

and 3(b)(2) of Executive Order 12988 to eliminate ambiguity, minimize litigation, establish clear legal standards, and reduce burden.

Paperwork Reduction Act

This rule does not impose any new reporting or recordkeeping requirements subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

List of Subjects in 22 CFR Part 123

Arms and munitions, Exports.

Accordingly, for the reasons set forth above, Title 22, Chapter I, Subchapter M, part 123 is proposed to be amended as follows:

PART 123—LICENSES FOR THE EXPORT OF DEFENSE ARTICLES

1. The authority citation for part 123 continues to read as follows:

Authority: Secs. 2, 38, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2797); 22 U.S.C. 2753; E.O. 11958, 42 FR 4311; 3 CFR, 1977 Comp. p. 79; 22 U.S.C. 2651a; 22 U.S.C. 2776; Pub. L. 105–261, 112 Stat. 1920; Sec 1205(a), Pub. L. 107–228.

2. Section 123.21 is amended by revising the heading and paragraph (b) to read as follows:

§ 123.21 Duration, renewal, and disposition of licenses.

* * * * *

(b) Unused, expired, suspended, or revoked licenses must be handled in accordance with § 123.22(c) of this subchapter.

3. Section 123.22 is amended by revising paragraph (c) to read as follows:

§ 123.22 Filing, retention, and return of export licenses and filing of export information.

* * * * *

(c) *Return of licenses.* Per § 123.21 of this subchapter, all DSP licenses issued by the Directorate of Defense Trade Controls (DDTC) must be disposed of in accordance with the following:

(1) DSP–5 licenses issued electronically by DDTC and decremented electronically by the U.S. Customs and Border Protection through the Automated Export System (AES) are not required to be returned to DDTC. The DSP–5 licenses, when fully decremented or expired, must be maintained by the applicant in accordance with § 122.5 of this subchapter.

(2) DSP–5, DSP–61, DSP–73, and DSP–85 licenses issued by DDTC but not decremented electronically by the U.S. Customs and Border Protection through AES (e.g., oral or visual technical data releases or temporary import and export licenses retained in

accordance with paragraph (a)(2) of this section), must be returned by the applicant to DDTC upon expiration, to include when the total value or quantity has been shipped. A copy must be maintained by the applicant in accordance with § 122.5 of this subchapter. AES does not decrement the DSP–61, DSP–73, and DSP–85 licenses. Submitting the Electronic Export Information is not considered to be decremented electronically for these licenses.

(3) A DSP–94 authorization filed with the U.S. Customs and Border Protection must be returned by the applicant to DDTC upon expiration, to include when the total value or quantity has been shipped. AES does not decrement the DSP–94 authorization. Submitting the Electronic Export Information is not considered to be decremented electronically for the DSP–94. A copy of the DSP–94 must be maintained by the applicant in accordance with § 122.5 of this subchapter.

(4) Licenses issued but not used by the applicant do not need to be returned to DDTC, even when expired.

(5) Licenses which have been revoked by DDTC are considered expired and must be handled in accordance with paragraphs (c)(1) and (2) of this section.

Dated: July 7, 2011.

Ellen O. Tauscher,

Under Secretary, Arms Control and International Security, Department of State.

[FR Doc. 2011–17806 Filed 7–13–11; 8:45 am]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 200

[Docket No. FR–5458–P–01]

RIN 2502–AI96

Federal Housing Administration (FHA) Appraiser Roster: Appraiser Qualifications for Placement on the FHA Appraiser Roster

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

ACTION: Proposed rule.

SUMMARY: This proposed rule updates HUD's regulations to conform to the statutory requirement that appraisers must be certified, rather than licensed, by a state appraisal licensing board in order to appear on the FHA Appraiser Roster. This requirement was established by the Housing and Economic Recovery Act of 2008. Although current HUD practice is in

compliance with the statutory mandate, the regulations reflect outdated prior policy of permitting state-licensed appraisers to be listed on the FHA Appraiser Roster. In addition, HUD has taken this opportunity to update the FHA Appraiser Roster by replacing the obsolete references to the Credit Alert Interactive Voice Response System with references to its successor, the online-based Credit Alert Verification Reporting System.

DATES: *Comment Due Date:* September 12, 2011.

ADDRESSES: Interested persons are invited to submit comments regarding this proposed rule to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410–0500. Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. *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 20410–0001.

2. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://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 them immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> Web site 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.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule. *No Facsimile Comments.* Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications 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). Individuals with speech or hearing impairments may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339. Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Karin Hill, Director, Office of Single Family Program Development, Office of Housing, Department of Housing and Urban Development, 451 7th Street, SW., Room 9278, Washington, DC 20410-8000; telephone number 202-708-2121 (this is not a toll-free number). Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

A. The FHA Appraiser Roster

To qualify for FHA insurance for a single-family mortgage, a lender must obtain an appraisal of the property that is to be the security for the loan. Only an appraiser listed on HUD's FHA Appraiser Roster may perform the appraisal. Under HUD's current regulation in 24 CFR 200.202(b), an applicant who wishes to be included on the FHA Appraiser Roster must be a state-licensed or state-certified appraiser under the minimum criteria issued by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation, a not-for-profit, private educational foundation. The applicant must not be listed on the General Services Administration's Suspension and Debarment list, on HUD's Limited Denial of Participation list, or in HUD's Credit Alert Interactive Voice Response System (CAIVRS). HUD's regulations for the Appraiser Roster are codified in subpart G of 24 CFR part 200 (consisting of §§ 200.200-200.206).

B. The Housing and Economic Recovery Act of 2008

Section 1404 of the Housing and Economic Recovery Act of 2008 (HERA) (Pub. L. 110-289, approved July 30, 2008) amended section 202 of the National Housing Act (12 U.S.C. 1708) to revise qualification standards for FHA-approved appraisers. HERA amended what is now section 202(g) of the National Housing Act¹ to mandate

that all appraisers chosen or approved to conduct appraisals of properties that will be security for FHA-insured mortgages must be "certified": (1) By the state in which the property to be appraised is located, or by a nationally recognized professional appraisal organization; and (2) have demonstrated verifiable education in the appraisal requirements established by FHA. Under amended section 202(g) of the National Housing Act, licensed appraisers are no longer authorized to conduct appraisals of properties securing an FHA-insured mortgage.

In order to comply with HERA's requirements governing who qualifies as an FHA-approved appraiser, HUD issued a Mortgagee Letter, ML 2008-39, on December 17, 2008. The mortgagee letter advised appraisers of the revised eligibility requirements to qualify for placement on the FHA Appraiser Roster and provided a timeline for implementation of those requirements. Despite the fact that HERA's provisions were made effective upon enactment, FHA determined that the loss of available FHA Roster appraisers in certain locations would impede its ability to support affordable mortgage financing in those areas and hinder use of FHA single-family programs at a time when use of those programs has increased significantly. Therefore, in order to implement this change in appraiser eligibility requirements in a manner that was not disruptive to the FHA mortgage lending process, ML 2008-39 provided a deadline of October 1, 2009, for all FHA appraisers on the Appraisal Roster to become state-certified. In addition, the mortgage letter indicated that FHA had ceased to accept applications by state-licensed appraisers on October 1, 2008, in order to comply with HERA.²

Given the need to implement the new HERA requirements as quickly as possible, HUD chose the HERA option that FHA appraisers must be state-certified rather than the option that would permit appraisers to be certified by appraisal organizations. HUD recognized that it would take time for

National Housing Act. Besides amending the FHA appraiser qualifications, HERA, in section 2116, redesignated section 202(e) as 202(f). Section 203(b) of the Helping Families Save Their Homes Act of 2009 (Pub. L. 111-22, approved May 20, 2009) added a new subsection (d) to section 202 of the National Housing Act entitled "Limitations on Participation in Origination and Mortgage Approval." Consequently, the provision regarding FHA appraisers was redesignated as section 202(g) of the National Housing Act, the section where the provision is contained at the time of this writing.

² Copies of the mortgagee letters referenced in this final rule may be downloaded from <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/>.

HUD to decide upon which nationally recognized professional appraisal organizations HUD would designate as organizations acceptable for certification of appraisers who would be approved for the FHA Appraiser Roster. HUD would need to review the organization's appraiser approval criteria and ensure that the organization, in fact, issues certifications. Since HERA allowed for FHA-approved appraisers to be state-certified appraisers, HUD determined, as is more fully discussed in the next section, that state-certified appraisers not only meet the higher education and experience standards that HERA sought to be used for FHA-insured transactions (all states provide for higher education and experience standards for state-certified appraisers than are provided for state-licensed appraisers) but also that utilizing only state-certified appraisers is a more efficient and expedient approach to ensure the availability of highly qualified appraisers to serve as FHA-approved appraisers.

C. Nationally Recognized Professional Appraiser Organizations

HERA provides that appraisers may either be state-certified or certified by a "nationally recognized professional appraisal organization" in order to appear on the Roster. FHA recognizes the potential benefits of the flexibility of accepting either form of certification. However, FHA has determined that in order to prevent disruption and to ensure efficient processing of mortgage insurance, FHA will accept only state certification and not the certification of a "nationally recognized professional appraisal organization."

Currently, there are approximately 55,000 appraisers on the Roster, and all of these appraisers are state-certified and would already be in compliance with the changes this proposed rule would make. Accordingly, choice of appraisers who are state-certified would mean no interruption of processing mortgage insurance. FHA recognizes that in ML 2008-39 it was announced that FHA considered the Appraisal Foundation to be a nationally recognized professional appraisal organization and that FHA would publish a notice in the **Federal Register** requesting comments on what FHA should consider in examining nationally recognized professional appraisal organizations. Upon further consideration, FHA has determined that while the Appraisal Foundation may be a nationally recognized professional appraisal organization, it does not issue certifications. In addition, because state certification sufficiently accomplishes

¹ Before HERA was enacted on July 30, 2008, the statutory provisions regarding FHA appraiser qualifications were codified in section 202(e) of the

the statutory purpose of ensuring higher quality appraisals, it is unnecessary to request comments on nationally recognized professional appraisal organizations.

D. Credit Alert Interactive Voice Response System (CAIVRS)

CAIVRS was implemented in 1988 as an FHA loan origination aid. CAIVRS is used to determine if a potential borrower has a federal debt that is currently in default or foreclosure or has had a claim paid by the reporting agency within the last 3 years. Federally approved lenders use CAIVRS to prescreen all applicants for federally insured loans. Since 1997, FHA-approved lenders have had Internet access to CAIVRS via the FHA Connection online system to check the Social Security Number of each borrower and coborrower or nonprofit agency acting as a borrower listed on a new FHA loan application. As noted above, under the existing FHA Appraiser Roster regulations, an appraiser will not be approved by FHA if the appraiser is listed on CAIVRS and thus has a federal debt that is currently in default or foreclosure or has had a claim paid by the reporting agency within the last 3 years.

On July 11, 2008, HUD issued ML 2008-18, stating that HUD was discontinuing telephone access to CAIVRS because the hardware supporting the telephone access was obsolete and could no longer be repaired or maintained. Access to CAIVRS is now available solely through the Internet, and CAIVRS is now known as the Credit Alert Verification Reporting System, although the acronym remains the same.

II. This Proposed Rule

This proposed rule conforms the FHA Appraiser Roster regulations regarding eligibility requirements of appraisers to qualify for placement and retention on the Appraiser Roster by making the regulations consistent with both HERA's mandate that all FHA approved appraisers be state-certified and HUD's current policy regarding state-certification of appraisers as set forth in ML 2008-39. In order to make the Appraiser Roster regulations consistent with current statute, all references to state licensing and state-licensed appraisers are removed from the regulations in § 200.202 and § 200.204. This final rule also eliminates the reference to the Credit Alert Interactive Voice Response System in § 200.202. Because the Credit Alert Interactive Voice Response System no longer exists, the phrase has been replaced with

“Credit Alert Verification Reporting System,” the new appraiser alert system put in place by ML 2008-18.

III. Findings and Certification

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.

The proposed rule would not add any new regulatory burdens on FHA-approved appraisers or applicants for FHA approval. HERA requires that an appraiser be state-certified to be approved by FHA to be on the Appraiser Roster. HUD ceased accepting applications from state-licensed appraisers on October 1, 2008, and all appraisers already on the Appraiser Roster must have become state-certified by October 1, 2009, to remain on the Appraiser Roster. This proposed rule will not create new costs for small entities of appraisers or of lenders because the rule does not impose any new requirements on appraisers. In addition, FHA's Appraisal Roster pertains solely to individuals, not to entities. Individual appraisers must apply to be on the FHA Appraiser Roster. Therefore, the undersigned certifies that this rule will not have a significant impact on a substantial number of small entities.

Notwithstanding HUD's view that this rule will not have a significant effect on a substantial number of small entities, HUD specifically invites comments regarding any less burdensome alternatives to this rule that will meet HUD's objectives as described in this preamble.

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 rule will 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.

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 on the private sector. This rule does not impose any federal mandates on any state, local, or tribal governments, or on the private sector, within the meaning of UMRA.

Environmental Impact

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 rule is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Paperwork Reduction Act

The information collection requirements for this rule have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) and assigned OMB control number 2502-0538. In accordance with the Paperwork Reduction Act, 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 OMB control number.

Catalogue of Federal Domestic Assistance

The Catalogue of Federal Domestic Assistance Number for the principal FHA single-family mortgage insurance program is 14.117.

List of Subjects in 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 discussed in the preamble, HUD proposes to amend 24 CFR part 200 to read as follows:

PART 200—INTRODUCTION TO FHA PROGRAMS

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

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

2. In § 200.202, revise paragraphs (b)(1) and (b)(2)(iii) as follows:

§ 200.202 How do I apply for placement on the Appraiser Roster?

* * * * *

(b) * * *

(1) You must be a state-certified appraiser with credentials that complied with the applicable certification criteria established by the Appraiser Qualification Board (AQB) of the Appraisal Foundation and in effect at the time the certification was awarded by the issuing jurisdiction; and

(2) * * *

(iii) HUD's Credit Alert Verification Reporting System.

3. In § 200.204, revise paragraphs (a)(1)(ii), (c)(1) and (2) as follows:

§ 200.204 What actions may HUD take against unsatisfactory appraisers on the Appraiser Roster?

* * * * *

(a) * * *

(1) * * *

(ii) Losing standing as a state-certified appraiser due to disciplinary action in any state in which the appraiser is certified;

* * * * *

(c) * * *

(1) *Appraisers subject to state disciplinary action.* An appraiser whose state certification in any state has been revoked, suspended, or surrendered as a result of a state disciplinary action is automatically suspended from the Appraiser Roster and prohibited from conducting FHA appraisals in any state until HUD receives evidence demonstrating that the state-imposed sanction has been lifted.

(2) *Expirations not due to state disciplinary action.* An appraiser whose certification in a state has expired is automatically suspended from the Appraiser Roster in that state and may not conduct FHA appraisals in that state until HUD receives evidence that demonstrates renewal, but may continue to perform FHA appraisals in other states in which the appraiser is certified.

* * * * *

Dated: June 14, 2011.

Robert C. Ryan,

*Acting Assistant Secretary for Housing—
Federal Housing Commissioner.*

[FR Doc. 2011–17498 Filed 7–13–11; 8:45 am]

BILLING CODE 4210–67–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R03–OAR–2010–0160; FRL–9438–8]

Approval and Promulgation of Air Quality Implementation Plans; Commonwealth of Virginia; Section 110(a)(2) Infrastructure Requirements for the 1997 8-Hour Ozone and the 1997 and 2006 Fine Particulate Matter National Ambient Air Quality Standards

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing to approve submittals from the Commonwealth of Virginia pursuant to the Clean Air Act (CAA) sections 110(k)(2) and (3). These submittals address the infrastructure elements specified in CAA section 110(a)(2), necessary to implement, maintain, and enforce the 1997 8-hour ozone and fine particulate matter (PM_{2.5}) national ambient air quality standards (NAAQS) and the 2006 PM_{2.5} NAAQS. This proposed action is limited to the following infrastructure elements which were subject to EPA's completeness findings pursuant to CAA section 110(k)(1) for the 1997 8-hour ozone NAAQS dated March 27, 2008 and the 1997 PM_{2.5} NAAQS dated October 22, 2008: 110(a)(2)(A), (B), (C), (D)(ii), (E), (F), (G), (H), (J), (K), (L), and (M), or portions thereof; and the following infrastructure elements for the 2006 PM_{2.5} NAAQS: 110(a)(2)(A), (B), (C), (D)(ii), (E), (F), (G), (H), (J), (K), (L), and (M), or portions thereof.

DATES: Written comments must be received on or before August 15, 2011.

ADDRESSES: Submit your comments, identified by Docket ID Number EPA–R03–OAR–2010–0160 by one of the following methods:

A. *http://www.regulations.gov.* Follow the on-line instructions for submitting comments.

B. *E-mail:* fernandez.cristina@epa.gov.

C. *Mail:* EPA–R03–OAR–2010–0160, Cristina Fernandez, Associate Director, Office of Air Program Planning, Mailcode 3AP30, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103.

D. *Hand Delivery:* At the previously-listed EPA Region III address. Such deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

Instructions: Direct your comments to Docket ID No. EPA–R03–OAR–2010–0160. EPA's policy is that all comments received will be included in the public docket without change, and may be made available online at <http://www.regulations.gov>, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through <http://www.regulations.gov> or e-mail. The <http://www.regulations.gov> Web site is an "anonymous access system" which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through <http://www.regulations.gov>, your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD–ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the electronic docket are listed in the <http://www.regulations.gov> index. Although listed in the index, some information is not publicly available, i.e., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically in <http://www.regulations.gov> or in hard copy during normal business hours at the Air Protection Division, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103. Copies of the State submittal are available at the Virginia Department of Environmental Quality, 629 East Main Street, Richmond, Virginia 23219.

FOR FURTHER INFORMATION CONTACT: Marilyn Powers, (215) 814–2380, or by e-mail at powers.marilyn@epa.gov.

SUPPLEMENTARY INFORMATION: