

Counsel, (202) 366–8839, [Adam.Sleeter@dot.gov](mailto:Adam.Sleeter@dot.gov), Federal Highway Administration, 1200 New Jersey Avenue SE, Washington, DC 20590. Office hours are from 8 a.m. to 4:30 p.m., E.T., Monday through Friday, except Federal holidays.

#### SUPPLEMENTARY INFORMATION:

##### Electronic Access and Filing

This document may be viewed online through the Federal eRulemaking portal at [www.regulations.gov](http://www.regulations.gov). The website is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded by accessing the Office of the Federal Register's website at: [www.federalregister.gov](http://www.federalregister.gov).

##### Background

FHWA had initiated a rulemaking titled “Update of 23 CFR part 630, subparts A and G,” Regulation Identifier Number (RIN) 2125–AG03, to update the regulations pertaining to project authorization and agreements and advance construction of Federal-aid projects in title 23, Code of Federal Regulations, part 630. This rulemaking project was listed on FHWA’s Unified Agenda; however, no Notice of Proposed Rulemaking was published in the **Federal Register**.

Consistent with President Trump’s commitment to ending unlawful, unnecessary, and onerous regulations, FHWA is reviewing its existing regulations and ongoing regulatory activities for alignment with law and Administration priorities. FHWA is terminating this rulemaking activity because further rulemaking action does not align with current Agency needs, priorities, and objectives. FHWA continues to consider the best means of addressing some or all of the implementation issues surrounding these regulations and the scope of any Agency actions FHWA concludes may be necessary related to implementing these regulations.

In addition, all Agencies participate in the semi-annual Unified Agenda, which provides a summary description of the rulemaking actions that each Agency is considering or reviewing. Agencies’ agendas are posted on the public website of the Office of Information and Regulatory Affairs, and portions are published in the **Federal Register** in the spring and fall of each year. The Unified Agenda is often used as a tool to solicit interest and participation from stakeholders. Termination of this rulemaking will allow FHWA to better align its entries on the Department’s Unified Agenda

with the Agency’s needs, priorities, and objectives.

Accordingly, for these independently sufficient reasons, FHWA is terminating the rulemaking associated with RIN 2125–AG03. By terminating the rulemaking, FHWA is indicating that it no longer considers this rulemaking to be pending. Should FHWA decide at a future date to initiate the same or similar rulemaking, FHWA will initiate a new rulemaking under a new RIN, consistent with the requirements of the Administrative Procedure Act, Title 5, United States Code, 553.

**Gloria M. Shepherd,**  
*Executive Director, Federal Highway Administration.*

[FR Doc. 2025–09887 Filed 6–2–25; 8:45 am]

BILLING CODE 4910–22–P

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### 24 CFR Parts 108 and 200

[Docket No. FR–6533–P–01]

RIN 2501–AE13

### Rescission of Affirmative Fair Housing Marketing Regulations

**AGENCY:** Office of the Secretary, U.S. Department of Housing and Urban Development (HUD).

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would rescind the Department’s Affirmative Fair Housing Marketing regulations, which require a participant in an FHA insurance or Multifamily Housing rental assistance program to complete and submit a form supplied by HUD that describes its affirmative fair housing marketing plan.

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

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposed rule. All submissions must refer to the docket number and title. There are two methods for submitting public comments.

1. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <https://www.regulations.gov>.

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.

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

#### FOR FURTHER INFORMATION CONTACT:

Scott Knittle, Principal Deputy General Counsel, U.S. Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410; telephone number 202–402–2244 (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 from 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

HUD’s regulations governing Affirmative Fair Housing Marketing (“AFHM”) are contained in 24 CFR parts 108 and 200, subpart M. See final rule, Compliance Procedures for Affirmative Fair Housing Marketing, 44 FR 47012 (August 9, 1979), codified as amended at 24 CFR part 200, subpart M—Affirmative Fair Housing Marketing Regulations, 37 FR 75 (January 5, 1972), codified as amended at 24 CFR part 200, subpart M. These regulations require applicants for participation in Federal Housing Administration (FHA) housing programs to “pursue affirmative fair housing marketing policies in soliciting buyers and tenants, in determining their eligibility, and in concluding sales and rental transactions.” 24 CFR 200.610. These regulations state that a marketing program “shall typically involve publicizing to minority persons the availability of housing opportunities regardless of race, color, religion, sex, handicap or familial status or national origin, through the type of media customarily utilized by the applicant, including minority publications or other minority outlets which are available in the housing market area.” 24 CFR 200.620(a). These regulations additionally require applicants to submit affirmative fair housing marketing plans, to be approved by HUD and made available for public inspection. 24 CFR 200.625. Applicants who fail to comply with these requirements are “liable to sanctions.” 24 CFR 200.635; *see also* 24 CFR 108.50.

The compliance procedures under these regulations are extensive. Ninety days before engaging in sales or rental marketing activities, applicants must “submit a Notification of Intent to Begin Marketing to the monitoring office.” 24 CFR 108.15. The monitoring office reviews reports, monitors AFHM plans, and refers matters to the civil rights or compliance reviewing office for possible



sanctions. 24 CFR 108.20. If an applicant fails to comply, a compliance meeting must be held. 24 CFR 108.25. Individuals, as well as private and public entities, may file complaints alleging violations of these regulations. 24 CFR 108.35.

## II. Justification for Rulemaking

Upon reviewing these regulations, HUD has determined that they should be rescinded for six independent reasons.

### A. The AFHM Regulations Are Inconsistent With HUD's Authority Under the Fair Housing Act and Executive Order 11063

The Fair Housing Act, 42 U.S.C. 3601, *et seq.* ("the Act"), prohibits discrimination in the sale or rental of housing, in residential real-estate transactions, and in the provision of brokerage services. Discrimination includes, among other things, refusing to rent or sell "because of race, color, religion, sex, familial status, or national origin." 42 U.S.C. 3604(a).<sup>1</sup> HUD's rulemaking authority is cabined to those rules necessary to prevent discrimination. *See United States v. Mid-America Apartment Cmty., Inc.*, 247 F. Supp. 3d 30, 35 (D.D.C. 2017). The Affirmative Fair Housing Marketing regulations are not about preventing discrimination; rather, they require applicants to *affirmatively* attract minority persons and to do so through "minority publications or other minority outlets." 24 CFR 200.620. Far from supporting the race-neutral and purely prohibitory requirements of the Act, the AFHM regulations require private parties to sort individuals by race and engage in outreach based on race.

Moreover, the AFHM regulations require compliance with these affirmative obligations under the threat of sanctions. *See* 24 CFR 200.635. Failing to provide outreach to minority groups is not "discrimination" as defined by the Act, yet the AFHM regulations punish noncompliance with the "denial of further participation in Departmental programs and referral to the Department of Justice for suit by the United States for injunctive or other appropriate relief." 24 CFR 108.50. The Act provides no basis for such a punishment. Again, the FHA and Executive Order 11063 are aimed at discrimination against persons because of race, not informational disparities. To the extent there are informational

disparities, HUD has other tools under the statute to address that issue. It is inappropriate for HUD to require applicants, without payment, to do this outreach instead. *See Whitman v. Am. Trucking Ass'n, Inc.*, 531 U.S. 457, 467–68 (2001) ("Congress, we have held, does not alter the fundamental details of a regulatory scheme in vague terms or ancillary provisions—it does not, one might say, hide elephants in mouseholes.").

### B. The AFHM Regulations Are Unconstitutional Under the Equal Protection Clause

Regardless of statutory authority, the AFHM regulations are unconstitutional under the Equal Protection Clause. Requiring applicants to reach out to different racial groups, in different mediums, perpetuates the "impermissible racial stereotype" that "members of the same racial group—regardless of their age, education, economic status, or the community in which they live—think alike." *Students for Fair Admissions, Inc. v. President & Fellows of Harv. Coll.*, 600 U.S. 181, 220 (2023). The AFHM regulations also require applicants to favor some racial groups over others, without a compelling interest. The regulations mandate "publicizing to minority persons the availability of housing opportunities." 24 CFR 200.620(a). But "racial discrimination is invidious in all contexts," even when it favors minority groups over majority groups. *Students for Fair Admissions*, 600 U.S. at 213. The AFHM regulations require exactly that—emphasizing minority groups over majority groups for outreach.

### C. If the Act Permitted the AFHM Regulations, It Would Be an Unconstitutional Delegation of Legislative Power

If the Act were to permit the AFHM regulations, the statute would be an unconstitutional delegation of legislative power. Article I provides that "[a]ll legislative Powers herein granted shall be vested in a Congress of the United States." U.S. Const. Art. I, section 1. "Accompanying that assignment of power to Congress is a bar on its further delegation." *Gundy v. United States*, 588 U.S. 128, 135 (2019). If 42 U.S.C. 3614a—which states, the "Secretary may make rules . . . to carry out this subchapter"—is read to permit any regulation to carry out the broad purposes of the Act, without even a public interest limitation, then there is no "intelligible principle." *See id.* The AFHM regulations do more than simply "fill up the details," and create burdensome, affirmative obligations out

of whole cloth. *Wayman v. Southard*, 23 U.S. 1, 6 (1825). Worse, these obligations come with a serious threat of sanction. None of this was contemplated by the statute in more than vague terms.

### D. HUD's Color-Blind Policy

Regardless of the constitutionality of the regulations, it is the policy of the Department not to require applicants to engage in racial sorting. HUD should encourage applicants to be color-blind, as it is always immoral to treat some racial groups differently than others. Even if the regulations increase visibility for minority housing applicants or have other purported benefits, they are outweighed by these important moral considerations.

### E. Decreasing Burden on Applicants

It is the policy of the Department not to burden applicants unless they have engaged in discrimination. Even if there are benefits associated with the affirmative outreach in the AFHM regulations, the Department's policy is that it is wrong to put the economic burden on innocent private actors to achieve those benefits. HUD's commitment to that value judgment outweighs the potential downsides of eliminating the AFHM requirements, including the possibility that some racial groups will receive more information about housing opportunities than others.

### F. HUD's Policy Is To Prevent Discrimination; Not To Equalize Statistical Outcomes

It is the policy of the Department to prevent discrimination, not to equalize statistical outcomes; however, AFHM regulations are based on an assumption that equal outcomes are what matter. Reviews of AFHM plans include ensuring that those plans "accomplish . . . intended objective[s]," 24 CFR 108.20, but the objective of the Act is to eliminate discrimination. The AFHM plans are aimed at increasing the number of minority tenants in FHA assisted housing, not simply eliminating discrimination. The Department's policy outweighs any possible advantages of the AFHM regulations.

HUD has determined that each of these reasons, independently and alone, justifies rescission of the AFHM regulations. Regardless of their benefit, or any past findings, HUD must not maintain regulations that are unlawful. HUD has determined that there is no reliance interest in an unlawful regulation. *See Dep't of Homeland Sec. v. Regents of the Univ. of California*, 591 U.S. 1, 32 (2020). Moreover, regardless of lawfulness, HUD has no interest in

<sup>1</sup> The Act also makes it unlawful to discriminate because of disability; that prohibition is reflected in different paragraphs (*e.g.*, § 3604(f)).



maintaining a rule that requires racial sorting, deems potentially innocent private parties as discriminators, and puts the burden on private parties without any evidence of discrimination. Those interests, too, outweigh any reliance interests that may exist.

To the extent there is any uncertainty about the costs and benefits of the AFHM regulations, it is also the policy of HUD to err on the side of deregulation. HUD's limited resources should be focused on fairly and rationally enforcing a discrete and manageable number of regulations. The AFHM regulations are not a priority.

### III. Justification for Shortened Comment Period

For HUD rules issued for public comment, it is HUD's policy to afford the public "not less than sixty days for submission of comments" (24 CFR 10.1). In cases in which HUD determines that a shorter public comment period may be appropriate, it is also HUD's policy to provide an explanation of why the public comment period has been abbreviated.

Based on the justification for this rulemaking stated above, HUD has determined that it is in the public interest to rescind the AFHM regulations as expeditiously as possible. As such, while HUD seeks and values input in the form of public comments, HUD has determined that a shortened public comment period is justified. In this regard, HUD notes that interested members of the public are familiar with these regulations and should be able to respond effectively within the 30-day period.

### IV. This Proposed Rule

For the reasons stated above, this proposed rule would remove 24 CFR part 108 in its entirety (§§ 108.1 through 108.50) as well as subpart M of part 200 in its entirety (§§ 200.600 through 200.640).

### V. Findings and Certifications

#### *Executive Orders 12866 and 13563, Regulatory Planning and Review*

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health, and safety effects; distributive impacts; and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules,

and of promoting flexibility. This proposed rule has been determined to be a "significant regulatory action," as defined in section 3(f) of Executive Order 12866, but not economically significant. Additionally, this proposed rule would reduce the administrative and economic burdens placed on applicants due to the AFHM regulations and is consistent with Executive Order 13563.

#### *Executive Order 14192, Regulatory Costs*

Executive Order 14192, entitled "Unleashing Prosperity Through Deregulation," was issued on January 31, 2025. Section 3(c) of Executive Order 14192 requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. The current burden estimate for Affirmative Fair Housing Marketing Plans is more than 12,102 hours annually. This consists of 5,703 Multifamily respondents and 30 Single Family and/or Condo/Cooperative respondents either submitting new plans or reviewing and updating (or determining that updates are not necessary) existing plans. The proposed rule would eliminate this burden.

OMB has determined that this proposed rule would be a repeal of a regulation resulting in reduced regulatory costs for purposes of Executive Order 14192 by providing flexibility and reduced burdens for applicants.

#### *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 Executive order. This proposed rule would not have federalism implications and would not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

#### *Environmental Impact*

This proposed rule is a policy document that sets out fair housing standards. Accordingly, under 24 CFR 50.19(c)(3), this rulemaking is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*).

#### *Regulatory Flexibility Act*

The Regulatory Flexibility Act (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 proposed rule would remove the economic and administrative burden on applicants that require them to market to different racial or other minority groups. Specifically, the rulemaking would remove the requirement for applicants to submit to HUD fair housing marketing plans and notifications of intent to begin marketing. To the extent the proposed revisions result in an economic impact, that impact would be positive as the rulemaking would not only reduce costs associated with marketing campaigns but would also relieve applicants of possible sanctions due to AFHM compliance.

Accordingly, for the foregoing reasons, the undersigned certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities. Notwithstanding HUD's determination that this proposed rule would not have a significant effect on a substantial number of small entities, HUD specifically invites comments regarding any less burdensome alternatives to this proposed rule that will meet HUD's objectives as described in the preamble.

#### *Paperwork Reduction Act*

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid Office of Management and Budget (OMB) control number. This proposed rule would not impose any information collection requirements.

#### *Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4; approved March 22, 1995) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments, and on the private sector. This rulemaking does not impose any Federal mandates on any State, local, or Tribal government, or on the private sector, within the meaning of the UMRA.

### VI. Electronic Access and Filing

Comments submitted electronically through the <https://www.regulations.gov>



website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

All comments and communications properly submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled 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 from 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>.

#### List of Subjects

##### 24 CFR Part 108

Fair housing, 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.

Accordingly, for the reasons described in the preamble, HUD proposes to amend 24 CFR chapters I and II as follows:

#### PART 108—[REMOVED AND RESERVED]

- 1. Under the authority of 42 U.S.C. 3608 and 3535(d), remove and reserve part 108.

#### PART 200—INTRODUCTION TO FHA PROGRAMS

- 2. 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).

#### Subpart M—[Removed and Reserved]

- 3. Remove and reserve subpart M.

**Scott Turner,**  
*Secretary.*

[FR Doc. 2025–09991 Filed 6–2–25; 8:45 am]

**BILLING CODE 4210–67–P**

#### DEPARTMENT OF THE TREASURY

##### Internal Revenue Service

##### 26 CFR Part 1

[REG–107420–24]

RIN 1545–BR21

##### Source of Income From Cloud Transactions; Hearing

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

**ACTION:** Notice of proposed rulemaking; notice of hearing.

**SUMMARY:** This document provides a notice of public hearing on proposed rules for determining the source of income from cloud transactions for purposes of the international provisions of the Internal Revenue Code.

**DATES:** The public hearing on these proposed rules has been scheduled for Thursday, July 17, 2025, at 10:00 a.m. Eastern Time (ET). The IRS must receive speakers' outlines of the topics to be discussed at the public hearing by June 17, 2025. If no outlines are received by June 17, 2025, the public hearing will be cancelled.

**ADDRESSES:** The public hearing is being held in the Auditorium, at the Internal Revenue Service Building, 1111 Constitution Avenue NW, Washington, DC. Due to security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present a valid photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. Participants may alternatively attend the public hearing by telephone.

Send submissions to CC:PA:01:PR (REG–107420–24), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday to CC:PA:01:PR (REG–107420–24), Couriers Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC 20224 or sent electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (REG–107420–24).

#### FOR FURTHER INFORMATION CONTACT:

Concerning the proposed rules, Jacob Nava at (202) 317–4432, (not a toll-free number); concerning submissions of requests to testify, the hearing and/or to be placed on the building access list to attend the public hearing, contact the Publications and Regulations Section of the Office of Associate Chief Counsel (Procedure and Administration) by email at [publichearings@irs.gov](mailto:publichearings@irs.gov) (preferred) or by telephone at (202) 317–6901 (not a toll free number).

**SUPPLEMENTARY INFORMATION:** The subject of the public hearing is the notice of proposed rulemaking (REG–107420–24) that was published in the **Federal Register** on Tuesday, January 14, 2025 (90 FR 3075).

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit an outline of the topics to be discussed and the time to be devoted to each topic by June 17, 2025.

A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing and via the Federal eRulemaking Portal ([www.regulations.gov](http://www.regulations.gov)) under the title of Supporting & Related Material. If no outline of the topics to be discussed at the hearing is received by June 17, 2025, the public hearing will be cancelled. If the public hearing is cancelled, a notice of cancellation of the public hearing will be published in the **Federal Register**.

Individuals who want to testify in person at the public hearing must send an email to [publichearings@irs.gov](mailto:publichearings@irs.gov) to have your name added to the building access list. The subject line of the email must contain the regulation number REG–107420–24 and the language TESTIFY In Person. For example, the subject line may say: Request to TESTIFY In Person at Hearing for REG–107420–24. Submit of an outline of testimony as prescribed in the **ADDRESSES** paragraph of this document.

Individuals who want to testify by telephone at the public hearing must send an email to [publichearings@irs.gov](mailto:publichearings@irs.gov) to receive the telephone number and access code for the hearing. The subject line of the email must contain the regulation number REG–107420–24 and the language TESTIFY Telephonically. For example, the subject line may say: Request to TESTIFY Telephonically at Hearing for REG–107420–24. Submit of an outline of testimony as prescribed in