

Proposed Rules

Federal Register

Vol. 90, No. 90

Monday, May 12, 2025

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

5 CFR Part 1655

Curing Missed Loan Payments

AGENCY: Federal Retirement Thrift Investment Board.

ACTION: Proposed rule.

SUMMARY: The Federal Retirement Thrift Investment Board (FRTIB) proposes to update its regulations regarding the methods available to participants to cure missed loan payments. The proposed change will also clarify the number of missed payments which must be brought back into compliance by the last day of the quarter following the quarter in which the payment was missed to avoid triggering a deemed distribution.

DATES: Comments must be received on or before July 11, 2025.

ADDRESSES: You may submit comments using one of the following methods:

- *Federal eRulemaking Portal:*

<https://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Office of General Counsel,

Attn: Dharmesh Vashee, Federal Retirement Thrift Investment Board, 77 K Street NE, Suite 1000, Washington, DC 20002.

Comments will be made available to the public online at <https://www.regulations.gov>. Do not include any personally identifiable or confidential information that you do not want publicly disclosed. Anonymous comments are acceptable.

FOR FURTHER INFORMATION CONTACT: For press inquiries: James Kaplan at (202) 809-2625. For information about how to comment on this proposed rule: Elizabeth Harris at (202) 913-5300.

SUPPLEMENTARY INFORMATION: The FRTIB administers the TSP, which was established by the Federal Employees' Retirement System Act of 1986 (FERSA), Public Law 99-335, 100 Stat. 514. The TSP is a retirement savings plan for Federal civilian employees and

members of the uniformed services. It is similar to cash or deferred arrangements established for private-sector employees under section 401(k) of the Internal Revenue Code (26 U.S.C. 401(k)). The provisions of FERSA that govern the TSP are codified, as amended, largely at 5 U.S.C. 8351 and 8401-79.

The FRTIB proposes to update its regulations regarding the methods available to participants to cure missed loan payments to include recurring payroll loan deductions. The FRTIB also proposes to clarify the number of missed payments which must be cured to avoid triggering a deemed distribution.

Currently, under FRTIB regulations when a participant misses a loan payment, the participant cannot make up the missed payment through a scheduled payroll deduction. TSP will only accept a one-time payment in the form of a check, guaranteed funds, or direct debit from a personal savings or checking account. The FRTIB proposes to update its regulation to allow participants to use recurring payroll loan deductions to make up missed payments. This proposed change will provide participants with greater flexibility when a loan payment is missed due to a temporary change in payroll status, transfer to another federal agency with a different pay schedule, or other circumstance.

When a participant elects to use a recurring payroll loan deduction to make up a missed payment, the payroll deduction will shift or roll the missed loan payment to the following month. For example, if a participant misses a loan payment in March and restarts payroll loan deductions in April, the April payroll deduction will satisfy the missed March payment. However, the April payment will now be considered missed. When a participant makes up a missed payment through a subsequent month's payroll deduction, the participant will remain behind on their loan repayment schedule by one payment until one of the following occur: a one-time payment is submitted; the maximum loan term is reached, and a deemed distribution occurs; or the participant misses additional payment(s) and a deemed distribution is triggered.

The FRTIB further proposes to amend its regulations regarding the number of missed payments which must be cured

to avoid a deemed distribution. IRS regulations provide flexibility to plan sponsors to permit a cure period for missed loan payments that lasts no later than the last day of the calendar quarter following the calendar quarter in which the required installment payment was due. Currently, TSP regulations are more stringent than the IRS requires, and TSP treats a loan as a deemed distribution in instances where a participant has not made up all missed payments by the end of the calendar quarter following the calendar quarter in which the first payment was missed. The FRTIB proposes to align its regulation with the maximum period permitted under IRS regulations to reduce the instances where a participant loan is treated as a deemed distribution in accordance with section 72(p) of the Internal Revenue Code.

Regulatory Flexibility Act

This proposed regulation will not have a significant economic impact on a substantial number of small entities. This regulation will affect Federal employees and members of the uniformed services who participate in the TSP.

Paperwork Reduction Act

This proposed regulation does not require additional reporting under the criteria of the Paperwork Reduction Act.

Unfunded Mandates Reform Act of 1995

Pursuant to the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 602, 632, 653, and 1501-1571, the effects of this regulation on State, local, and tribal governments and the private sector have been assessed. This regulation will not compel the expenditure in any one year of \$100 million or more by State, local, and tribal governments, in the aggregate, or by the private sector. Therefore, a statement under 2 U.S.C. 1532 is not required.

List of Subjects in 5 CFR Part 1655

Credit, Government employees, Pensions, Retirement.

Ravindra Deo,

Executive Director, Federal Retirement Thrift Investment Board.

For the reasons stated in the preamble, the FRTIB proposes to amend 5 CFR chapter VI as follows:

PART 1655—LOAN PROGRAM

■ 1. The authority citation for part 1655 continues to read as follows:

Authority: 5 U.S.C. 8432d, 8433(g), 8439(a)(3) and 8474.

■ 2. In § 1655.14 amend by revising paragraph (e) to read as follows:

§ 1655.14 Loan payments.

* * * * *

(e) In the case of a participant who has not separated from Government service, if a payment is not made when due, the TSP record keeper will notify the participant of the missed payment. The participant can make-up the missed payment in the form of a check, guaranteed funds, a one-time payment via loan direct debit from his or her personal savings or checking account, or by resuming scheduled loans payments by payroll deduction. If the participant does not make up the missed payment by the end of the calendar quarter following the calendar quarter in which the payment was missed, the TSP record keeper will declare the loan to be a deemed distribution in accordance with § 1655.15(a). The declaration of a deemed distribution does not relieve the participant of his or her obligation to repay the amount.

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[FR Doc. 2025-08221 Filed 5-9-25; 8:45 am]

BILLING CODE 6760-01-P

DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Part 205**

[Doc. No. AMS-NOP-22-0063]

RIN 0581-AE13

Rescinding National Organic Program; Market Development for Mushrooms and Pet Food

AGENCY: Agricultural Marketing Service (AMS), Department of Agriculture (USDA).

ACTION: Notice of proposed rulemaking.

SUMMARY: AMS is proposing to rescind the rule and regulations issued on December 23, 2024, titled, “National Organic Program; Market Development for Mushrooms and Pet Food.”

DATES: Comments must be received by June 11, 2025.

ADDRESSES: Comments may be submitted through the Federal eRulemaking portal at <https://www.regulations.gov> and should reference the docket number and the

date and page number of this issue of the **Federal Register**. AMS strongly prefers comments to be submitted electronically. However, written comments may be submitted (*i.e.*, postmarked) via mail to: Erin Healy, Director, Standards Division, National Organic Program, USDA-AMS-NOP, 1400 Independence Ave. SW, Room 2642-So., Ag Stop 0268, Washington, DC 20250-0268.

Instructions: All comments should include the docket number (AMS-NOP-22-0063), and/or the Regulatory Information Number (RIN 0581-AE13) for this rulemaking. You should clearly indicate the topic and section number of this proposed rule to which your comment refers, state your position(s), offer any recommended language change(s), and include relevant information and data to support your position(s) (*e.g.*, scientific, environmental, manufacturing, industry, or industry impact information, etc.). All comments and relevant background documents posted to <https://www.regulations.gov> will include any personal information provided.

FOR FURTHER INFORMATION CONTACT: Erin Healy, Director, Standards Division, National Organic Program, USDA-AMS-NOP, 1400 Independence Ave. SW, Room 2642-So., Ag Stop 0268, Washington, DC 20250-0268; Telephone: 202-720-3252, Email: Erin.Healy@usda.gov.

SUPPLEMENTARY INFORMATION: AMS is proposing to rescind the rule issued on December 23, 2024, National Organic Program; Market Development for Mushrooms and Pet Food, via 89 FR 104367, amending 7 CFR part 205. The rule proposed for rescission amended the USDA organic regulations to clarify standards for organic mushrooms and organic pet food. AMS proposes to rescind this rule in full and seek comments on all aspects of that proposal.

Procedural Matters**Executive Orders 12866 and 13563**

As with the rule (89 FR 104367) proposed for rescission, this rule does not meet the criteria of a “significant regulatory action” under Executive Order 12866, as amended by Executive Orders 14215 and 13563. Therefore, the Office of Management and Budget (OMB) has not reviewed this rule under those orders.

This regulation is not an Executive Order 14192 regulatory action.

Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612) (as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996, 5 U.S.C. 601 *et seq.*), agencies must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (*i.e.*, small businesses, small organizations, and small government jurisdictions). In the final rule (89 FR 104367), AMS concluded and certified that the rule would not have a significant economic impact on a substantial number of small entities and therefore did not conduct a regulatory flexibility analysis. Similarly, this proposed rescission rule will only have minor impacts on small entities engaged in organic mushroom operations and pet food producers. This proposed rescission of the rule is expected to have a beneficial effect on these small entities, lowering costs related to paperwork burden and otherwise allowing operators and producers to continue to engage in beneficial and often industry-standard practices without additional regulatory costs. The same is true for certifying agents that certify organic mushroom or pet food operations.

Unfunded Mandates Reform Act

This proposed rule does not contain Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local and Tribal governments, or the private sector of \$100 million or more in any one year. Thus, the rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order 13175

Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. AMS has assessed the impact of this proposed rule on Indian Tribes and determined that this rule would not have Tribal implications that require consultation under Executive Order 13175.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–