paragraph (a) to discretionary language ''should'' to state that a recipient or subrecipient ''should ensure'' that such businesses and firms are considered, and replaced the term ''Affirmative steps must include'' with ''Such consideration means''. OMB also added the category of ''veteran-owned business'' to this section for the first time. Finally, OMB made several changes for simplification of language and clarification.

• In 2 CFR 200.322, OMB added a new paragraph (c) stating that Federal agencies providing Federal financial assistance for infrastructure projects must implement the Buy America preferences set forth in 2 CFR part 184. While HUD is not proposing that any of its regulations specifically cross-reference 2 CFR part 184, where HUD's regulations do require applicability or compliance with 2 CFR 200.322 and/or 2 CFR part 200, subpart D (which contains 2 CFR 200.322), this also necessarily includes 2 CFR part 184 where Federal financial assistance is provided for infrastructure projects.

• OMB revised 2 CFR 200.331 by, among other things, clarifying in paragraph (b) that a contract is for the purpose of obtaining goods and services for the recipient's or subrecipient's (previously ''the non-Federal entity's own'') use and creates a procurement relationship with a contractor.

• OMB revised 2 CFR 200.403(h) to add language clarifying that administrative closeout costs may be incurred until the due date of the final report(s) and, if incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency. OMB also made minor edits to the existing language of paragraph (h) for plain language and clarification.

• Through its 2024 final guidance, OMB amended 2 CFR 200.414(f) by:

○ Providing that recipients and subrecipients that do not have a current negotiated indirect cost rate may elect to charge a de minimis rate;

○ Removing the exception for non-Federal entities described in 2 CFR part 200 appendix VII, paragraph D.1.b;

○ Increasing the amount of the de minimis indirect cost rate from 10 to 15 percent of MTDC, and expressly authorizing the recipient or subrecipient to determine the appropriate rate up to this limit;

○ Specifying that Federal agencies and pass-through entities cannot require recipients and subrecipients to use a de minimis rate lower than the negotiated indirect cost rate or the rate chosen pursuant to § 200.414, unless required by Federal statute or regulation;

○ Prohibiting application of the de minimis rate to cost reimbursement contracts issued directly by the Federal government in accordance with the Federal Acquisition Regulation (FAR);

○ Specifying that recipients and subrecipients are not required to use the de minimis rate;

○ Clarifying that if a recipient or subrecipient elects to use the de minimis rate or a lower rate, or if it is required to use a lower rate by Federal statute or regulation, it must use the de minimis rate for all Federal awards until the recipient or subrecipient choose to receive a negotiated rate; and

○ Removing language that permitted a non-Federal entity to apply to negotiate a rate at any time.

OMB retained (but moved, within § 200.414(f)) language stating that the de minimis rate does not require documentation to justify its use and may be used indefinitely.

• OMB revised 2 CFR 200.445(b) by removing the phrase ''regardless of whether reported as taxable income to the employees'' in the provision stating that housing costs, housing allowances, and personal living expenses for the recipient's or subrecipient's employees are only allowable as direct costs and must be approved in advance by the Federal agency.

• OMB revised 2 CFR 200.472 by, among other things, adding a new paragraph (b) that states that administrative costs related to closeout activities of a Federal award are allowable and the recipient or subrecipient may charge the Federal award during the closeout for the necessary administrative costs of that Federal award. Section 200.472(b) provides examples including salaries of personnel preparing final reports, publication and printing costs, costs associated with the disposition of equipment and property, and related indirect costs. The provision also repeats requirements stated in 2 CFR 200.403(h): The administrative costs may be incurred until the due date of the final report(s) and, if incurred, the costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency.

II. This Proposed Rule

This proposed rule is necessary to incorporate into HUD's regulations and bring into effect the updated Uniform Guidance issued by OMB in 2020 (OMB's 2020 final guidance),[30] and

[30] 85 FR 49506 (Aug. 13, 2020). Some of OMB's changes and the updated Uniform Guidance are already in effect based on language in a Federal award or through another implementation method.

OMB's Guidance for Federal Financial Assistance issued in 2024 (OMB's 2024 final guidance).[31] Implementation of this guidance will reduce administrative burden and decrease risk of waste, fraud, and abuse for HUD's management of Federal financial assistance. Because HUD previously implemented OMB's guidance into HUD's Federal financial assistance management regulations throughout title 24 of the CFR, OMB's 2020 and 2024 amendments require that HUD review those regulations and incorporate changes made in 2 CFR part 200 and, as applicable, the other parts in title 2 of the CFR amended by OMB. During this process HUD has also identified instances where technical corrections to HUD regulations are necessary. Although OMB also amended 2 CFR parts 25, 170, and 183 in OMB's 2020 final guidance, and OMB amended 2 CFR parts 1, 25, 170, 175, 180, 182, 183, and 184 in OMB's 2024 final guidance, the changes being made to these provisions do not require modifications to HUD's regulations at this time, with the exception of changes to 2 CFR part 25 made through OMB's 2024 final guidance, which is explained in more detail elsewhere in this preamble.

Specifically, through this proposed rule HUD is proposing to make technical changes to 2 CFR part 200 cross-references to conform HUD's regulations with revisions made by OMB. OMB also made substantive changes to certain 2 CFR part 200 provisions that HUD previously implemented in its regulations, and HUD is proposing conforming changes to implement new or changed requirements in relevant 2 CFR part 200 provisions. HUD is also proposing to amend its regulations based on its experience implementing 2 CFR part 200 to improve clarity and consistency in HUD regulations that cross-reference 2 CFR part 200 or specific subparts or provisions. HUD's proposed changes are explained in more detail below. This includes proposed changes to HUD's Housing Trust Fund (HTF) program regulations to establish program-specific procedures and better align programmatic and administrative requirements for HTF grant closeout. Additionally, HTF program regulations are modeled off of HUD's HOME Investment Partnership program regulations, so HUD is proposing some changes in this rulemaking that would align HTF regulations with changes related to 2 CFR part 200 proposed in HUD's recent proposed rule for the HOME program.[32] Finally, because some of OMB's 2024 changes affect loan guarantee programs, and because HUD has yet to codify in regulation some requirements that have applied to loan guarantee programs even before OMB's 2020 changes, HUD is proposing to amend its Section 184 and 184A program regulations (24 CFR parts 1005 and 1007, respectively) to implement the relevant requirements. HUD is seeking public comment on its proposed changes.

Conforming Technical Changes Based on OMB's 2020 and 2024 Updates to Uniform Guidance

Cross Reference Updates

Through this proposed rulemaking, HUD is proposing to make technical changes to 2 CFR part 200 cross-references to conform HUD's regulations with revisions made by OMB in its two rounds of changes, 2020 and 2024. For example, through its 2020 final guidance, OMB removed all 2 CFR part 200 sections containing specific definitions, sections 2 CFR 200.2 through 200.99, and added all the definitions in those sections into a general ''Definitions'' section, 2 CFR 200.1. Therefore, in its regulations at title 24, HUD proposes replacing any cross-references to sections 2 CFR 200.2 through 200.99 (which no longer exist) with a cross-reference to 2 CFR 200.1. For example, HUD proposes to revise 24 CFR 4.9(a)(iii) by removing the cross-reference ''2 CFR 200.80,'' which previously contained the definition of ''program income,'' and adding in its place a cross-reference to 2 CFR 200.1, which now contains the definition for ''program income.''

Through its 2020 and 2024 final guidance, OMB revised and reorganized some sections, such as 2 CFR 200.319. This created new paragraph and regulatory text organization and some new paragraph designations within these 2 CFR provisions. Therefore, through this rulemaking, HUD is proposing to update cross-references in HUD's existing regulations, such as 24 CFR 700.175(b) and 1003.606(a)(1), which cross-reference 2 CFR 200.319(a)(5), to reference the new, correct paragraph(s). In this example, the cross-reference to 2 CFR 200.319(a)(5) would be updated to 2 CFR 200.319(b) and (c)(5), since the information previously contained in 2 CFR 200.319(a)(5) is now split into several paragraphs with new paragraph designations because of changes from both OMB's 2020 and 2024 final guidance.

HUD is also proposing updates to cross-references to point to more specific 2 CFR part 200 subparts or provisions. For example, 24 CFR 75.31 provides for recordkeeping requirements and states that documentation must be maintained for a time period in accordance with applicable program regulations or, in the absence of such regulations, ''in accordance with 2 CFR part 200.'' For clarity, HUD proposes to replace the cross-reference in 24 CFR 75.31(c) to 2 CFR part 200 with a reference to 2 CFR 200.334, which specifies a three-year requirement and exceptions to this requirement. In addition, HUD proposes changes to cross-reference more specific 2 CFR part 200 subparts or provisions in § 75.33(a), to cross-reference 2 CFR 200.334; and § 570.509(b)(3), to cross-reference 2 CFR part 200, subpart F.

Finally, some of HUD's regulations, 24 CFR 570.502(a) for example, cross reference 2 CFR provisions by only section number (not CFR title number 2) and then by section title: in § 570.502(a)(1), ''Section 200.305 'Payment' ''. This could refer to § 200.305 in any title of the CFR. HUD is proposing to clarify that the cross-references are to title 2 provisions by revising these cross-references to read, *e.g.,* ''2 CFR 200.305.'' OMB's 2024 changes also changed the section titles of some of these 2 CFR part 200 provisions. For example, 2 CFR 200.306, which 24 CFR 570.502(a)(2) cross-references as ''Section 200.306 'Cost sharing or matching,' '' is no longer ''Cost sharing or matching'' but ''Cost sharing''. HUD is proposing to remove the section titles from the 2 CFR part 200 cross-references in its regulations to remove the need to update HUD's regulations to account for any future change in section titles of 2 CFR part 200 provisions. HUD is therefore proposing for 24 CFR 570.502(a)(1) to simply cross-reference ''2 CFR 200.305,'' and, for paragraph (a)(2), ''2 CFR 200.306,'' and so on. HUD is proposing these technical changes in 24 CFR 570.502(a), 1000.26(a), and 1003.501(a).

Section 570.489 Program Administrative Requirements

Through OMB's 2020 changes to 2 CFR part 200, OMB removed section 2 CFR 200.88, which contained the definition of ''simplified acquisition threshold'' (SAT), and moved the SAT definition into the new definitions section 2 CFR 200.1. OMB also revised the definition of ''simplified acquisition threshold'' to cross-reference 2 CFR 200.320 and clarify that the SAT ''for

[31] 89 FR 30046 (April 22, 2024). OMB's changes go into effect October 1, 2024.

[32] 89 FR 46618.

procurement activities administered under Federal awards'' is set by the Federal Acquisition Regulation at 48 CFR subpart 2.1.[33] In § 570.489(j), HUD is proposing to remove the language ''the threshold for small purchase procurement (2 CFR 200.88),'' and replace it with ''the simplified acquisition threshold (2 CFR 200.1) set by the FAR at 48 CFR part 2, subpart 2.1.'' This will incorporate OMB's renumbering of 2 CFR part 200 definitions and make HUD's regulatory language consistent with the language in the SAT definition in 2 CFR 200.1.

Conforming Substantive Changes Based on OMB's 2020 and 2024 Updates to Uniform Guidance

Some of OMB's changes to the Uniform Guidance add new requirements or changes to existing requirements. HUD has reviewed these substantive changes and seeks to implement OMB's permissive requirement for consideration of small, minority, veteran-owned, and women's business enterprises and labor surplus area firms in 2 CFR 200.321; OMB's indirect cost requirements in section 2 CFR 200.414(f); and OMB's audit reporting requirements in 2 CFR 200.515. The relevant substantive changes to OMB's Uniform Guidance and HUD's corresponding proposed changes are outlined in this section. HUD is proposing to make these changes to align its program regulations with OMB's regulations and 2020 and 2024 final rules and final guidance. Doing so will help HUD regulations and programs to achieve or better achieve the objectives outlined in the preambles of OMB's rulemakings: align with statutory requirements and administration priorities, reduce agency and recipient burden, and strengthen Federal agency approaches to performance and risk.

Application, Registration, and Submission Requirements: §§ 5.1001 Through 5.1005

Following OMB's 2024 changes to 2 CFR 25.105, 2 CFR part 25 applies to applicants for and recipients of Federal financial assistance as defined in 2 CFR 25.400 unless a Federal statute or 2 CFR 25.110 provides for an exemption. OMB's changes to the definition of *Federal financial assistance* in 2 CFR 25.400 clarify that loan guarantees constitute Federal financial assistance for purposes of 2 CFR part 25. The changes to 2 CFR 25.105 and 25.400 together mean that 2 CFR part 25 applies to loan guarantee assistance. HUD is proposing conforming changes to 24 CFR 5.1001 that would incorporate OMB's new applicability language and include loan guarantees as a form of Federal financial assistance subject to the requirements of HUD regulations that implement 2 CFR part 25: 24 CFR 5.1001 through 5.1005 (24 CFR part 5, subpart K).

HUD regulations at §§ 5.1003 and 5.1004 implement OMB's preexisting provisions in title 2 of the Code of Federal Regulations related to use of a unique entity identifier and the System of Award Management (SAM), 2 CFR 25.200 and 25.205. HUD implemented these OMB provisions as part of its prior 2 CFR rulemaking effort to implement OMB's 2013 uniform guidance, and HUD's regulations currently only expressly incorporate these requirements for applicants of Federal financial assistance, not recipients and subrecipients.[34] HUD is proposing conforming changes to 24 CFR 5.1003 and 5.1004 to align them with the revised OMB provisions and to clarify that certain requirements extend to applicants, in § 5.1003, and also to recipients and subrecipients, in § 5.1004. HUD is proposing conforming changes to § 5.1003 to incorporate the revised language in OMB's revised 2 CFR 25.200 and 25.205. HUD is also proposing to maintain some of the structure and language in current 24 CFR 5.1003 related to consortium arrangements. HUD is similarly proposing conforming changes to 24 CFR 5.1004 to align it with revised 2 CFR 25.200, 25.205, 25.300, and appendix A to 2 CFR part 25. HUD is proposing to incorporate 2 CFR 25.205(d) in § 5.1004(c) to clarify UEI and *SAM.gov* requirements for recipients of loan guarantee assistance.[35]

Section 5.1005 of title 24 of the CFR currently incorporates HUD's requirements for electronic submission of applications for HUD assistance.[36] These requirements apply only for applications submitted in response to any application that HUD has placed on the *www.grants.gov* website. This website, *grants.gov,* is only applicable for awards made via competition, and not all HUD programs use *grants.gov* for electronic submission of applications. Additionally, in response to public comment, OMB stated in its 2024 final rulemaking that it would not implement a single, centralized application system or related provisions.[37] HUD is therefore proposing to remove the existing requirements in 24 CFR 5.1005.

OMB's regulations at 2 CFR 25.220(a), as revised through OMB's 2024 changes, require all awards of Federal financial assistance to include the award term in appendix A to 2 CFR part 25. This was a preexisting requirement; OMB's 2024 changes did not alter its substance, but this requirement has only been included indirectly via cross-reference in HUD's regulations up to this point.[38] HUD is therefore proposing a new § 5.1005 that would provide that every agreement for Federal financial assistance executed by HUD with a recipient on or after October 1, 2024, is subject to the Award Term in appendix A to 2 CFR part 25.

Section 92.508 Recordkeeping

Through OMB's 2024 changes, OMB revised 2 CFR 200.321 by removing the requirement that non-Federal entities ''must take all necessary affirmative steps to assure'' use of minority businesses, women's business enterprises, and labor surplus area firms, and replacing it with a statement that ''[w]hen possible, the recipient or subrecipient *should* ensure'' (emphasis added) consideration of small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms, for contracting purposes. Affirmative steps to ensure use of these entities is no longer a requirement, and, instead, consideration of these entities

[33] On July 2, 2020, the Department of Defense, the General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA) finalized changes to the Federal Acquisition Regulation at 48 CFR part 2, subpart 2.1, in a final rule titled ''Federal Acquisition Regulation; Federal Acquisition Circular 2020–07; Introduction.'' 85 FR 40060; *see also* FAR Case 2018–004, titled ''Federal Acquisition Regulation: Increased Micro-Purchase and Simplified Acquisition Thresholds,'' at 85 FR 40064. That final rule, among other things, increased the general simplified acquisition threshold amount from $150,000 to $250,000. These changes are not directly relevant to HUD's reasoning for proposing changes to 24 CFR 570.489(j), but are worth noting.

[34] 80 FR 75931.

[35] HUD's proposed 24 CFR 5.1004(b) incorporates provisions in 2 CFR part 25, Appendix A, *Award Term.*

[36] *See* 70 FR 77292. HUD's requirements originate from goals set by the President in the President's Management Agenda for Fiscal Year 2002, which furthered the objectives of the Federal Financial Assistance Management Improvement Act of 1999 and the Government Paperwork Elimination Act. 69 FR 68218. The Federal Financial Assistance Management Improvement Act of 1999, which required Federal agencies to streamline and simplify the application, administrative, and reporting procedures for Federal financial assistance programs, ceased to be effective on Nov. 20, 2007.

[37] 89 FR 30072.

[38] See existing 24 CFR 5.1004, ''Applicants for HUD financial assistance that are subject to this subpart are required to register with the System of Award Management (SAM) and have an active registration in SAM in accordance with 2 CFR part 25, appendix A in order for HUD to obligate funds and for an awardee to receive an award of funds from HUD.''

is now an option that OMB regulations encourage ''when possible''. Additionally, the list of entities has expanded and now includes small businesses and veteran-owned businesses. Through this rulemaking, HUD is proposing to add a new paragraph (a)(7)(ii)(C) to 24 CFR 92.508 to require participating jurisdictions to establish and maintain records of any efforts to consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms, as described in 2 CFR 200.321. HUD's current recordkeeping requirements in this section only address HOME statutory requirements; HUD is proposing this change to clarify that the recordkeeping requirements include records for groups mentioned within 2 CFR part 200 even if not mentioned within the HOME statute.

Indirect Costs: §§ 570.206, 576.109, and 578.63

Through its 2020 final guidance, OMB amended 2 CFR 200.414(f) to expand use of the de minimis indirect cost rate of 10 percent of modified total direct costs (MTDC), defined in 2 CFR 200.1. Under OMB's 2020 changes, § 200.414(f) stated that any non-Federal entity that does not have a current negotiated indirect cost rate, except for a non-Federal entity described in paragraph D.1.b of appendix VII to 2 CFR part 200,[39] may elect to charge the de minimis rate.

Through its 2024 final guidance, OMB further amended 2 CFR 200.414(f) by, among other things, increasing the amount of the de minimis indirect cost rate from 10 to up to 15 percent of MTDC, and as otherwise described previously in the ''OMB's 2024 Final Rulemaking and Notification of Final Guidance for Federal Financial Assistance'' section in the ''Background'' section of this preamble.

HUD's regulation at 24 CFR 578.63(b) currently states that indirect costs may be allocated to eligible activities ''consistent with *an indirect cost rate proposal developed in accordance with* 2 CFR part 200, subpart E,'' (emphasis added). This does not contemplate use of the de minimis rate, which is included under 2 CFR part 200, subpart E, but is not considered an indirect cost rate proposal. Other HUD regulations state that direct costs may be allocated to eligible activities ''consistent with 2 CFR part 200, subpart E,'' without reference to an indirect cost rate proposal.[40] Therefore, HUD proposes to revise language in § 578.63(b) to state that indirect costs may be allocated consistent with 2 CFR part 200, subpart E, and remove reference to an ''indirect cost rate proposal.'' This will end confusion over the permissible use of a de minimis rate as contemplated by 2 CFR 200.414 and improve consistency with other HUD regulations.

Under the regulations for several of HUD's Community Planning and Development (CPD) programs, the programs' administrative cost caps do not limit costs directly related to carrying out eligible activities, because HUD considers those costs part of the activity delivery costs. For example, where rental assistance is the eligible activity, the costs of writing out and mailing the rental assistance checks to each property owner are costs of providing rental assistance and therefore chargeable under the ''rental assistance'' activity. Because some of these ''activity delivery costs'' may be classified as indirect costs under 2 CFR part 200, some of CPD's program rules (24 CFR parts 576 and 578) include provisions to clarify the conditions under which indirect costs can be charged to eligible activities. These conditions are to ensure (1) the applicable indirect cost rate and direct cost base allow for activity-level allocation of indirect costs, and (2) the sum of direct and indirect costs charged to a specific activity category or to administrative costs is within with the program's cost caps.

However, when reviewing OMB's changes to the part 200 definitions and the de minimis indirect cost rate requirements, HUD determined that a further condition is needed where indirect costs are determined using modified total direct cost (MTDC). Specifically, because part 200 defines MTDC at 2 CFR 200.1 to include ''up to the first $50,000 of each subaward (regardless of the period of performance of the subawards under the award),'' and the portion of indirect costs determined based on that specific amount can only be considered program administration costs, HUD proposes to amend 24 CFR 576.109(b) and 578.63(b) to make sure that the portion of indirect costs can only be charged as program administration costs, when indirect costs are allocated and charged at the activity level.

In addition, HUD invites public comments on whether similar conditions should be added to other CPD program regulations that distinguish activity delivery costs from program administration costs for purposes of determining compliance with applicable cost caps (*e.g.,* parts 92, 93, 570, and 574).

Section 574.500 Responsibility for Grant Administration

Through its 2024 changes, OMB amended 2 CFR 200.342 to require Federal agencies to, upon initiating a remedy for noncompliance including disallowed costs, a corrective action plan, or termination, provide a recipient an opportunity to object and provide information challenging the action. Through this rulemaking, HUD is proposing conforming amendments to its Housing Opportunities for Persons With AIDS (HOPWA) program enforcement regulation at 24 CFR 574.500(c) to directly incorporate the language and procedure laid out in OMB's revised regulations. HUD is not proposing any changes to the first sentence of existing paragraph (c). HUD's proposed language replacing the second sentence would provide that, upon initiating a remedy for noncompliance (for example, disallowed costs, a corrective action plan, or termination), HUD will provide the grantee with an opportunity for informal consultation, in which the grantee may object and provide information challenging the action.

Section 574.540 Deobligation of Funds

As explained earlier in this preamble, OMB revised 2 CFR 200.403(h) to allow administrative costs to be incurred until the due date of the final report(s) for that Federal award. This allows Federal financial assistance funds to be used for such costs after the period of performance. For consistency with this revised requirement, HUD is proposing to revise 24 CFR 574.540. Rather than provide that HUD may deobligate any amount of grant funds that have not been expended within a three-year period from the date of the signing of the grant agreement, which is the language in HUD's existing regulation, revised § 574.540 would provide that the period of performance for the grant will be 36 months after the date that HUD executes the grant agreement with the recipient, unless the grant agreement provides for a longer period. The proposed change would retain the default three-year period of performance and HUD's discretion to amend grant

[39] Under OMB's 2020 changes, these non-Federal entities described in appendix VII in paragraph D.1.b. were defined as a State or local governmental department or agency unit that receives more than $35 million in direct Federal funding or is specifically requested to submit an indirect cost rate proposal by the cognizant agency for indirect costs. State or local governments receiving more than $35 million in direct Federal funding were required to submit an indirect cost rate proposal to its cognizant agency for indirect costs.

[40] *See, e.g.,* 24 CFR 576.109(b).

agreements to provide for a longer period of performance without needing to waive the regulation. HUD is also proposing to clarify that ''the requirements of this regulation'' in § 574.540 means 24 CFR part 574, and to reorganize the sentences in this section. HUD is not proposing any other changes to existing requirements in § 574.540.

Section 576.200 Submission Requirements and Grant Approval

Section 576.200(a) of the Emergency Solutions Grants (ESG) program regulation currently includes the following statement with respect to the specific award conditions provision in 2 CFR 200.207, ''As provided under 2 CFR 200.207, HUD may impose special conditions or restrictions on a grant, if the recipient is determined to be high risk.'' HUD is proposing to revise this statement to accommodate the changes OMB made to the criteria for imposing specific conditions as well as to reflect OMB's renumbering of the specific conditions provision in part 200 from 2 CFR 200.207 to 2 CFR 200.208. The proposed revision would state that HUD may include specific conditions in the grant agreement for a State, urban county, or metropolitan city as provided by 2 CFR 200.208.

Section 576.201 Matching Requirement

Section 576.201(b) of title 24 of the CFR provides the requirements for contributions to be recognized as match for HUD's ESG program.

Through this rulemaking, HUD is seeking to provide its prior approval of ESG grant recipients to use unrecovered indirect costs as match for the ESG grant, as permitted by 2 CFR 200.306(c). As revised by OMB's 2020 and 2024 changes, 2 CFR 200.306(c) provides that unrecovered indirect costs may be included as part of cost sharing (which includes matching, per OMB's 2024 changes to the definition of ''cost sharing'' in 2 CFR 200.1 [41]) with prior approval of the Federal agency or pass-through entity. Section 200.306(c) of title 2 of the CFR defines ''unrecovered indirect cost'' to mean the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the recipient's or subrecipient's approved indirect cost rate. Accordingly, HUD is proposing to add a new paragraph (d) in 24 CFR 576.201 that would permit matching contributions to include unrecovered indirect costs as described in 2 CFR 200.306(c). This provision would clarify that unrecovered indirect costs may be used to satisfy the ESG matching requirements.

HUD is also proposing to remove the existing paragraphs (d) through (f) in § 576.201. In HUD's 2015 final rule, HUD revised § 576.201 by revising paragraphs (a) through (c) as part of HUD's efforts to update, substitute, or correct cross-references and make other conforming changes to implement OMB's 2013 Uniform Guidance. 80 FR 75932. HUD's amendatory instruction number 86 stated, ''Revise § 576.201(a), (b), and (c) to read as follows,'' 80 FR 75939, and it should have stated ''Revise § 576.201 to read as follows,'' to remove paragraphs (d) through (f). Paragraph (d)(1) refers to OMB circulars A–87 and A–122 and former parts of 2 CFR, which were superseded by 2 CFR part 200. See 78 FR 7283. Paragraphs (d)(2) and (e) contradict the application of 2 CFR 200.306 in § 576.201(b) and (c), as amended by HUD's 2015 final rule. Paragraph (f) was made redundant by another amendment (number 89) of HUD's 2015 final rule. 80 FR75939. HUD is therefore proposing in this rulemaking to correct this inadvertent error by removing the obsolete, redundant, and contradictory paragraphs (d) through (f) from § 576.201.

Section 576.203 Obligation, Expenditure, and Payment Requirements

OMB's 2024 changes to 2 CFR 200.403(h) and 200.472(b) permit administrative costs associated with closeout activities to be charged to the Federal award during closeout, and such costs may be incurred until the due date of the final report(s). HUD is proposing to revise § 576.203(b) to provide for an exception for funds used for administrative closeout costs as provided by 2 CFR 200.403(h) within the sentence stating that the recipient's grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient. HUD is also proposing minor technical edits to the language in this sentence for clarity and plain language, but otherwise is not proposing further changes to this paragraph and section.

Section 964.230 Audit and Administrative Requirements, and § 965.205, Qualified PHA-Owned Insurance Entity

Through its 2020 final guidance, OMB amended 2 CFR 200.515 to permit auditors to review and make determinations regarding auditees' financial statements in accordance with a special purpose framework, such as cash, modified cash, or regulatory as required by State law, in addition to generally accepted accounting principles (GAAP). OMB's 2024 final guidance made technical revisions to 2 CFR 200.515, but did not alter the underlying substantive requirements. HUD's regulation at 24 CFR 964.230(b) currently provides that resident management corporations managing a development(s) must be audited annually by a licensed certified public accountant, designated by the corporation, in accordance with generally accepted auditing standards. HUD's regulation at 24 CFR 965.205(d)(1) similarly provides that certain nonprofit insurance entities must prepare and submit (to HUD) audits and actuarial reviews, and that the annual financial statement must be audited by an independent auditor in accordance with generally accepted auditing standards. HUD is proposing to revise § 964.230(a)(2) and (b) and § 965.205(d)(1) to add language that permits auditing in accordance with a special purpose framework as described in 2 CFR 200.515, in addition to generally accepted auditing standards. This proposed change would conform HUD's regulations to OMB's change to 2 CFR 200.515.

Section 1006.370 Uniform Administrative, Requirements, Cost Principles, and Audit Requirements for Federal Awards

HUD's regulation at 24 CFR 1006.370(b)(1)(iii) directly incorporates the language from 2 CFR 200.445(b). OMB revised 2 CFR 200.445(b) through OMB's 2024 final rule by removing the phrase ''regardless of whether reported as taxable income to the employees'' because OMB, upon further review, found this to be an unnecessary clarification. For consistency with OMB's changes, HUD is proposing to remove this phrase from the language in § 1006.370(b)(1)(iii). It is sufficient to state that housing costs, housing allowances, and personal living expenses are only allowable as direct costs and must be approved by HUD.

[41] OMB's 2024 changes removed the use of the term ''match'' throughout 2 CFR part 200 provisions, and ''cost sharing'' as defined by 2 CFR 200.1 now includes matching, which refers to required levels of cost share that must be provided. HUD is retaining the use of the word ''matching'' throughout ESG program regulations in 24 CFR part 576, as this is more accurate and consistent with the ESG program statute. See 42 U.S.C. 11375.

Conforming Technical Changes Based on HUD's Experience Implementing 2 CFR Part 200

HUD proposes technical, conforming amendments to its regulations based on its experience implementing 2 CFR part 200 in programs involving Federal financial assistance management and administration. These technical, conforming changes would improve clarity in some of HUD's regulations that cross-reference 2 CFR part 200 or specific subparts or provisions.

Section 5.1006 Certifications and Assurances

In HUD's existing regulations, *e.g.,* 24 CFR 1.5(a)(1), there are existing requirements that applicable contracts and applications for Federal financial assistance must include certifications and assurances of compliance with various cross-cutting Federal requirements, including relevant civil rights obligations and requirements, as a condition for approval and extension of any Federal financial assistance. See also 24 CFR 3.115, 8.50, and 146.25. Currently, these assurances requirements are only contained in those respective cross-cutting subject regulations and not in HUD's general program requirement regulations. HUD is therefore proposing to add a new section 24 CFR 5.1006 that would, in one place, state that every agreement for Federal financial assistance that HUD executes on or after October 1, 2024, with a recipient, including recipients provided an exemption to the requirements of 2 CFR 25.110, must contain or be accompanied by the appropriate assurances and certifications.

HUD developed its own Assurances and Certifications form, HUD–424B, to tailor assurances and certifications to HUD programs and to consolidate the SF–424B and SF–424D. The new § 5.1006 would state that HUD has specified the form HUD–424B be used for purposes of meeting requirements in relevant regulations, 24 CFR 1.5, 3.115, 8.50, and 146.25. New § 5.1006 would also provide that HUD[42] may require specific civil rights assurances be provided consistent with those authorities, in which case HUD will specify the form on which such assurances must be made.

Conflicts of Interest: §§ 92.356, 93.353, 570.611, 574.625, 576.404, 578.95, 1000.30, 1003.606, 1006.360

Several of HUD's existing conflict of interest regulations require technical revisions to include a more complete scope of applicable conflict of interest provisions in 2 CFR part 200 and to reflect which 2 CFR part 200 conflict of interest requirements have traditionally applied, or should apply, in practice for procurement by recipients and subrecipients of HUD Federal financial assistance.

Section 200.317 of 2 CFR requires States and, now under OMB's 2024 changes, Indian Tribes, to apply the conflict of interest requirements that are required under their State or Tribe procurement policies when conducting procurement transactions under a Federal award. If a State or Tribe does not have its own procurement policies, then it must follow the procurement standards in 2 CFR 200.318 through 200.327. Additionally, under 2 CFR 200.317, non-State and non-Tribe recipients and subrecipients, including subrecipients of a State or Indian Tribe, must follow the procurement standards in 2 CFR 200.318 through 200.327.

Two sections within this range of 2 CFR provisions, 2 CFR 200.318 and 200.319, contain applicable conflict of interest provisions. Section 200.318 of 2 CFR, paragraph (c), includes the requirement for recipients and subrecipients to maintain written standards covering conflicts of interest and actions of employees participating in contract selection, award, and administration; a prohibition on the participation of individuals with conflicts of interest in the selection, award, and administration of a contract supported by a Federal award; a definition of conflict of interest; and other requirements. Section 200.319 of 2 CFR describes the requirements for competition for non-State/non-Tribe recipients, subrecipients, and States that have chosen to adopt the 2 CFR 200.317 through 200.327 requirements or similar procurement policies. Paragraph (b) of § 200.319 prohibits certain conflicts, and paragraph (c)(5) provides that organizational conflicts of interest are an example of a situation that may restrict competition in procurement.[43]

Through this rulemaking, HUD is seeking to provide greater clarity about where in 2 CFR part 200 any applicable conflict of interest provisions are located and to provide recipients and subrecipients with accurate notice about 2 CFR part 200 conflict of interest requirements that apply to their procurement actions. HUD is proposing to revise some of its conflict of interest regulations to more accurately cite the relevant conflict of interest provisions in 2 CFR part 200, and to standardize language across various HUD program regulations.

Specifically, HUD is proposing changes in 24 CFR 92.356(a), 93.353(a), 570.611(a)(1), 574.625(a), 576.404(a) and (b), 578.95(a), 1000.30(a), 1003.606(a), and 1006.360. HUD is proposing to update cross-references to refer to 2 CFR 200.317 through 200.319, with language stating that recipients and subrecipients must comply with the ''applicable'' conflict of interest requirements in these three sections. HUD is proposing to use the section numbers, *e.g.,* 2 CFR 200.317 through 200.319, and not specific paragraphs within these sections, *e.g.,* 2 CFR 200.319(b)(5) and (c), to accommodate any further reorganization by OMB of the paragraphs in these sections. HUD is also proposing to make the lead-in language for these regulations[44] consistently begin with, ''When procuring goods and services in accordance with 2 CFR part 200, ...'' This change will reduce confusion by eliminating needless differences in the wording of different program regulations' references to the conflict of interest requirements 2 CFR part 200 applies to procurement of goods and services under a Federal award. Sections 24 CFR 92.356(a), 93.353(a), 570.611(a)(2), 574.625(a), 576.404(b), 1000.30(a), and 1003.606(a) would also state, ''[i]n all other situations, the provisions of this section apply,'' or similar language. These proposed changes would provide, consistently across certain HUD program regulations, that recipients and subrecipients must follow one set of requirements (*i.e.,* the applicable conflict of interest requirements under 2 CFR 200.317 through 200.319) when procuring goods and services under a Federal award and must follow another set of requirements (*i.e.,* the additional requirements spelled out in the conflict of interest section of the program regulations) in all other situations.

HUD is also proposing minor technical changes in some of the conflict of interest provisions. HUD is proposing, in § 574.625(a), (b), (c), and (d) to include program-specific terminology by changing ''recipient'' to ''grantee'' and ''subrecipient'' to

[42] In HUD's proposed regulatory text, HUD uses the term ''Responsible Civil Rights Official.'' This means the Assistant Secretary for Fair Housing and Equal Opportunity (FHEO). See 76 FR 73984 and *https://www.hud.gov/sites/dfiles/FHEO/documents/2021_Sep_Amended_Consolidated_Delegation_Authority%20_FHEO.pdf.*

[43] Paragraphs (b) and (c)(5) were previously organized under paragraph (a) and (a)(5) of § 200.319 until OMB's 2020 and 2024 rounds of changes.

[44] Including all the sections and paragraphs listed in the first sentence of this preamble paragraph except 24 CFR 576.404(a).

''project sponsor.'' In § 578.95(b), HUD is proposing changes to add the phrase ''or collaborative applicant'' after ''No Continuum of Care'' and before ''board member.'' The Department is revising § 578.95(b) to include collaborative applicants because collaborative applicants and Continuum of Care board members are statutorily prohibited from participating in or influencing discussions or decisions concerning the award of a grant or other financial benefits to the organization that the member represents. HUD is also proposing to add a sentence to the end of § 578.95(c) that would prohibit recipients and subrecipients from having organizational conflicts of interests and require these entities to maintain standards of conduct covering organizational conflicts of interest described in 2 CFR 200.318. The Department is revising § 578.95(c) to clarify that under the CoC program recipients and subrecipients are prohibited from having organizational conflicts of interest, consistent with applicable 2 CFR part 200 requirements.

Section 92.505 Applicability of Uniform Administrative Requirements

In a proposed rule published May 29, 2024, titled ''HOME Investment Partnerships Program: Program Updates and Streamlining,'' 89 FR 46618 (''HUD's proposed HOME rule''), HUD proposed amendments to 24 CFR 92.505 to revise the applicability of 2 CFR part 200 to participating jurisdictions, State recipients, and subrecipients receiving HOME funds, to exclude 2 CFR 200.328 and 200.344. For more information on why HUD proposed to exclude these provisions from applicability to HOME program assistance, see HUD's proposed HOME rule.[45]

HUD is, through this rulemaking, not changing the proposal to exclude applicability of 2 CFR 200.328 and 200.344. HUD is additionally proposing to exclude applicability of 2 CFR 200.329(c) because 2 CFR 200.329(c) requires reporting on a different cycle than is required under the HOME program regulations and HUD is seeking to provide a more flexible reporting than the annual reporting of non-construction performance requirements in that regulation.

Income From Equipment Sales: §§ 570.502, 1000.26, 1003.501

Several sections in title 24 of the CFR state that 2 CFR 200.313, *Equipment,* applies except that when the equipment is sold, the proceeds shall be considered and treated as program income. For the Entitlement Community Development Block Grant program, see § 570.502(a)(6); for Native American housing activities, see § 1000.26(a)(8); and for the Community Development Block Grant program for Indian tribes and Alaska native villages, see § 1003.501(a)(6). These sections do not account for other sections in title 24 of the CFR that state that income received by a recipient and its subrecipients in a single year that, in total, is less than $25,000 does not constitute program income. For the Entitlement Community Development Block Grant program, see § 570.500(a)(4)(i); for Native American housing activities, see § 1000.62(b); and for the Community Development Block Grant program for Indian tribes and Alaska native villages, see § 1003.503(b)(4). HUD proposes to revise §§ 570.502(a)(6), 1000.26(a)(8), and 1003.501(a)(6), to provide for a $25,000 de minimis exception. In other words, proceeds from equipment sales shall not be considered and treated as program income if the total income, including income from equipment sales, of a recipient and its subrecipients totals less than $25,000. HUD also proposes to revise § 570.502(a)(6) by reorganizing the two sentences in existing paragraph (a)(6) into two paragraphs (a)(6)(i) and (ii) for clarity.

Recordkeeping: §§ 574.530 and 576.500

HUD's consolidated plan regulations require access to records related to a jurisdiction's records related to the consolidated plan and use of assistance under the applicable programs during the preceding five years. See 24 CFR 91.105(h) and 91.115(g). Section 574.530 in title 24 of the CFR currently provides for a four-year record retention period. Following OMB's changes to 2 CFR part 200, 2 CFR 200.334 now states that the recipient and subrecipient must retain all Federal award records for three years from the date of final financial report submission. To resolve these discrepancies, HUD is proposing to reorganize and revise 24 CFR 574.530, regarding recordkeeping for HUD's HOPWA program. New proposed paragraph (a)(1) would provide that, for formula grants, grantees ensure that all grant records are maintained for the longer of five years or the applicable record retention period provided in 2 CFR 200.334. Paragraph (a)(2) would provide that for all other grants, grantees must ensure that all grant records are maintained for the applicable record retention period provided in 2 CFR 200.334. Paragraph (a)(3) would require grantees to ensure maintenance of all records for real property subject to minimum use requirements are maintained for at least three years after final disposition. This language would account both for HUD's consolidated plan access to records requirements and OMB's requirements in 2 CFR 200.334, including for recipients and subrecipients to retain all Federal award records from three years from the date of submission of their final financial report. (This has been a longstanding requirement; OMB did not substantively revise 2 CFR 200.334 in its 2020 and 2024 changes.)

Existing paragraphs (a) through (c) of § 574.530, which describe the types of data and information that grantees must maintain in records, would not be substantively changed. HUD is only proposing to reorganize these paragraphs into a new (b)(1) through (3).

HUD is also proposing changes to § 576.500 to bring the recordkeeping requirements for HUD's ESG program into greater alignment with 2 CFR part 200, where the recordkeeping requirements in 2 CFR part 200 would not undermine HUD's implementation of the statutory requirements for ESG program. For example, 2 CFR part 200 requires records to be kept for longer periods to account for certain circumstances or special purposes, and it is possible to satisfy both the minimum period 2 CFR part 200 would require the records to be retained and the minimum period HUD currently requires the records to be retained to implement the statutory requirements for ESG. So, HUD is proposing to revise the introductory text for § 576.500(y) to state that all records related to a recipient's grant must be kept for the longer of 5 years, the minimum period described in § 576.500(y)(1) through (3), or the minimum period provided by 2 CFR part 200 (2 CFR 200.334) for the specific situation or record. Likewise, HUD is proposing to change the language in § 576.500(y)(1) through (3) from ''records must be retained for 5 years'' to ''records must be kept for at least 5 years.'' In addition, HUD proposes to update a cross-reference to 2 CFR 200.336, to 2 CFR 200.337, in § 576.500(z) to account for OMB's changes to 2 CFR part 200 section numbers. Finally, HUD is also proposing to remove the sentence, ''Copies made by microfilming, photocopying, or similar methods may be substituted for their original records,'' because it is no longer necessary or useful, considering what 2 CFR 200.336 provides on methods for collection, transmission, and storage of information.

[45] 89 FR 46618, 46652.

Section 574.605 Applicability of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Section 574.605 currently states that 2 CFR part 200 provisions apply to Housing Opportunities for Persons With AIDS (HOPWA) grants, but it does not specify any exceptions. As a practical matter, 2 CFR part 200 provisions do not apply to HOPWA grants without exception. Section 200.101(d) of title 2 of the CFR contemplates this and states that where Federal statutes or regulations conflict with 2 CFR part 200 provisions, Federal statutes or regulations govern. Therefore, HUD is revising § 574.605 to clarify this point and add language that states 2 CFR part 200 provisions apply except where they are inconsistent with relevant HOPWA statutes—the AIDS Housing Opportunity Act and title I of the Cranston-Gonzalez National Affordable Housing Act—or implementing regulations in 24 CFR part 574 or 91. This also improves consistency with other HUD regulations for other programs, which specify that the relevant Federal statutes and regulations govern where 2 CFR part 200 provisions conflict with those statutes and regulations,[46] and with 2 CFR part 200 provisions that speak to the precedence of Federal statutes over 2 CFR part 200 provisions.[47]

Section 970.1 Purpose

Section 970.1 of title 24 of the CFR currently provides that the regulations in 2 CFR part 200 are not applicable to 24 CFR part 970, HUD's regulations for the Public Housing Program—Demolition or Disposition of Public Housing Projects. However, the Office of Public and Indian Housing (PIH) Notice 2016–20[48] provides that, as an alternative to disposition of public housing property under section 18 of the United States Housing Act of 1937 and 24 CFR part 970, with PIH Special Application Center approval, public housing authorities (PHAs) are permitted to retain public housing property in accordance with 2 CFR 200.311. This rulemaking provides the 2 CFR part 200 disposition instructions for PHAs' retention of certain public housing real property. Therefore, in this rulemaking, HUD is proposing to revise the last sentence of § 970.1 to state that the regulations in 2 CFR part 200 are not applicable except where the PHA requests to retain the public housing property, in which case 2 CFR 200.311(d)(1) applies; and where the PHA disposes of equipment or supplies, in which case 2 CFR 200.313 and 200.314 apply.

Applicability of Administrative Requirements: §§ 1000.26 and 1003.501

Through this rulemaking, HUD is proposing to add a new paragraph (a)(1) to § 1000.26 to clarify that the definition for ''Indian Tribe'' in section 104 of NAHASDA (25 U.S.C. 4103) will apply instead of the definition of ''Indian Tribe'' in 2 CFR 200.1. As provided in 2 CFR 200.1, definitions in Federal statutes or regulations that apply to specific programs take precedence over the definitions in 2 CFR 200.1. HUD is proposing such a change with the definition of ''Indian Tribe'' to ensure the use of the broader definition under NAHASDA. HUD is proposing a similar change to § 1003.501, by adding a new paragraph (a)(1), to ensure the broader definition of ''Indian tribe'' under the Housing and Community Development Act of 1974 is used when applying part 200 to the Indian Community Development Block Grant program.

HUD's Indian Housing Block Grant (IHBG) program regulation at 24 CFR 1000.26(a)(10) currently excepts 2 CFR 200.317 from the requirements of 2 CFR part 200 that recipients of IHBG assistance must comply with. Through its 2024 changes, OMB revised 2 CFR 200.317 and made the provision applicable to Indian tribes as well as States. Under OMB's 2024 changes, applicability of 2 CFR 200.317 does not extend to Tribally Designated Housing Entities, which are also eligible to be direct recipients of IHBG funds. To align HUD's IHBG program regulations with OMB's change, HUD is proposing to revise existing § 1000.26(a)(10) (which this rule proposes to renumber as paragraph (a)(11) due to the proposed addition of a new § 1000.26(a)(1)) to state that 2 CFR 200.317 does apply to Indian tribes, as that term is defined under NAHASDA, but does not apply to TDHEs receiving grants on an Indian tribe's behalf. Additionally, to align OMB's changes to 200.317 with NAHASDA, HUD is proposing new paragraphs (a)(11)(i) and (ii) in § 1000.26 to clarify that statutory requirements under NAHASDA limiting competitive procurements when the value of goods and services is less than $5,000 and authorization for the use of Federal supply sources in procurement apply to the procurements by tribes under 2 CFR 200.317.

Paragraph (a)(11) of § 1000.26 currently applies 2 CFR 200.318 through 200.327 as modified by that paragraph (a)(11). HUD is proposing to renumber this paragraph as (a)(12) (due to the proposed addition of a new § 1000.26(a)(1)) and, as discussed later in this preamble,[49] to add a new paragraph (a)(12)(i) that would state that 2 CFR 200.318 through 200.327 apply when a Tribe does not have their own policies and procedures for procurement with non-Federal funds or when a TDHE does not follow the policies and procedures for procurement with non-Federal funds of the Tribe they serve.

Existing paragraph (a)(11)(i), which would become paragraph (a)(12)(ii) through this proposed rule, provides that a recipient is not required to comply with 2 CFR 200.318 through 200.326 (2 CFR 200.326 is now 2 CFR 200.327 after OMB's 2020 changes) with respect to procurements, using grants under NAHASDA, of goods and services with a value of less than $5,000. HUD is proposing to add language that would except application of 2 CFR 200.318 through 200.327 for such procurements of an ''other higher amount as may be established in NAHASDA,'' in addition to those valued under $5,000. This change would accommodate any future increases to the amount in NAHASDA's statutory de minimis procurement exemption.[50]

Income From Sales of Supplies: §§ 1000.26, 1003.501

Several sections in title 24 of the CFR state that 2 CFR 200.314, *Supplies,* applies except that when the supplies are sold, the proceeds shall be considered and treated as program income. For Native American housing activities, see existing § 1000.26(a)(9); for the Community Development Block Grant program for Indian tribes and Alaska native villages, see existing § 1003.501(a)(7). These sections do not account for other sections in title 24 of the CFR that state that income received by a recipient and its subrecipients in a single year that, in total, is less than $25,000 does not constitute program income. For Native American housing activities, see § 1000.62(b); and for the Community Development Block Grant program for Indian tribes and Alaska native villages, see § 1003.503(b)(4). For consistency, HUD is proposing to revise § 1000.26(a)(9), which would be designated paragraph (a)(10) under this proposed rule, and § 1003.501(a)(7), which would be designated paragraph (a)(8) under this proposed rule, to provide for a $25,000 de minimis

[46] *See, e.g.,* 24 CFR 578.99(e).

[47] *E.g.,* 2 CFR 200.100(a)(1), 200.102(b), 200.106.

[48] *https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2016-20.pdf.*

[49] See part III. Questions for Public Comment, question 2, in this proposed rule's preamble.

[50] 25 U.S.C. 4133(g).

exception, as in existing §§ 1000.62(b) and 1003.503(b)(4).

Section 1006.370 Uniform Administrative, Requirements, Cost Principles, and Audit Requirements for Federal Awards

To correct a drafting error in HUD's 2015 rulemaking,[51] and to make § 1006.370(b)(2) more consistent with other HUD program regulations regarding compensation for consultant services, for example, 24 CFR 570.200(d)(1), HUD is proposing to amend § 1006.370(b)(2) to add the phrase ''more than a reasonable rate of compensation for personal services paid with NHHBG'' after the word ''receive'' and before the word ''funds.'' This amendment would mean that § 1006.370(b)(2) requires that no person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with NHHBG funds.

HUD is also proposing to update an outdated aspect of NHHBG program regulations. HUD's NHHBG program regulations are modeled off its IHBG program regulations. HUD is proposing to add a new paragraph (c) to § 1006.370 that would provide that 2 CFR 200.305 applies except HUD must not require the sole recipient of NHHBG assistance, the Department of Hawaiian Home Lands (DHHL), to expend retained program income before drawing down or expending NHHBG funds. This proposed change would align NHHBG program regulations with the corresponding Indian Housing Block Grant regulation, existing 24 CFR 1000.26(a)(3),[52] which permits Tribes and TDHEs to spend grant funds before spending down all their program income. To enable this change to take effect, HUD is proposing to remove § 1006.340(b)(3), which provides that, as part of DHHL's authority to retain program income, DHHL must disburse program income before disbursing additional NHHBG funds in accordance with 2 CFR 200.305. HUD is also proposing to add language to existing § 1006.370(a) that would provide that DHHL and its subrecipients receiving NHHBG funds must comply with the requirements and standards in 2 CFR part 200 ''except as otherwise provided by this section,'' to clarify that paragraphs (b) and (c) of § 1006.370 provide for exceptions to 2 CFR part 200 requirements.

[51] *Id.*

[52] Under this proposed rule, § 1000.26(a)(3) would become § 1000.26(a)(4).

Substantive Changes Based on HUD's Experience Implementing 2 CFR Part 200 and the Housing Trust Fund (HTF) Program

Describing Period of Performance in the HTF Program, Closeout of HTF Grant Awards: §§ 93.400 and 93.409

HUD is proposing HTF closeout regulations at § 93.409 to establish program-specific procedures and better align programmatic and administrative requirements for grant closeout. HUD's existing regulation at § 93.405 applies the 2 CFR part 200 closeout requirements at 2 CFR 200.344, which are very specific as to the timing of closeouts and reporting by grantees after the end of the grant's period of performance, as set forth in the grant agreement. Rather than adopt the specific requirements of 2 CFR 200.344 for the HTF program, HUD is instead proposing program-specific closeout requirements at § 93.409 to provide HTF grantees greater flexibility to request additional time, if needed, to meet certain program requirements, such as meeting project completion requirements. (As discussed elsewhere in this preamble, HUD is also proposing in § 93.405 to add 2 CFR 200.344 as one of the 2 CFR part 200 provisions that would not apply to grantees and subgrantees receiving HTF funds.)

HUD recognizes that there are many things that could disrupt an HTF grantee's intended timeline for activity completion. To complete all program activities, including, but not limited to, satisfying reporting requirements, grantees are permitted to request an extension of one year beyond the nine-year period of performance, as identified in the grant agreement, for good cause.

The proposed rule at § 93.409(a) would include elements from the current closeout process for HTF grants. The proposed rule at § 93.409(a) describes the closeout process, and states that HUD will close out a grant after the period of performance has ended. A grantee must complete all the required activities and closeout actions for the grant, as required by HUD. Otherwise, proposed § 93.409(a)(1) states that HUD will close out the grant based on the information available, including individual grants or multiple grants.

Proposed § 93.409(a)(2) explains that to prepare for closeout, before the budget period of the grant ends, the grantee must review all the eligible activities under the grant and reconcile in accordance with proposed § 93.409(a)(2)(i) and (ii). Proposed § 93.409(a)(2)(i) requires that for all eligible costs incurred under the grant and not yet drawn down, the grantee must draw the funds down in a timely manner. Proposed § 93.40(a)(2)(ii) states that the grantee must promptly refund to the proper accounts any previously disbursed balances of unobligated case paid in advance. These refunds must be completed before the reports in the proposed § 93.409(b). Additionally, unlike other programs, since the HTF funds are not appropriated and are not required to be returned to the U.S. Treasury, proposed § 93.409(a)(3) requires HUD to reallocate the grant funds in accordance with the regulation at § 93.54.

In § 93.409(a)(4)(i), HUD is proposing a nine-year period of performance for the HTF program, with the ability to extend the period of performance by a year. Given that HUD is proposing this period of performance in 24 CFR 93.409(a)(4)(i) in this rulemaking and that period of performance is not consistent with the current expenditure deadline in § 93.400(d)(2), HUD is proposing to revise the expenditure deadline to avoid misalignment of program requirements and grantee responsibilities. HUD is also proposing that § 93.400(d)(2) be revised to state that HUD will reduce or recapture HTF grants that remain unexpended after the date of expiration of the grant's period of performance, as described in 24 CFR 93.409(a)(4). Due to the HTF program's unique source of funding, which is through an allocation of a set-aside of funds earned by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association,[53] HUD is not required to cancel HTF grants under 31 U.S.C. 1552(a) after a certain time period, and instead is reallocating any recaptured funds to HTF grantees in accordance with § 93.54. The revisions to §§ 93.409 and 93.400(d)(2) would enable consistent application of recapture and reallocation requirements including better defining the HTF grantee's period of performance and closeout responsibilities. These changes will avoid burdensome and misaligned expenditure, budget period, and period of performance requirements and will prevent inconsistent application of reporting and closeout requirements. These proposed regulatory revisions would better enable HTF grantees to administer the HTF program in their jurisdictions.

Proposed § 93.409(a)(4)(ii) would also establish that HUD may report an HTF

[53] See sections 1337 and 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4567 and 4568), the statutes establishing the HTF program and its funding mechanism.

grantee's material failure to comply with the terms and conditions of the Federal award or closeout requirements in *SAM.gov* and pursue other enforcement actions in 2 CFR 200.339. Under proposed § 93.409(a)(5), a grantee may request, and HUD may provide, an extension of the performance period or closeout deadlines for good cause. Even if HUD approves an extension pursuant to the proposed § 93.409, an HTF grantee must still expend its funds by the end of the grant's budget period. If the grantee fails to expend all its funds by the end of the grant's budget period, HUD shall recapture and reallocate the grant funds. Further, the proposed rule would clarify that certain requirements survive grant closeout. While this is not a change from the current requirements, HUD is taking the opportunity to clarify that closeout of a HTF grant does not relieve a grantee from project oversight in accordance with 24 CFR part 93 for as long as specified in the requirements applicable to the assisted project and grantee.

Proposed § 93.409(b) specifies the actions that must be taken for closeout of a grant, including:

- submitting a Federal Financial Report;
- demonstrating that the grantee has fulfilled all programmatic and administrative requirements for the project within the period of performance;
- entering all data into the computerized disbursement and information system, demonstrating that all HTF units were occupied by eligible occupants (including inputting correct beneficiary data) within one year of the end of the period of performance;
- resolving all finding associated with the grant;
- carrying out all responsibilities under the grant agreement and applicable laws; and
- completing a closeout certification that
  - ○ identifies the grant being closed out,
  - ○ any funds being returned to HUD,
  - ○ certifies compliance with recordkeeping requirements, monitoring and enforcement of HUD requirements,
  - ○ certifies compliance with program income,
  - ○ states that all actions required under 2 CFR 2003.44 for both the grantee and subgrantee have been taken,
  - ○ explains any other provisions appropriate to special circumstances of the grant closeout,
  - ○ acknowledges future monitoring, and
  - ○ certifies that unless otherwise provided the Consolidated Plan for the grantee remains in effect until expiration of the program year covered by the most recent Consolidated Plan.

Proposed paragraph § 93.409(c) explains that regardless of closeout of the grant, the rights and requirements under 2 CFR 200.345 remain in effect. These include the ability for HUD to disallow costs based on future audits, the requirement that the grantee comply with § 93.407 and § 93.408, record retention policies in 2 CFR 200.345, monitoring and enforcement of all requirements in 24 CFR part 93 that apply to the grant for the period of affordability specified in the written agreement with the owner, compliance with program income requirements in § 93.403, compliance with the requirement that the grantee return any funds due as a result of later refunds, corrections or other transactions, and compliance with audit requirements.

Section 93.405 Applicability of Uniform Administrative Requirements, Cost Principles, and Audits

HUD's existing regulation at § 93.405 applies 2 CFR part 200 to grantees and subgrantees receiving HTF funds, except for certain provisions. In this rulemaking, HUD is proposing to add five provisions to the list of exceptions: 2 CFR 200.308, 200.312, 200.328, 200.335, and 200.344 (except as provided in § 93.409). HUD is proposing some of these exceptions because, among other reasons, doing so would align the HTF program regulations with the proposed HOME program regulations in HUD's recent proposed rule for the HOME program.[54] The specific reasoning for each provision is as follows:

- HUD is proposing to except application of 2 CFR 200.308 because its requirements are inconsistent with HTF program rules governing downpayment assistance and application of those requirements would prove unduly burdensome given the current reporting requirements in 24 CFR 93.407 and 93.408.
- HUD is proposing to except application of 2 CFR 200.312 because Federally owned and exempt real property are not features of the HTF program. Additionally, HUD is proposing this exception to align with HOME program regulations at 24 CFR 92.205; the HOME and HTF programs treat acquired real property similarly, and HTF's approach is modeled after the HOME program's approach.
- HUD is proposing to except application of 2 CFR 200.328 to align HTF program requirements and regulations with those of the HOME program. Both programs have the same Integrated Disbursement and Information System (IDIS) financial reporting requirements, and those requirements do not align with the annual or quarterly cycle described in 2 CFR 200.328. Instead, the HOME and HTF financial reporting requirements are performed as needed and pursuant to programmatic or regulatory milestones, such as project completion.
- HUD is proposing to except application of 2 CFR 200.335 to align HOME and HTF program requirements and because the 2 CFR provision conflicts with existing recordkeeping requirements in 24 CFR part 93.
- As explained earlier in this preamble, the requirements at 2 CFR 200.344 are very specific as to the timing of closeouts and reporting by grantees after the end of the grant's period of performance, as set forth in the grant agreement. HUD is proposing to except application of 2 CFR 200.344 for the HTF program and, in lieu, apply program-specific requirements under this rule's proposed revisions to 24 CFR 93.400 and 93.409, to provide grantees more flexibility and time, where needed, to meet program requirements such as project completion requirements, and to align HTF regulations with HOME program regulations.

As explained elsewhere in this preamble, HUD is proposing to except application of 2 CFR 200.329(c) in the HOME program regulations. For the HTF program, § 93.405 already excludes application of this provision, which was previously numbered 2 CFR 200.328(b) before OMB's 2020 and 2024 changes. As under the HOME program, 2 CFR 200.329(c)'s reporting requirements conflict with those for the HTF program regulations and HUD is seeking to provide a more flexible reporting than the annual reporting of non-construction performance requirements under 2 CFR 200.329(c). Therefore, HUD is proposing to continue to exclude application of 2 CFR 200.329(c)'s requirements for the HTF program, and to update the cross-reference consistent with OMB's changes.

Changes to HUD's Title VI, Section 108, Section 184, and 184A Loan Guarantee Program Regulations

SAM.gov Registration and Acquiring a UEI Under 2 CFR 25.105: §§ 570.707, 1000.438, 1005.219(b), and 1007.50(e)

As explained earlier in this preamble, through its 2024 final guidance, OMB revised 2 CFR 25.105 by clarifying that for-profit lenders participating in loan

[54] 89 FR 46618.

guarantee programs are required to register with *SAM.gov* and acquire a UEI. The revised provisions applying the UEI requirements and registration in the System of Award Management (SAM) in 2 CFR part 25 apply to lenders and holders of notes guaranteed under various HUD programs, including the Title VI,[55] Section 184, and Section 184A Loan Guarantee Programs. Through this rulemaking, HUD is proposing conforming amendments to its Community Development Block Grant program regulations (24 CFR part 570), Native American Housing Activities regulations (24 CFR part 1000), Loan Guarantee for Indian Housing program regulations (24 CFR part 1005) and Loan Guarantee for Native Hawaiian Housing program regulations (24 CFR part 1007), to add language specifying that certain entities, such as holders and lenders, must complete entity validations and acquire a UEI in *SAM.gov* per 2 CFR 25.105. HUD is proposing to add a new paragraph (d) in 24 CFR 570.707, add a new § 1000.438 in 24 CFR part 1000, add a new paragraph (b) to 24 CFR 1005.219, and add a new paragraph (e) to 24 CFR 1007.50 to clarify which entities must complete entity validations and acquire a UEI in *SAM.gov* per 2 CFR 25.105.

For the Community Development Block Program and § 570.707, applying the UEI and SAM registration requirements to lenders and holders of notes under the Section 108 Loan Guarantee program would conflict with the statutory provisions of section 108(r)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(r)(4)) [56] because it would impair the Secretary's ability to issue freely marketable securities through issuance of a public offering. Requiring each holder of a Note issued through a public offering to obtain a UEI and register in SAM before purchasing a security on the open market would limit the eligible pool of investors for the security and negatively affect pricing. This would be expressly against the statutory intent for the Section 108 Loan Guarantee program.

Moreover, HUD has determined that the beneficiary of a loan guaranteed under section 108 is properly the public entity or State that applies for the loan and not the interim lender or the holder of the Note after a public offering. Section 108 of the Housing and Community Development Act (42 U.S.C. 5308), and the program regulations at 24 CFR part 570, subpart M, were written to require that the public entity or State apply for the loan and contract directly with the Secretary to provide necessary security to enable the Secretary to guarantee the Loan. This has also been how the Department has treated the obligation to obtain a UEI and register in SAM. Only the borrower of a loan guaranteed under section 108 must obtain a UEI and register in SAM.

Therefore, HUD is proposing to add a new paragraph (d) to § 570.707 that would require public entities and States to complete entity validations and acquire a UEI in *SAM.gov* in accordance with 2 CFR 25.105 in order to apply for and obtain a loan guaranteed under 24 CFR part 570, subpart M. The lender or holder of a note guaranteed under that subpart would not be subject to this requirement, and HUD's proposed regulation states this directly.

Compliance With Audit Requirements Under 2 CFR Part 200, Subpart F: §§ 1005.219(c) and 1007.50(f)

Prior to OMB's 2020 and 2024 changes, 2 CFR part 200, subpart F, applied to ''[A]greements for loans, loans guarantees, interest subsidies, and insurance and other forms of Federal Financial Assistance as defined by the Single Audit Act Amendment of 1996.'' [57] Under the Single Audit Act, Federal financial assistance is defined to mean assistance that ''non-Federal entities receive or administer in the form of . . . loan guarantees . . .,'' 31 U.S.C. 7501(a)(5), and non-Federal entity is defined to include States, local governments, or nonprofit organizations. 31 U.S.C. 7501(a)(13). OMB's 2020 and 2024 changes do not substantively alter this applicability. OMB's 2024 changes at 2 CFR 200.101(b)(5) provide that 2 CFR part 200, subpart F, applies to agreements for loan guarantees only when awarded to a non-Federal entity. Non-Federal entity as defined by 2 CFR 200.1 includes more entity types than does the Single Audit Act, and means a State, local government, Indian Tribe, Institution of Higher Education, or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Prior to this rulemaking, HUD's Section 184 and 184A program regulations did not specify that these programs must comply with the audit requirements under 2 CFR part 200, subpart F, despite the applicability of subpart F to these programs. HUD is seeking to clarify in its Section 184 and 184A program regulations that lenders and holders of loan guarantees that are States, local governments, Tribes (for section 184 program only), or nonprofit organizations, must comply with the audit requirements of 2 CFR part 200, subpart F but that this requirement does not extend to for-profit entities. HUD is proposing, in this rulemaking, to add new §§ 1005.219(c) and 1007.50(f) with language to this effect.

As explained earlier in this preamble, OMB revised the definition of *Federal financial assistance* in 2 CFR 200.1. The change from ''non-Federal entities'' to ''recipients and subrecipients,'' means that for-profit entities are now included for purposes of the definition of *Federal financial assistance.* With this definition alone, OMB's changes would mean that the 2 CFR part 200 provisions listed in paragraphs (2) and (3) of the *Federal financial assistance* definition, 2 CFR 200.203 and subpart F, and 2 CFR 200.216, respectively, apply to Section 184 and 184A loan guarantee program assistance received or administered by for-profit entities. However, after review of 2 CFR 200.203; [58] 2 CFR 200.101(b)(5) and the preamble of OMB's 2024 final rule and final guidance, for 2 CFR part 200, subpart F; [59] and 2 CFR 200.101(b)(3)(ii) and section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, for 2 CFR 200.216; [60] HUD has

[55] Title VI in this NPRM refers to the Title VI of NAHASDA and not Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d–1 *et seq.*; 24 CFR part 1.

[56] 42 U.S.C. 5308(r)(4) states:

(4) Effect of laws

No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of—

(A) the power to contract with respect to public offerings and other sales of notes, trust certificates, and other obligations guaranteed under this section upon such terms and conditions as the Secretary deems appropriate;

(B) the right to enforce any such contract by any means deemed appropriate by the Secretary; and

(C) any ownership rights of the Secretary, as applicable, in notes, certificates, or other obligations guaranteed under this section, or constituting the trust or pool against which trust certificates, or other obligations guaranteed under this section, are offered.

[57] See 2 CFR 200.101(b) and table 1 to paragraph (b), *https://www.trumpadministration.archives.performance.gov/CAP/20200812-2-CFR-Revision-Redline_Final.pdf.*

[58] As 2 CFR 200.203 requires HUD to ensure Federal programs are listed under the Federal Assistance Listings, and HUD already complies with this provision for HUD's Section 184 and 184A loan guarantee programs, the change in entities covered for purposes of 2 CFR 200.203 does not result in any actual change for these programs.

[59] 2 CFR 200.101(b)(5) provides, ''(5) Subpart F (Audit Requirements) only applies to the following items when awarded to a non-Federal entity: . . . (iii) Agreements for loans, loan guarantees, interest subsidies, and insurance; . . . .'' The Single Audit Act as codified may be found at 31 U.S.C. chapter 75. OMB's 2024 final rule and final guidance may be found at 89 FR 30046.

[60] 2 CFR 200.101(b)(3)(ii) provides, ''(ii) Section 200.216 (Prohibition on certain telecommunications and video surveillance equipment or services) applies to loans and grants (see Pub. L. 115–232,

Continued

concluded that OMB's changes in the definition of *Federal financial assistance* do not result in any substantive changes for for-profit entities. Therefore, for-profit entities are not included in the regulatory text proposed in 24 CFR 1005.219(c) and 1007.50(f).

Cross-Reference Updates

Because the changes described above add new paragraphs (b) and (c) to 24 CFR 1005.219, and there are already existing paragraphs (b) and (c) in that section, HUD is proposing to redesignate existing paragraphs (b) through (e) as paragraphs (d) through (g) in § 1005.219. Additionally, this change requires updates to cross-references to existing paragraphs in § 1005.219 made throughout 24 CFR part 1005. In §§ 1005.217(b)(7), 1005.739(h), and 1005.803(a), HUD is proposing to update the cross-references as follows, respectively:

- In § 1005.217(b)(7), update the cross-reference 1005.219(d)(3) to 1005.219(f)(3);
- In § 1005.739(h), update the cross-reference 1005.219(d)(2) to 1005.219(f)(2); and
- In § 1005.803(a), update the cross-reference 1005.219(d)(2) to 1005.219(f)(2).

III. Questions for Public Comment

HUD welcomes comments on all aspects of this proposed rule. In addition, HUD specifically requests public comments on the following:

1. Section 200.300 of title 2 of the CFR requires that agencies or pass-through entities manage and administer Federal awards in a manner to ensure compliance with applicable Federal nondiscrimination and environmental protection provisions. OMB also added paragraphs clarifying that sex discrimination encompasses sexual orientation and gender identity. Are these provisions, along with HUD regulations, such as those in 24 CFR part 5, sufficiently clear to make recipients aware of their civil rights and environmental protection obligations? What additional provisions, if any, should HUD add to program and cross-cutting regulations that would help ensure that Federal awards are administered in compliance with Federal nondiscrimination and environmental protection requirements?

2. HUD has requested an exception from OMB under 2 CFR 200.102 that would authorize HUD to treat Tribally Designated Housing Entities (TDHEs) and Tribal organizations like Indian Tribes for purposes of 2 CFR part 200 procurement requirements in the Indian Housing Block Grant and Indian Community Development Block Grant programs. HUD is seeking this exception to conform with 2 CFR 200.313, which now states, ''Indian Tribes must use, manage, and dispose of equipment acquired under a Federal award in accordance with tribal laws and procedures,'' and 2 CFR 200.317, which now requires that Indian Tribes, like States, must follow the same policies and procedures that Tribes use for procurements with non-Federal funds. The structure of HUD's Indian Housing Block Grant (IHBG) and the Indian Community Development Block Grant (ICDBG) programs treats Tribally Designated Housing Entities (TDHEs) and Tribal Organizations as instrumentalities of the Tribe. HUD has proposed regulatory text in this proposed rule that would account for the requested exception, at proposed 24 CFR 1000.26(a)(9), (a)(11)(i), and (a)(12)(i),[61] and 1003.501(a)(7) and (a)(9).[62] The proposed changes for proposed §§ 1000.26(a)(9) and (a)(11)(i) and 1003.501(a)(7) and (9) would provide that the 2 CFR provision, either 2 CFR 200.313 or 200.317, applies except as modified by HUD's regulations. HUD's proposed regulations would permit a TDHE or Tribal Organization to follow the Tribal laws, policies, and procedures of the Indian Tribe they serve, instead of 2 CFR part 200 requirements. Proposed 24 CFR 1000.26(a)(12)(i) would require 2 CFR 200.318 through 200.327 to apply when a Tribe does not have their own policies and procedures for procurement with non-Federal funds or when a TDHE does not follow the policies and procedures for procurement with non-Federal funds of the Tribe they serve. HUD is seeking public comment on these proposals pending OMB's approval of the requested exception.

IV. Findings and Certifications

Regulatory Review—Executive Orders 12866, 13563, and 14094

Pursuant to Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant, and therefore, subject to review by OMB in accordance with the requirements of the order. Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are ''outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.'' Executive Order 13563 also directs, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. Executive Order 14094, entitled ''Modernizing Regulatory Review'' (hereinafter referred to as the ''Modernizing E.O.''), amends section 3(f) of Executive Order 12866 (Regulatory Planning and Review), among other things. This proposed rule was determined to not be a significant regulatory action under section 3(f) of Executive Order 12866, Regulatory Planning and Review.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule proposes to amend HUD regulations to make necessary technical updates to cross-references to sections of 2 CFR part 200 and other conforming changes that align HUD's regulations with revisions made by OMB to 2 CFR parts 25 and 200. This rule also proposes to amend HUD regulations based on HUD's experience implementing 2 CFR part 200 to improve clarity and consistency in HUD regulations that cross-reference 2 CFR part 200 or specific subparts or provisions; to establish program-specific procedures for the Housing Trust Fund (HTF) program and better align programmatic and administrative requirements for HTF grant closeout; to align HTF regulations with changes related to 2 CFR part 200 proposed in HUD's recent proposed rule for the HOME program;[63] to update HUD's Title VI, Section 108, Section 184, and Section 184A loan guarantee program regulations to address OMB's changes for loan guarantee programs regarding System for Award Management (*SAM.gov*) registration; and to update

Div. A, Title VIII, § 889, as amended).'' The John S. McCain National Defense Authorization Act for Fiscal Year 2019 may be found at Public Law 115–232.

[61] HUD is proposing changes to capture the exception by revising § 1000.26(a)(9), (11), and (12) in this proposed rule, which are currently designated as paragraphs (a)(8), (10), and (11) in HUD's existing regulations.

[62] HUD is proposing changes to capture the exception by revising existing paragraph (a)(6) in § 1003.501, which would become designated paragraph (a)(7) under this proposed rule, and by adding a new paragraph (a)(9) to that section.

[63] 89 FR 46618.

HUD's Section 184 and 184A loan guarantee programs to explicitly state requirements that apply to these programs both prior to and because of OMB's recent changes. These amendments impose no significant economic impact on a substantial number of small entities. Therefore, the undersigned certifies that this rulemaking will not have a significant impact on a substantial number of small entities.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments and the private sector. This proposed rule does not impose any Federal mandates on any State, local, or Tribal governments or the private sector within the meaning of the UMRA.

Environmental Review

This proposed rule does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern, or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise, or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this proposed rule is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Executive Order 13132, Federalism

Executive Order 13132 (entitled ''Federalism'') prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on State and local governments and is not required by statute, or the rule preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Order. This proposed rule does not have federalism implications and would not impose substantial direct compliance costs on State and local governments nor preempt State law within the meaning of the Order.

List of Subjects

24 CFR Part 4

Administrative practice and procedure, Government employees, Grant programs—housing and community development, Investigations, Loan programs—housing and community development, Penalties, Reporting and recordkeeping requirements.

24 CFR Part 5

Administrative practice and procedure, Aged, Claims, Crime, Government contracts, Grant programs—housing and community development, Individuals with disabilities, Intergovernmental relations, Loan programs—housing and community development, Low and moderate income housing, Mortgage insurance, Penalties, Pets, Public housing, Rent subsidies, Reporting and recordkeeping requirements, Social Security, Unemployment compensation, Wages.

24 CFR Part 75

Administrative practice and procedure, Community development, Government contracts, Grant programs—housing and community development, Housing, Loan programs—housing and community development, Reporting and recordkeeping requirements, Small businesses.

24 CFR Part 92

Administrative practice and procedure, Low and moderate income housing, Manufactured homes, Rent subsidies, Reporting and recordkeeping requirements.

24 CFR Part 93

Administrative practice and procedure, Grant programs—housing and community development, Low and moderate income housing, Manufactured homes, Rent subsidies, Reporting and recordkeeping requirements.

24 CFR Part 200

Administrative practice and procedure, Claims, Equal employment opportunity, Fair housing, Housing standards, Lead poisoning, Loan programs—housing and community development, Mortgage insurance, Organization and functions (Government agencies), Penalties, Reporting and recordkeeping requirements, Social Security, Unemployment compensation, Wages.

24 CFR Part 570

Administrative practice and procedure, American Samoa, Community development block grants; Grant programs—education, Grant programs—housing and community development, Guam, Indians, Loan programs—housing and community development, Low and moderate income housing, Northern Mariana Islands, Pacific Islands Trust Territory, Puerto Rico, Reporting and recordkeeping requirements, Student aid, Virgin Islands.

24 CFR Part 574

Community facilities, Grant programs—housing and community development, Grant programs—social programs, HIV/AIDS, Low and moderate income housing, Reporting and recordkeeping requirements.

24 CFR Part 576

Community facilities, Grant programs—housing and community development, Grant programs—social programs, Homeless, Reporting and recordkeeping requirements.

24 CFR Part 578

Community development, Community facilities, Grant programs—housing and community development, Grant programs—social programs, Homeless, Reporting and recordkeeping requirements.

24 CFR Part 700

Aged, Grant programs—housing and community development, Grant programs—Indians, Indians, Individuals with disabilities, Low and moderate income housing, Public housing, Reporting and recordkeeping requirements.

24 CFR Parts 880, 881, and 883

Grant programs—housing and community development, Rent subsidies, Reporting and recordkeeping requirements.

24 CFR Part 884

Accounting, Administrative practice and procedure, Grant programs—housing and community development, Home improvement, Housing, Low and moderate income housing, Public assistance programs, Public housing, Rent subsidies, Reporting and recordkeeping requirements, Rural areas, Utilities.

24 CFR Part 886

Grant programs—housing and community development, Lead poisoning, Rent subsidies, Reporting and recordkeeping requirements.

24 CFR Parts 905 and 964

Grant programs—housing and community development, Public housing, Reporting and recordkeeping requirements.

24 CFR Part 965

Government procurement, Grant programs—housing and community development, Lead poisoning, Loan

programs—housing and community development, Public housing, Reporting and recordkeeping requirements, Utilities.

24 CFR Part 970

Grant programs—housing and community development, Public housing, Reporting and recordkeeping requirements.

24 CFR Part 990

Accounting, Grant programs—housing and community development, Public housing, Reporting and recordkeeping requirements.

24 CFR Part 1000

Aged, Community development block grants, Grant programs—housing and community development, Grant programs—Indians, Indians, Individuals with disabilities, Public housing, Reporting and recordkeeping requirements.

24 CFR Part 1003

Alaska, Community development block grants, Grant programs—housing and community development, Grant programs—Indians, Indians, Reporting and recordkeeping requirements.

24 CFR Part 1005

Indians, Loan programs—Indians, Reporting and recordkeeping requirements.

24 CFR Part 1006

Community development block grants, Grant programs—housing and community development, Grant programs—Indians, Hawaiian Natives, Low and moderate income housing, Reporting and recordkeeping requirements.

24 CFR Part 1007

Hawaiian Natives, Loan programs—housing and community development, Loan programs—Indians, Reporting and recordkeeping requirements.

For the reasons described in the preamble, and under the authority of 42 U.S.C. 3535(d), the Department of Housing and Urban Development proposes to amend 24 CFR parts 4, 5, 75, 92, 93, 200, 570, 574, 576, 578, 700, 880, 881, 883, 884, 886, 905, 964, 965, 970, 990, 1000, 1003, 1005, 1006, and 1007, as set forth below:

PART 4—HUD REFORM ACT

■ 1. The authority citation for part 4 continues to read as follows:

Authority: 42 U.S.C. 3535(d), 3537a, 3545.

§ 4.9 [Amended]

■ 2. In § 4.9(a)(1)(iii), remove ''2 CFR 200.80'' and add in its place ''2 CFR 200.1''.

PART 5—GENERAL HUD PROGRAM REQUIREMENTS; WAIVERS

■ 3. The authority citation for part 5 continues to read as follows:

Authority: 12 U.S.C. 1701x; 42 U.S.C. 1437a, 1437c, 1437f, 1437n, 3535(d); 42 U.S.C. 2000bb *et seq.;* 34 U.S.C. 12471 *et seq.;* Sec. 327, Pub. L. 109–115, 119 Stat. 2396; E.O. 13279, 67 FR 77141, 3 CFR, 2002 Comp., p. 258; E.O. 13559, 75 FR 71319, 3 CFR, 2010 Comp., p. 273; E.O. 14015, 86 FR 10007, 3 CFR, 2021 Comp., p. 517.

§ 5.801 [Amended]

■ 4. In § 5.801(a)(1):

■ a. Remove ''5, 9, or 14'' and add in its place ''5 or 9''; and

■ b. Remove ''(42 U.S.C. 1437c, 1437g, and 1437*l*)'' and add in its place ''(42 U.S.C. 1437c, 1437g)''.

■ 5. Revise § 5.1001 to read as follows:

§ 5.1001 Applicability.

This subpart applies to all applicants for and recipients of Federal financial assistance provided under HUD programs, unless a Federal statute or an exception under 2 CFR part 25 provides otherwise. See 2 CFR 25.400 for the definitions that apply to ''Federal financial assistance'' and other terms in this subpart.

■ 6. Revise § 5.1003 to read as follows:

§ 5.1003 System for Award Management (SAM) and Unique entity identifier (UEI) requirements for applicants.

(a) *General requirement.* Each applicant for Federal financial assistance must:

(1) Be registered in *SAM.gov* before submitting an application;

(2) Maintain a current and active registration in *SAM.gov* at all times during which it has an active Federal award as a recipient or an application under consideration by a Federal awarding agency. The applicant must review and update its information in *SAM.gov* annually from the date of initial registration or later updates to ensure the information is current, accurate, and complete. If applicable, this includes identifying the applicant's immediate and highest-level owner and subsidiaries, as well as providing information on all predecessors that have received a Federal award or contract within the last 3 years; and

(3) Include its UEI in each application it submits to HUD, including applications for renewal of a Federal award.

(b) *Special cases.* (1) Applicants or groups of applicants under a consortium arrangement:

(i) If one organization is submitting the application for Federal assistance as the lead applicant on behalf of the other applicants, that organization must comply with the requirements in paragraph (a) of this section.

(ii) If each organization is submitting a separate application as part of a group of applications, then each organization must comply with the requirements in paragraph (a) of this section.

(2) If an organization is submitting an application as a sponsor or on behalf of other applicants, and the other entities will be receiving funds directly from HUD, then each entity that would receive funds directly from HUD must comply with the requirements in paragraphs (a)(1) and (2) of this section, and the application submitted to HUD must include the UEI of each of those entities.

(3) If an organization is managing funds for a group of organizations and will be drawing down funds directly from HUD, that organization must comply with the requirements in paragraph (a) of this section.

(c) *Issuing or amending a Federal award.* Unless an entity is exempt under 2 CFR 25.110, HUD may not issue a Federal award or amend an existing Federal award to provide additional Federal funds if the entity is not in compliance with the requirements of this part.

(d) *Awarding another applicant.* When HUD is ready to make a Federal award, if the intended recipient has not complied with the requirements to obtain a UEI and maintain an active registration in *SAM.gov* with current information, HUD may make a Federal award to another applicant.

■ 7. Revise § 5.1004 to read as follows:

§ 5.1004 System for Award Management (SAM) and Unique entity identifier (UEI) requirements for recipients and other entities.

(a) Each recipient of Federal financial assistance must maintain a current and active registration in *SAM.gov* at all times during which it has an active Federal award as a recipient or an application under consideration by a Federal awarding agency. The recipient must review and update its information in *SAM.gov* annually from the date of initial registration or later updates to ensure the information is current, accurate, and complete. If applicable, this includes identifying the recipient's immediate and highest-level owner and subsidiaries, as well as providing information on all predecessors that

have received a Federal award or contract within the last 3 years.

(b) Each recipient of Federal financial assistance must notify any potential subrecipients that the recipient cannot make a subaward to a subrecipient that has not obtained a UEI and provided it to the recipient. Subrecipients are not required to complete full registration in *SAM.gov* to obtain a UEI.

(c) For purposes of loan guarantees and other guaranteed programs, recipients of the guarantee from the Federal agency (for example, lenders of guaranteed loans) are required to complete entity validations and acquire a UEI. In addition, HUD may require non-individual beneficiary borrowers (for example, small businesses or corporations) to obtain a UEI or register in *SAM.gov.*

■ 8. Revise § 5.1005 to read as follows:

§ 5.1005 Incorporation of required Award Term.

Every agreement for Federal financial assistance that HUD executes with a recipient on or after October 1, 2024, is subject to the Award Term in appendix A to 2 CFR part 25.

■ 9. Add § 5.1006 to read as follows:

§ 5.1006 Certifications and assurances.

Every agreement for Federal financial assistance that HUD executes with a recipient on or after October 1, 2024, must contain or be accompanied by the appropriate assurances and certifications (*e.g.,* HUD–424B). This applies to recipients provided an exemption to the requirements of 2 CFR 25.110. The Responsible Civil Rights Official has specified the form HUD–424B for use for purposes of meeting the requirements of §§ 1.5, 3.115, 8.50, and 146.25 of this title, as applicable. The Responsible Civil Rights Official may require specific civil rights assurances to be furnished consistent with those authorities and will specify the form on which such assurances must be made.

PART 75—ECONOMIC OPPORTUNITIES FOR LOW- AND VERY LOW-INCOME PERSONS

■ 10. The authority citation for part 75 continues to read as follows:

Authority: 12 U.S.C. 1701u; 42 U.S.C. 3535(d).

§ 75.5 [Amended]

■ 11. In § 75.5, remove ''2 CFR 200.93'' wherever it appears and add in its place ''2 CFR 200.1''.

§ 75.31 [Amended]

■ 12. In § 75.31(c), remove ''2 CFR part 200'' and add in its place ''2 CFR 200.334''.

§ 75.33 [Amended]

■ 13. In § 75.33(a), remove ''2 CFR part 200'' and add in its place ''2 CFR 200.334''.

PART 92—HOME INVESTMENT PARTNERSHIPS PROGRAM

■ 14. The authority citation for part 92 continues to read as follows:

Authority: 42 U.S.C. 3535(d) and 12701–12839, 12 U.S.C. 1701x.

§ 92.220 [Amended]

■ 15. In § 92.220(a)(1)(ii), remove ''2 CFR 200.80'' and add in its place ''2 CFR 200.1''.

■ 16. In § 92.356, revise paragraph (a) to read as follows:

§ 92.356 Conflict of interest.

(a) *Applicability.* When procuring goods and services in accordance with 2 CFR part 200, the participating jurisdiction, State recipient, or subrecipient must comply with the applicable conflict of interest requirements in 2 CFR 200.317 through 200.319. In all other situations, the provisions of this section apply.

* * * * *

§ 92.502 [Amended]

■ 17. In § 92.502(c)(2), remove ''2 CFR 200.305(b)(9)'' and add in its place ''2 CFR 200.305(b)(12)''.

§ 92.504 [Amended]

■ 18. In § 92.504:

■ a. In paragraph (c)(1)(x):

■ i. Remove ''2 CFR 200.338'' and add in its place ''2 CFR 200.339''; and

■ ii. Remove ''2 CFR 200.339'' and add in its place ''2 CFR 200.340''; and

■ b. In paragraph (c)(2)(ix):

■ i. Remove ''2 CFR 200.338'' and add in its place ''2 CFR 200.339''; and

■ ii. Remove ''2 CFR 200.339'' and add in its place ''2 CFR 200.340''.

■ 19. Revise § 92.505 to read as follows:

§ 92.505 Applicability of uniform administrative requirements.

The requirements of 2 CFR part 200 apply to participating jurisdictions, State recipients, and subrecipients receiving HOME funds, except for the following provisions: §§ 200.306 through 200.308 (not applicable to participating jurisdictions), 200.311 (except as provided in § 92.257), 200.312, 200.328, 200.329(c), 200.330, 200.334, 200.335, and 200.344. The provisions of 2 CFR 200.305 apply as modified by § 92.502(c). If there is a conflict between definitions in 2 CFR part 200 and this part, the definitions in this part govern.

■ 20. In § 92.508, add paragraph (a)(7)(ii)(C) to read as follows:

§ 92.508 Recordkeeping.

(a) * * *

(7) * * *

(ii) * * *

(C) Records of any efforts to consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms, as described in 2 CFR 200.321.

* * * * *

§ 92.551 [Amended]

■ 21. In § 92.551:

■ a. In paragraph (c)(2):

■ i. Remove ''2 CFR 200.207'' and add in its place ''2 CFR 200.208''; and

■ ii. Remove ''2 CFR 200.338'' and add in its place ''2 CFR 200.339''.

PART 93—HOUSING TRUST FUND

■ 22. The authority citation for part 93 continues to read as follows:

Authority: 42 U.S.C. 3535(d), 12 U.S.C. 4568.

■ 23. In § 93.353, revise paragraph (a) to read as follows:

§ 93.353 Conflict of interest.

(a) *Applicability of procurement standards.* When procuring goods and services in accordance with 2 CFR part 200, the grantee or subgrantee must comply with the applicable conflict of interest requirements in 2 CFR 200.317 through 200.319. In all other situations, the provisions of this section apply.

* * * * *

■ 24. In § 93.400, revise paragraph (d)(2) to read as follows:

§ 93.400 Housing Trust Fund (HTF) accounts.

* * * * *

(d) * * *

(2) Any fiscal year grant funds in the HTF Treasury account that are not expended after the date of expiration of the grant's period of performance, as described in § 93.409(a)(3);

* * * * *

§ 93.404 [Amended]

■ 25. In § 93.404:

■ a. In paragraph (c)(1)(v), remove ''2 CFR 200.331'' and add in its place ''2 CFR 200.332''; and

■ b. In paragraph (c)(1)(xi):

■ i. Remove ''2 CFR 200.338'' and add in its place ''2 CFR 200.339''; and

■ ii. Remove ''2 CFR 200.339'' and add in its place ''2 CFR 200.340''.

■ 26. Revise § 93.405 to read as follows:

§ 93.405 Applicability of uniform administrative requirements, cost principles, and audits.

The requirements of 2 CFR part 200 apply to the grantees and subgrantees

receiving HTF funds, except for the following provisions: §§ 200.307, 200.308, 200.311, 200.312, 200.328, 200.329(c), 200.330, 200.334, 200.335, and 200.344 (except as provided in § 93.409). If there is a conflict between the definitions in 2 CFR part 200 and this part, the definitions in this part govern.

§ 93.407 [Amended]

■ 27. In § 93.407:
■ a. In paragraph (a)(2)(ii):
■ i. Remove ''2 CFR 200.333'' and add in its place ''2 CFR 200.334''; and
■ ii. Remove ''200.337'' and add in its place ''200.338''; and
■ b. In paragraph (a)(3)(iv), remove ''2 CFR part 200,'' and add in its place ''2 CFR 200.302''.
■ 28. Add § 93.409 to read as follows:

§ 93.409 Closeout.

This section specifies the procedure and actions that must be completed by a HTF grantees and HUD to close out a grant. The requirements of 2 CFR 200.344 apply to closeouts, except to the extent that such requirements conflict with the following:

(a) *Closeout process.* (1) HUD will close out a grant after the period of performance has ended. A grantee must complete all required activities and closeout actions for the grant, as required by HUD. If the grantee fails to complete the requirements in accordance with this section, HUD may close out the Federal award with the information available. HUD may closeout individual grants or multiple grants simultaneously.

(2) To prepare for closeout, before the end of the budget period of the grant, the grantee must review all eligible activities under the grant and reconcile its accounts as follows:

(i) For any eligible costs incurred under the grant and not yet drawn down from the U.S. Treasury account, the grantee must draw down those funds in a timely manner.

(ii) The grantee must promptly refund to the proper accounts any previously disbursed balances of unobligated cash paid in advance. All such refunds must be completed prior to submission of the information and reports required in paragraph (b) of this section.

(3) After the end of the grant budget period, no additional eligible activities may be undertaken by the grantee using the grant funds and no additional eligible costs incurred after the budget period may be submitted by the grantee. Unused funds remaining on the grant will be returned to HUD. The grantee must promptly refund any unused grant funds not authorized to be retained, consistent with HUD's instructions. HUD shall reallocate the grant funds by formula in accordance with § 93.54.

(4) HUD will initiate closeout actions in the computerized disbursement and information system when the grantee has met the requirements established in paragraph (b) of this section.

(i) If the grantee does not submit and enter all required data, information, and reports or complete the actions described in paragraph (b) of this section, HUD will proceed to close out the grant with the information available within one year of the period of performance end date. Each grant shall have a 9-year period of performance beginning after the date of HUD's execution of the HTF grant agreement. The date of HUD's execution of the HTF grant agreement is also the point of obligation for the HTF grant.

(ii) HUD may report the grantee's material failure to comply with the terms and conditions of the Federal award or requirements in this section in *SAM.gov*. HUD may also pursue other enforcement actions in 2 CFR 200.339.

(5) A grantee may request, and HUD may provide an extension of the period of performance or closeout deadlines provided good cause is demonstrated.

(b) *Actions required for closeout.* A grantee must complete the following actions for closeout of the grant:

(1) Submit a complete and final Federal Financial Report for the grant to HUD within 120 days of the end date of the period of performance, as indicated in the grant agreement;

(2) Demonstrate that it has fulfilled all programmatic and administrative requirements for the project (*i.e.,* property inspections, obtaining certificates of occupancy, etc.) within the period of performance in accordance with 2 CFR 200.344(a);

(3) Enter all data for activities in the computerized disbursement and information system established by HUD, within one year from the end of the period of performance as required by the grant agreement;

(4) Demonstrate that all HTF-assisted units are occupied by eligible occupants by entering accurate beneficiary data in the computerized disbursement and information system established by HUD, within one year from the end of the period of performance, as required by the grant agreement;

(5) Comply with the requirements in 2 CFR 200.313(e) for the disposition of any equipment acquired under one or more HTF grants, that is no longer needed for the HTF program, or for other activities previously supported by a Federal agency;

(6) Resolve and close all HTF monitoring findings for the grant (if applicable);

(7) Resolve and close all OIG audit findings for the grant (if applicable);

(8) Resolve and close all Single Audit findings for the grant (if applicable);

(9) Carry out all other responsibilities under the grant agreement and applicable laws and regulations satisfactorily; and

(10) Complete a closeout certification prepared by HUD. The certification shall identify the grant being closed out and include provisions with respect to the following:

(i) Identification of any unused grant funds that were returned to HUD;

(ii) Compliance with the recordkeeping requirements in § 93.407, including maintaining program, project, financial, program administration, records concerning other Federal requirements, and such other records as necessary to carry out responsibilities for the grant by the grantee and its subgrantees;

(iii) Monitoring and enforcement of the requirements for all HTF-assisted units set forth in this part for the period specified in the HTF written agreement with the property owner;

(iv) Compliance with use of program income, recaptured funds, and repayments in accordance with § 92.403. If the grantee is not a grantee when it receives funds, the funds may be retained and used for other affordable housing purposes;

(v) All actions required in 2 CFR 200.344 applicable to the grant have been taken by the grantee;

(vi) All actions required in 2 CFR 200.344 applicable to the grantee's subgrantees have been taken;

(vii) Other provisions appropriate to any special circumstances of the grant closeout, in modification of or in addition to the obligations in paragraphs (c)(1) and (2) of this section;

(viii) Acknowledge future monitoring by HUD, including that findings of noncompliance may be taken into account by HUD as unsatisfactory performance of the grantee and in any risk-based assessment of a future grant award under this part; and

(ix) Unless otherwise provided in a closeout certification, the Consolidated Plan will remain in effect after closeout until the expiration of the program year covered by the most recent Consolidated Plan.

(c) *Post closeout adjustments and continuing responsibilities.* The closeout of a grant does not affect any of the obligations required under this part and under 2 CFR 200.345, including:

(1) The right of HUD to disallow costs and recover funds on the basis of a later audit or other review. HUD must make any cost disallowance determination and notify the grantee within the record retention period;

(2) Compliance with the requirements in § 93.407;

(3) Compliance with the requirements in § 93.408;

(4) Records retention as required in 2 CFR 200.345, as applicable;

(5) Monitoring and enforcement of the requirements for all HTF-assisted units set forth in this part for the period of affordability specified in the HTF written agreement with the property owner;

(6) Compliance with use of program income, recaptured funds, and repayments in accordance with § 93.403. If the grantee is not a grantee when it receives funds, the funds may be retained and used for other affordable housing purposes;

(7) Compliance with the requirement in 2 CFR 200.345(a)(2) that the grantee return any funds due as a result of a later refund, corrections, or other transactions including final indirect cost rate adjustments; and

(8) Compliance with the audit requirements at 2 CFR part 200, subpart F.

§ 93.452 [Amended]

■ 29. In § 93.452:

■ a. In paragraph (c)(2):

■ i. Remove ''2 CFR 200.207'' and add in its place ''2 CFR 200.208''; and

■ ii. Remove ''200.338'' and add in its place ''200.339''.

PART 200—INTRODUCTION TO FHA PROGRAMS

■ 30. The authority citation for part 200 continues to read as follows:

Authority: 12 U.S.C. 1702–1715z–21; 42 U.S.C. 3535(d).

■ 31. Revise § 200.11 to read as follows:

§ 200.11 Audit requirements for State and local governments as mortgagees.

Requirements set forth in 2 CFR part 200, subpart F, apply to State and local governments (as defined at 2 CFR 200.1) that receive mortgage insurance as mortgagees.

PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS

■ 32. The authority citation for part 570 continues to read as follows:

Authority: 12 U.S.C. 1701x, 1701 x–1; 42 U.S.C. 3535(d) and 5301–5320.

■ 33. In § 570.206, revise paragraph (e) to read as follows:

§ 570.206 Program administrative costs.

* * * * *

(e) *Indirect costs.* The amount of indirect costs determined by applying the indirect cost rate to the portion of modified total direct costs (as defined at 2 CFR 200.1) that represents up to $50,000 of each subaward may only be charged to the grant as a program administrative cost.

* * * * *

§ 570.485 [Amended]

■ 34. In § 570.485(d), remove ''2 CFR 200.207'' and add in its place ''2 CFR 200.208''.

§ 570.489 [Amended]

■ 35. In § 570.489:

■ a. In paragraph (g), remove ''2 CFR 200.330'' and add in its place ''2 CFR 200.331;

■ b. Revise paragraph (j) introductory text;

■ c. In paragraph (m):

■ i. Remove ''2 CFR 200.330'' and add in its place ''2 CFR 200.331''; and

■ ii. Remove ''200.332'' and add in its place ''200.333''; and

■ d. In paragraph (o), remove ''2 CFR 200.343'' and add in its place ''2 CFR 200.344''.

The revision reads as follows:

§ 570.489 Program administrative requirements.

* * * * *

(j) *Change of use of real property.* The standards described in this section apply to real property within the unit of general local government's control (including activities undertaken by subrecipients) that was acquired or improved in whole or in part using CDBG funds in excess of the simplified acquisition threshold (2 CFR 200.1) set by the FAR at 48 CFR part 2, subpart 2.1. These standards shall apply from the date CDBG funds are first spent for the property until 5 years after closeout of the unit of general local government's grant.

* * * * *

■ 36. In § 570.502, revise paragraph (a) to read as follows:

§ 570.502 Applicability of uniform administrative requirements.

(a) Grantees and subrecipients shall comply with 2 CFR part 200, ''Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards'', except that:

(1) 2 CFR 200.305 is modified for lump sum drawdown for financing of property rehabilitation activities, in accordance with § 570.513.

(2) 2 CFR 200.306 does not apply.

(3) 2 CFR 200.307 does not apply. Program income is governed by § 570.504.

(4) 2 CFR 200.308 does not apply.

(5) 2 CFR 200.311 does not apply, except as provided in § 570.200(j). Real property is governed by § 570.505.

(6)(i) 2 CFR 200.313 applies, except that in all cases in which the equipment is sold, the proceeds shall be considered and treated as program income unless § 570.500(a)(4)(i) provides otherwise.

(ii) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient.

(7) 2 CFR 200.334 applies except that:

(i) For recipients:

(A) The period shall be 4 years from the date of execution of the closeout agreement for a grant, as further described in this part;

(B) Records for individual activities subject to the reversion of assets provisions at § 570.503(b)(7) or the change of use provisions at § 570.505 must be maintained for 3 years after those provisions no longer apply to the activity;

(C) Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained for 3 years after the receivables or liabilities have been satisfied.

(ii) For subrecipients:

(A) The retention period for individual CDBG activities shall be the longer of 3 years after the expiration or termination of the subrecipient agreement under § 570.503, or 3 years after the submission of the annual performance and evaluation report, as prescribed in § 91.520 of this title, in which the specific activity is reported on for the final time;

(B) Records for individual activities subject to the reversion of assets provisions at § 570.503(b)(7) or change of use provisions at § 570.505 must be maintained for as long as those provisions continue to apply to the activity; and

(C) Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied.

(8) 2 CFR 200.344 applies to closeout of subrecipients.

* * * * *

§ 570.508 [Amended]

■ 37. In § 570.508, remove ''2 CFR 200.337'' and add in its place ''2 CFR 200.338''.

§ 570.509 [Amended]

■ 38. In § 570.509:

■ a. In paragraph (b)(3), remove ''2 CFR part 200'' and add in its place ''2 CFR part 200, subpart F'';

■ b. In paragraph (e), remove ''2 CFR 200.339'' and add in its place ''2 CFR 200.340''; and

■ c. In paragraph (f), remove ''2 CFR 200.342)'' and add in its place ''2 CFR 200.343''.

■ 39. In § 570.611, revise paragraph (a) to read as follows:

§ 570.611 Conflict of interest.

(a) *Applicability.* (1) When procuring goods and services in accordance with 2 CFR part 200, the recipient or subrecipient must comply with the applicable conflict of interest requirements in 2 CFR 200.317 through 200.319.

(2) In all cases where the provisions of 2 CFR 200.317 through 200.319 do not apply, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (*e.g.,* rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)).

■ 40. In § 570.707, add paragraph (d) to read as follows:

§ 570.707 Applicability of rules and regulations.

* * * * *

(d) *Registration in SAM.gov.* Public entities and States must complete entity validations and acquire a unique entity identifier (UEI) in *SAM.gov* in accordance with 2 CFR 25.105 in order to apply for and obtain a loan guaranteed under this subpart. The lender or holder of a note guaranteed under this subpart is not required to complete entity validations and acquire a UEI in *SAM.gov* in accordance with 2 CFR 25.105 in order to obtain the benefit of the loan guarantee.

PART 574—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

■ 41. The authority citation for part 574 continues to read as follows:

Authority: 12 U.S.C. 1701x, 1701 x–1; 42 U.S.C. 3535(d) and 5301–5320.

■ 42. In § 574.500, revise paragraph (c) to read as follows:

§ 574.500 Responsibility for grant administration.

* * * * *

(c) *Enforcement.* HUD will enforce the obligations in the grant agreement in accordance with the provisions of 2 CFR part 200, subpart D. Upon initiating a remedy for noncompliance (for example, disallowed costs, a corrective action plan, or termination), HUD will provide the grantee with an opportunity for informal consultation, in which the grantee may object and provide information challenging the action.

■ 43. Revise § 574.530 to read as follows:

§ 574.530 Recordkeeping.

(a)(1) For formula grants, each grantee must ensure that all grant records are maintained for the longer of five years or the applicable record retention period provided in 2 CFR part 200 (2 CFR 200.334).

(2) For all other grants, grantees must ensure that all grant records are maintained for the applicable record retention period provided in 2 CFR part 200 (2 CFR 200.334).

(3) For all grants, grantees must ensure that all records for real property subject to minimum use requirements are maintained for at least three years after final disposition.

(b) Grantees must maintain the following:

(1) Current and accurate data on the race and ethnicity of program participants.

(2) Documentation of the actions the grantee has taken to affirmatively further fair housing, pursuant to §§ 5.151 and 5.152 of this title.

(3) Data on emergency transfers requested under § 5.2005(e) of this title, pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of such requests.

■ 44. Revise § 574.540 to read as follows:

§ 574.540 Deobligation of funds.

The period of performance for the grant will be 36 months after the date that HUD executes the grant agreement with the recipient, unless the grant agreement provides for a longer period. HUD may deobligate all or a portion of the amounts approved for eligible activities if the amounts are not expended in a timely manner, or the proposed activity for which funding was approved is not in accordance with the approved application or action plan and requirements of this part. The grant agreement may set forth other circumstances under which funds may be deobligated or sanctions imposed.

■ 45. Revise § 574.605 to read as follows:

§ 574.605 Applicability of uniform administrative requirements, cost principles, and audit requirements for Federal awards.

The requirements of 2 CFR part 200, ''Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,'' apply, except where inconsistent with the AIDS Housing Opportunity Act, title I of the Cranston-Gonzalez National Affordable Housing Act, or the implementing regulations in this part or part 91 of this title.

■ 46. Revise § 574.625 to read as follows:

§ 574.625 Conflict of interest.

(a) *Applicable requirements.* When procuring goods and services in accordance with 2 CFR part 200, the grantee or project sponsor must comply with the applicable conflict of interest requirements under 2 CFR 200.317 through 200.319. In all other situations, the prohibition in paragraph (b) of this section applies.

(b) *Conflicts prohibited.* No person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee or project sponsor and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

(c) *Exceptions: Threshold requirements.* Upon the written request of the grantee, HUD may grant an exception to the prohibition in paragraph (b) of this section when it determines that the exception will serve to further the purposes of the HOPWA program and the effective and efficient administration of the grantee's program or project. An exception may be considered only after the grantee has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the grantee's attorney that the interest for which the exception is sought would not violate State or local law.

(d) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the grantee has satisfactorily met the requirements of paragraph (c) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(2) Whether the person affected is a member of a group or class of eligible persons and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(5) Whether undue hardship will result to the grantee, the project sponsor, or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(6) Any other relevant considerations.

PART 576—EMERGENCY SOLUTIONS GRANTS PROGRAM

■ 47. The authority citation for part 576 continues to read as follows:

Authority: 12 U.S.C. 1701x, 1701x–1; 42 U.S.C. 11371 *et seq.,* 42 U.S.C. 3535(d).

§ 576.2 [Amended]

■ 50. In § 576.2, remove ''2 CFR 200.80'' wherever it appears and add in its place ''2 CFR 200.1''.

■ 51. In § 576.109, revise paragraphs (b) and (c) to read as follows:

§ 576.109 Indirect Costs.

* * * * *

(b) *Allocation to eligible activities under §§ 576.101 through 576.107.* Indirect costs may be allocated to an eligible activity under §§ 576.101 through 576.107, provided that:

(1) The applicable indirect cost methodology and requirements under 2 CFR part 200, subpart E, would allow for allocation of indirect costs to a specific activity by applying the indirect cost rate to only the allowable direct costs of that activity that are included within the applicable direct cost base; and

(2) The sum of direct costs and indirect costs charged for street outreach and emergency shelter activities would not exceed the expenditure limit in § 576.100(b).

(c) *Allocation to administrative costs under § 576.108.* Indirect costs that cannot be allocated to an eligible activity under §§ 576.101 through 576.107, but can otherwise be allocated to the ESG grant under 2 CFR part 200, subpart E, may be charged to the grant as administrative costs under § 576.108, provided the sum of direct and indirect costs charged as administrative costs does not exceed the expenditure limit in §§ 576.100(c) and 576.108(a). Costs that may only be charged in this manner include any amount of indirect costs that is determined by applying the indirect cost rate to ''up to the first $50,000 of each subaward'' as provided by the MTDC definition in 2 CFR 200.1, where indirect costs are determined by applying the indirect cost rate to MTDC.

■ 52. In § 576.200, revise paragraph (a) to read as follows:

§ 576.200 Submission requirements and grant approval.

(a) *Application submission and approval.* In addition to meeting the requirements in part 5, subpart K of this title, each State, urban county, or metropolitan city must submit and obtain HUD approval of a consolidated plan in accordance with the requirements in part 91 of this title, and each territory must submit and obtain HUD approval of a consolidated plan in accordance with the requirements that apply to local governments under part 91 of this title. HUD may include specific conditions in the grant agreement for a State, urban county, or metropolitan city as provided by 2 CFR 200.208.

* * * * *

■ 53. In § 576.201, revise paragraph (d) and remove paragraphs (e) and (f) to read as follows:

§ 576.201 Matching requirement.

* * * * *

(d) Matching contributions may include unrecovered indirect costs as described in 2 CFR 200.306(c).

■ 54. In § 576.203, revise the second sentence of paragraph (b) to read as follows:

§ 576.203 Obligation, expenditure, and payment requirements.

* * * * *

(b) * * * The recipient's entire grant must be expended for eligible costs within 24 months after the date HUD signs the grant agreement with the recipient (''period of performance''), except for funds used for administrative closeout costs as provided by 2 CFR 200.403(h). * * *

* * * * *

■ 55. In § 576.404, revise the last sentence of paragraph (a) and the introductory text for paragraph (b) to read as follows:

§ 576.404 Conflicts of interest.

(a) * * * Recipients and subrecipients must also comply with the applicable organizational conflicts of interest requirements under 2 CFR 200.317 through 200.319.

(b) *Individual conflicts of interest.* When procuring goods and services in accordance with 2 CFR part 200, the recipient or subrecipient must comply with the applicable conflict of interest requirements under 2 CFR 200.317 and 200.318. For all other transactions and activities, the following provisions apply:

* * * * *

■ 56. In § 576.500, revise paragraphs (y) and (z)(1) to read as follows:

§ 576.500 Recordkeeping and reporting requirements.

* * * * *

(y) *Period of record retention.* All records related to the recipient's ESG grant must be kept for the longer of 5 years, the minimum period described in paragraphs (y)(1) through (3) of this section, or the minimum period that 2 CFR part 200 (2 CFR 200.334) provides for specific situations or records.

(1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be kept for at least 5 years after the expenditure of all funds from the grant under which the program participant was served;

(2) Where ESG funds are used for the renovation of an emergency shelter involves costs charged to the ESG grant that exceed 75 percent of the value of the building before renovation, records must be kept for at least 10 years after the date that ESG funds are first obligated for the renovation; and

(3) Where ESG funds are used to convert a building into an emergency shelter and the costs charged to the ESG grant for the conversion exceed 75 percent of the value of the building after conversion, records must be kept for at least 10 years after the date that ESG funds are first obligated for the conversion.

(z) * * *

(1) *Federal Government rights.* Notwithstanding the confidentiality procedures established under paragraph (x) of this section, the recipient and its

subrecipients must comply with the requirements for access to records in 2 CFR 200.337.

* * * * *

PART 578—CONTINUUM OF CARE

■ 57. The authority citation for part 578 continues to read as follows:

Authority: 12 U.S.C. 1701x, 1701 x–1; 42 U.S.C. 11381 *et seq.,* 42 U.S.C. 3535(d).

■ 58. In § 578.63:
■ a. Revise paragraph (b);
■ b. Redesignate paragraph (c) as paragraph (d); and
■ c. Add a new paragraph (c).

The revision and addition read as follows:

§ 578.63 Indirect costs.

* * * * *

(b) *Allocation to eligible activities under §§ 578.39 through 578.57 and 578.61.* Indirect costs may be allocated to an eligible activity under §§ 578.39 through 578.57 and 578.61, provided that:

(1) The applicable indirect cost methodology and requirements under 2 CFR part 200, subpart E, would allow for allocation of indirect costs to a specific activity by applying the indirect cost rate to only the allowable direct costs of that activity that are included within the applicable direct cost base; and

(2) The sum of direct costs and indirect costs charged for eligible activities under §§ 578.39 and 578.41 would not exceed the expenditure limits in §§ 578.39(a) and 578.41(a) respectively.

(c) *Allocation to administrative costs under § 578.59.* Indirect costs that cannot be allocated to an eligible activity under paragraph (b) of this section, but can otherwise be allocated to the CoC program grant under 2 CFR part 200, subpart E, may be charged to the grant as administrative costs under § 578.59, provided the sum of direct and indirect costs charged as administrative costs does not exceed the applicable expenditure limit in § 578.59. Costs that may only be charged in this manner include any amount of indirect costs that is determined by applying the indirect cost rate to ''up to the first $50,000 of each subaward'' as provided by the MTDC definition in 2 CFR 200.1, where indirect costs are determined by applying the indirect cost rate to MTDC.

* * * * *

■ 59. In § 578.95:
■ a. Revise paragraphs (a) and (b); and
■ b. Add a sentence to the end of paragraph (c).

The revision and addition read as follows:

§ 578.95 Conflicts of interest.

(a) *Procurement.* When procuring goods and services in accordance with 2 CFR part 200, the recipient or subrecipient must comply with the applicable conflict of interest requirements in 2 CFR 200.317 through 200.319.

(b) *Continuum of Care board members.* No Continuum of Care or collaborative applicant board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.

(c) * * * No recipient or subrecipient may have an organizational conflict of interest. Recipients and subrecipients must also maintain standards of conduct covering organizational conflicts of interest described in 2 CFR 200.318.

PART 700—CONGREGATE HOUSING SERVICES PROGRAM

■ 60. The authority citation for part 700 continues to read as follows:

Authority: 42 U.S.C. 3535(d) and 8011.

§ 700.175 [Amended]

■ 61. In § 700.175(b), remove ''and 200.319(a)(5)'' and add in its place ''and 200.319(b) and (c)(5).''

PART 880—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FOR NEW CONSTRUCTION

■ 62. The authority citation for part 880 continues to read as follows:

Authority: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), 12701, and 13611–13619.

§ 880.211 [Amended]

■ 63. In § 880.211, remove ''2 CFR 200.69'' and add in its place ''2 CFR 200.1''.

PART 881—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FOR SUBSTANTIAL REHABILITATION

■ 64. The authority citation for part 881 continues to read as follows:

Authority: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), 12701, and 13611–13619.

§ 881.211 [Amended]

■ 65. In § 881.211(a), remove ''2 CFR 200.69'' and add in its place ''2 CFR 200.1''.

PART 883—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM—STATE HOUSING AGENCIES

■ 66. The authority citation for part 883 continues to read as follows:

Authority: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), and 13611–13619.

§ 883.313 [Amended]

■ 67. In § 883.313, remove ''2 CFR 200.69'' and add in its place ''2 CFR 200.1''.

PART 884—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM, NEW CONSTRUCTION SET-ASIDE FOR SECTION 515 RURAL RENTAL HOUSING PROJECTS

■ 68. The authority citation for part 884 continues to read as follows:

Authority: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), and 13611–13619.

§ 884.124 [Amended]

■ 69. In § 884.124, remove ''2 CFR 200.69'' and add in its place ''2 CFR 200.1''.

PART 886—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM—SPECIAL ALLOCATIONS

■ 70. The authority citation for part 886 continues to read as follows:

Authority: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), and 13611–13619.

§ 886.131 [Amended]

■ 71. In § 886.131, remove ''2 CFR 200.69'' and add in its place ''2 CFR 200.1''.

§ 886.336 [Amended]

■ 72. In § 886.336, remove ''2 CFR 200.69'' and add in its place ''2 CFR 200.1''.

PART 905—THE PUBLIC HOUSING CAPITAL FUND PROGRAM

■ 73. The authority citation for part 905 continues to read as follows:

Authority: 42 U.S.C. 1437g, 42 U.S.C. 1437z–2, 42 U.S.C. 1437z–7 and 3535(d).

■ 74. In § 905.322 revise the first sentence in paragraphs (a) and (b)(1)(i) and (ii) to read as follows:

§ 905.322 Fiscal closeout.

(a) *General.* Each Capital Fund grant and/or development project is subject to fiscal closeout in accordance with 2 CFR 200.344. * * *

(b) * * *

(1) * * *

(i) Actual Development Cost Certificate (ADCC) is to be submitted according with 2 CFR 200.344. * * *

(ii) Actual Modernization Cost Certificate (AMCC) for each grant, is to be submitted according with 2 CFR 200.344, but no earlier than the obligation end date. * * *

* * * * *

PART 964—TENANT PARTICIPATION AND TENANT OPPORTUNITIES IN PUBLIC HOUSING

■ 75. The authority citation for part 964 continues to read as follows:

Authority: 42 U.S.C. 1437d, 1437g, 1437r, 3535(d).

§ 964.230 [Amended]

■ 76. In § 964.230:
■ a. In paragraph (a)(2), add ''or a special purpose framework as approved by HUD'' after ''generally accepted government audit standards''; and
■ b. In paragraph (b), add ''or a special purpose framework as approved by HUD'' after ''generally accepted government audit standards''.

PART 965—PHA-OWNED OR LEASED PROJECTS—GENERAL PROVISIONS

■ 77. The authority citation for part 965 continues to read as follows:

Authority: 42 U.S.C. 1437, 1437a, 1437d, 1437g, and 3535(d). Subpart H is also issued under 42 U.S.C. 4821–4846.

§ 965.205 [Amended]

■ 78. In § 965.205(d)(1), add ''or a special purpose framework as approved by HUD'' after ''generally accepted accounting principles'' wherever it appears.

§ 965.308 [Amended]

■ 79. In § 965.308:
■ a. In paragraph (a)(1), remove ''2 CFR 200.320(d)'' wherever it appears and add in its place ''2 CFR 200.320(b)(2)''; and
■ b. In paragraph (a)(2), remove ''2 CFR 200.320(f)'' and add in its place ''2 CFR 200.320(c)''.

PART 970—PUBLIC HOUSING PROGRAM—DEMOLITION OR DISPOSITION OF PUBLIC HOUSING PROJECTS

■ 80. The authority citation for part 970 continues to read as follows:

Authority: 42 U.S.C. 1437p and 3535(d).

■ 81. In § 970.1, revise the last sentence to read as follows:

§ 970.1 Purpose.

* * * The regulations in 2 CFR part 200 are not applicable to this part except: if the PHA requests to retain the public housing property, in which case, 2 CFR 200.311(d)(1) applies; and if the PHA disposes of equipment or supplies, 2 CFR 200.313 and 200.314 apply.

PART 990—THE PUBLIC HOUSING OPERATING FUND PROGRAM

■ 82. The authority citation for part 990 continues to read as follows:

Authority: 42 U.S.C. 1437g; 42 U.S.C. 3535(d).

§ 990.280 [Amended]

■ 83. In § 990.280(b)(2), remove ''2 CFR part 200it'' and add in its place ''2 CFR part 200), it''.

PART 1000—NATIVE AMERICAN HOUSING ACTIVITIES

■ 84. The authority citation for part 1000 continues to read as follows:

Authority: 25 U.S.C. 4101 *et seq.;* 42 U.S.C. 3535(d).

■ 85. In § 1000.26:
■ a. Revise paragraph (a); and
■ b. Add a heading to paragraph (b).

The revision and addition read as follows:

§ 1000.26 What are the administrative requirements under NAHASDA?

(a) *Uniform Administrative Requirements.* Except as addressed in § 1000.28, recipients shall comply with the requirements and standards of 2 CFR part 200, ''Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards'', except for the following sections:

(1) 2 CFR 200.1 applies, except that, in lieu of the definition for Indian Tribe, the definition for Indian Tribe in section 104 of NAHASDA (25 U.S.C. 4103) will apply.

(2) 2 CFR 200.113 applies, except that, in lieu of the remedies described in 2 CFR 200.339, HUD shall be authorized to seek remedies under subpart F of this part.

(3) 2 CFR 200.302(a).

(4) 2 CFR 200.305 applies, except that HUD shall not require a recipient to expend retained program income before drawing down or expending IHBG funds.

(5) 2 CFR 200.306.

(6) 2 CFR 200.307.

(7) 2 CFR 200.308.

(8) 2 CFR 200.311, except as provided in § 5.109 of this title.

(9) 2 CFR 200.313 applies except that a TDHE may follow the Tribal laws and procedures contemplated in 2 CFR 200.313(b) of the Indian Tribe they serve.

(10) 2 CFR 200.314 applies, except in all cases in which the supplies are sold, the proceeds shall be program income.

(11) 2 CFR 200.317 applies except as modified in this paragraph (a)(11):

(i) *Procurement policies and procedures.* A TDHE may follow the same policies and procedures on procurement used by the Indian tribe they serve.

(ii) *De minimis procurement.* Regardless of the Tribe's policies and procedures for procurement, procurements using a grant provided under NAHASDA cannot be subject to competitive procurement requirements when the value of the goods and services is less than $5,000, or such other higher amount as may be established in NAHASDA.

(iii) *Utilizing Federal supply sources in procurement.* In accordance with section 101(j) of NAHASDA, recipients may use Federal supply sources made available by the General Services Administration pursuant to 40 U.S.C. 501.

(12) 2 CFR 200.318 through 200.327 apply, as modified in this paragraph (a)(12):

(i) *General.* These provisions apply when a Tribe does not have their own policies and procedures for procurement with non-Federal funds or when a TDHE does not follow the policies and procedures for procurement with non-Federal funds of the Tribe they serve.

(ii) *De minimis procurement.* A recipient shall not be required to comply with 2 CFR 200.318 through 200.327 with respect to any procurement, using a grant provided under NAHASDA, of goods and services with a value of less than $5,000, or such other higher amount as may be established in NAHASDA.

(iii) *Utilizing Federal supply sources in procurement.* In accordance with section 101(j) of NAHASDA, recipients may use Federal supply sources made available by the General Services Administration pursuant to 40 U.S.C. 501.

(13) 2 CFR 200.326 applies. There may be circumstances under which the bonding requirements of 2 CFR 200.326 are inconsistent with other responsibilities and obligations of the recipient. In such circumstances, acceptable methods to provide performance and payment assurance may include:

(i) Deposit with the recipient of a cash escrow of not less than 20 percent of the total contract price, subject to reduction during the warranty period, commensurate with potential risk;

(ii) Letter of credit for 25 percent of the total contract price, unconditionally payable upon demand of the recipient, subject to reduction during any warranty period commensurate with potential risk; or

(iii) Letter of credit for 10 percent of the total contract price, unconditionally payable upon demand of the recipient, subject to reduction during any warranty period commensurate with potential risk, and compliance with the

procedures for monitoring of disbursements by the contractor.

(14) 2 CFR 200.329(c) through (e) and (g), ''Monitoring and reporting program performance.''

(15) 2 CFR 200.334.

(16) 2 CFR 200.339.

(17) 2 CFR 200.344.

(b) *Cost principles.*

* * * * *

■ 86. In § 1000.30, revise paragraph (a) to read as follows:

§ 1000.30 What prohibitions regarding conflict of interest are applicable?

(a) *Applicability.* When procuring goods and services in accordance with 2 CFR part 200, the recipient or subrecipient must comply with the applicable conflict of interest requirements in 2 CFR 200.317 through 200. 319. In all other situations, the provisions of this section apply.

* * * * *

§ 1000.52 [Amended]

■ 87. In § 1000.52(c)(2)(iii), remove ''through 200.326'' and add in its place ''through 200.327''.

■ 88. Add § 1000.438 to read as follows:

§ 1000.438 Are Title VI lenders and holders of Title VI guarantee certificates required to register for the System for Award Management (SAM) and obtain a Unique entity identifier (UEI)?

Yes. All Title VI lenders and holders of Title VI guarantee certificates must complete entity validations and acquire a unique entity identifier (UEI) in *SAM.gov* per 2 CFR 25.105.

PART 1003—COMMUNITY DEVELOPMENT BLOCK GRANTS FOR INDIAN TRIBES AND ALASKA NATIVE VILLAGES

■ 89. The authority citation for part 1003 continues to read as follows:

Authority: 42 U.S.C. 3535(d) and 5301 *et seq.*

§ 1003.4 [Amended]

■ 90. In § 1003.4, in the definition for ''Subrecipient'', remove ''through 200.326'' and add in its place ''through 200.327''.

■ 91. In § 1003.501, revise paragraphs (a) and (b)(1)(iii) to read as follows:

§ 1003.501 Applicability of uniform administrative requirements and cost principles.

(a) *Uniform Administrative Requirements.* Grantees and subrecipients shall comply with the requirements and standards of 2 CFR part 200, except for the following sections:

(1) 2 CFR 200.1 applies, except that, in lieu of the definition for Indian Tribe, the definition for Indian tribe in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302) will apply, and in lieu of the definition for *Subrecipient,* the definition for *Subrecipient* at § 1003.4 will apply.

(2) 2 CFR 200.302(a).

(3) 2 CFR 200.306.

(4) 2 CFR 200.307 applies as modified by § 1003.503.

(5) 2 CFR 200.308.

(6) 2 CFR 200.311 except as provided in § 1003.600.

(7) 2 CFR 200.313 applies, except that Tribal Organizations may follow the Tribal laws and procedures used by the Indian tribe it serves. In all cases in which the equipment is sold, the proceeds shall be program income in accordance with § 1003.503.

(8) 2 CFR 200.314 applies, except in all cases in which the supplies are sold, the proceeds shall be program income in accordance with § 1003.503.

(9) 2 CFR 200.317 applies, except that Tribal Organization may follow the same policies and procedures on procurement used by the Indian tribe it serves.

(10) 2 CFR 200.326 applies. However, there may be circumstances under which the bonding requirements of 2 CFR 200.326 are inconsistent with other responsibilities and obligations of the grantee. In such circumstances, acceptable methods to provide performance and payment assurance may include:

(i) Deposit with the grantee of a cash escrow of not less than 20 percent of the total contract price, subject to reduction during the warranty period, commensurate with potential risk; or

(ii) Letter of credit for 25 percent of the total contract price, unconditionally payable upon demand of the grantee, subject to reduction during the warranty period commensurate with potential risk.

(11) 2 CFR 200.329(c) through (e) and (g).

(12) 2 CFR 200.334 applies. However, the retention period referenced in 2 CFR 200.334 pertaining to individual ICDBG activities starts from the date of the submission of the final status and evaluation report as prescribed in § 1003.506(a) in which the specific activity is reported.

(13) 2 CFR 200.344.

(b) * * *

(1) * * *

(iii) Costs of housing (*e.g.,* depreciation, maintenance, utilities, furnishings, rent), housing allowances, and personal living expenses (goods or services for personal use, 2 CFR 200.445) require prior HUD approval.

* * * * *

§ 1003.503 [Amended]

■ 92. In § 1003.503(b)(7), remove ''2 CFR 200.307(e)(2)'' and add in its place ''2 CFR 200.307(b)(2)''.

§ 1003.507 [Amended]

■ 93. In § 1003.507, remove ''2 CFR 200.337'' and add in its place ''2 CFR 200.338''.

§ 1003.508 [Amended]

■ 94. In § 1003.508:

■ a. In paragraph (d), remove ''2 CFR 200.339'' and add in its place ''2 CFR 200.340''; and

■ b. In paragraph (e), remove ''2 CFR 200.342'' and add in its place ''2 CFR 200.343''.

§ 1003.510 [Amended]

■ 95. In § 1003.510(d)(3), remove ''of 2 CFR 200.320.'' and add in its place ''of 2 CFR 200.320.''.

■ 96. In § 1003.606, revise paragraph (a) to read as follows:

§ 1003.606 Conflict of interest.

(a) *Applicability.* When procuring goods and services in accordance with 2 CFR part 200, the grantee or subrecipient must comply with the applicable conflict of interest requirements in 2 CFR 200.317 through 200.319. In all other situations, the provisions of this section apply.

* * * * *

PART 1005—LOAN GUARANTEES FOR INDIAN HOUSING

■ 97. The authority citation for part 1005 continues to read as follows:

Authority: 12 U.S.C. 1715z–13a; 15 U.S.C. 1639c; 42 U.S.C. 3535(d).

§ 1005.217 [Amended]

■ 98. In § 1005.217(b)(7), remove ''1005.219(d)(3)'' and add in its place ''1005.219(f)(3)''.

■ 99. In § 1005.219:

■ a. Redesignate paragraphs (b) through (e) as paragraphs (d) through (g); and

■ b. Add new paragraphs (b) and (c).

The additions read as follows:

§ 1005.219 Other requirements.

* * * * *

(b) *Registration in SAM.gov.* All Holders and Direct Guarantee Lenders must complete entity validations and acquire a UEI in *SAM.gov* per 2 CFR 25.105.

(c) *Compliance with 2 CFR part 200, subpart F.* All Holders and Direct Guarantee Lenders that are States, local governments, Tribes, or nonprofit

organizations must comply with the audit requirements of 2 CFR part 200, subpart F.

* * * * *

§ 1005.739 [Amended]

■ 100. In § 1005.739(h), remove ''1005.219(d)(2)'' and add in its place ''1005.219(f)(2)''.

§ 1005.803 [Amended]

■ 101. In § 1005.803(a), remove ''1005.219(d)(2)'' and add in its place ''1005.219(f)(2)''.

PART 1006—NATIVE HAWAIIAN HOUSING BLOCK GRANT PROGRAM

■ 102. The authority citation for part 1006 continues to read as follows:

Authority: 12 U.S.C. 1701x, 1701x–1; 25 U.S.C. 4221 *et seq.;* 42 U.S.C. 3535(d), Pub. L. 115–141, Pub. L. 116–6, Pub. L. 116–94, Pub. L. 116–260, Pub. L. 117–103, Pub. L. 117–328.

■ 103. In § 1006.340, revise paragraph (b) to read as follows:

§ 1006.340 Treatment of program income.

* * * * *

(b) *Authority to retain.* The DHHL may retain any program income that is realized from any NHHBG funds if:

(1) That income was realized after the initial disbursement of the NHHBG funds received by the DHHL; and

(2) The DHHL agrees to use the program income for affordable housing activities in accordance with the provisions of the Act and this part.

* * * * *

■ 104. Revise § 1006.360 to read as follows:

§ 1006.360 Conflict of interest.

When procuring goods and services in accordance with 2 CFR part 200, DHHL and its contractors must comply with the applicable conflict of interest requirements in 2 CFR 200.317 through 200.319.

■ 105. In § 1006.370:

■ a. Revise paragraph (a);

■ b. Add a heading to paragraph (b);

■ c. Revise paragraphs (b)(1)(iii) and (b)(2); and

■ d. Add paragraph (c).

The revisions and additions read as follows:

§ 1006.370 Uniform administrative, requirements, cost principles, and audit requirements for Federal awards.

(a) *Uniform Administrative Requirements.* The DHHL and subrecipients receiving NHHBG funds shall comply with the requirements and standards of 2 CFR part 200, ''Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards'' except as otherwise provided by this section.

(b) *Cost principles.*

(1) * * *

(iii) Costs of housing (*e.g.,* depreciation, maintenance, utilities, furnishings, rent), housing allowances, and personal living expenses (goods or services for personal use, 2 CFR 200.445).

* * * * *

(2) In addition, no person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with NHHBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. The Executive Pay Schedule can be obtained by visiting *https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages.*

(c) Section 200.305 applies, except that HUD shall not require DHHL to expend retained program income before drawing down or expending NHHBG funds.

§ 1006.420 [Amended]

■ 106. In § 1006.420(b)(3), remove ''2 CFR 200.333'' and add in its place ''2 CFR 200.334''.

PART 1007—SECTION 184A LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING

■ 107. The authority citation for part 1007 continues to read as follows:

Authority: 12 U.S.C. 1715z–13b; 15 U.S.C. 1639c; 42 U.S.C. 3535(d).

■ 108. In § 1007.50, add paragraphs (e) and (f) to read as follows:

§ 1007.50 Certificate of guarantee.

* * * * *

(e) *Registration in SAM.gov.* All lenders and subsequent holders of the loan guarantee must complete entity validations and acquire a UEI in *SAM.gov* per 2 CFR 25.105.

(f) *Compliance with 2 CFR part 200, subpart F.* All lenders and subsequent holders of the loan guarantee that are States, local governments, or nonprofit organizations must comply with the audit requirements of 2 CFR part 200, subpart F.

Damon Y. Smith,

General Counsel.

[FR Doc. 2024–30260 Filed 12–30–24; 8:45 am]

BILLING CODE 4210–67–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 700

[EPA–HQ–OPPT–2024–0501; FRL–12463–01–OCSPP]

Preliminary Lists Identifying Manufacturers Subject to Fee Obligations for Five Chemical Substances Undergoing EPA-Initiated Risk Evaluations Under the Toxic Substances Control Act (TSCA); Notice of Availability and Request for Comment

AGENCY: Environmental Protection Agency (EPA).

ACTION: Determination; request for comments.

SUMMARY: The Environmental Protection Agency (EPA or Agency) is announcing the availability of and soliciting comment on the preliminary lists of manufacturers (including importers) of five chemical substances that have been designated as High-Priority Substances for risk evaluation under the Toxic Substances Control Act (TSCA) and for which fees will be charged. As required by TSCA, EPA established fees to defray a portion of the costs associated with administering certain provisions of TSCA. The comment period provides an opportunity for the public to provide comments, self-identify, or correct errors on the preliminary lists. In addition, manufacturers (including importers) are required to self-identify as a manufacturer (or importer) of one or more the five identified High-Priority Substances irrespective of whether they are included on the preliminary lists, and may use this period to do so. Where appropriate, entities may also avoid or reduce fee obligations by making certain certifications consistent with the TSCA Fees Rule. EPA expects to publish final lists of manufacturers (including importers) subject to fees no later than concurrently with the publication of the final scope documents for risk evaluations of these five High-Priority Substances. Manufacturers (including importers) identified on the final lists will be subject to the applicable fees.

DATES: Comments must be received on or before March 3, 2025.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA–HQ–OPPT–2024–0501, online at *https://www.regulations.gov.* Follow the online instructions for submitting comments. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.