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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 1710, 1715, 1720, 3400, and 3500

**[Docket No. FR-5788-F-01]
RIN 2501-AD67**

Removal of Regulations Transferred to the Consumer Financial Protection Bureau

AGENCY: Office of the Secretary, HUD.

ACTION: Final rule.

SUMMARY: Through this rule, HUD removes its regulations previously authorized under the Real Estate Settlement Procedures Act of 1974 (RESPA), the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act), and the Interstate Land Sales Full Disclosure Act (ILSFDA). Responsibility for administration of these statutes, including authority to issue regulations, was transferred to the Consumer Financial Protection Bureau (CFPB) pursuant to title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Accordingly, HUD's regulations for these statutes are no longer operative, and are being removed by this final rule.

DATES: Effective Date: **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Camille E. Acevedo, Associate General Counsel for Legislation and Regulations, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 10276, Washington, DC, 20410; telephone number 202-708-1793 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the Federal Relay Service at

800-877-8389 (this is a toll-free number).

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Act¹ transferred from HUD to the CFPB the authority to administer, enforce, and otherwise implement the RESPA (12 U.S.C. 2601 *et seq.*), the SAFE Act (12 U.S.C. 5101 *et seq.*), and the ILSFDA (15 U.S.C. 1701 *et seq.*).² Until enactment of the Dodd-Frank Act, the responsibility to administer, enforce, and otherwise implement these statutes was placed on HUD. Under HUD's authority, HUD's issued regulations implementing these laws were codified at 24 CFR part 3500 for RESPA, 24 CFR part 3400 for the SAFE Act, and 24 CFR parts 1710, 1715, and 1720 for the ILSFDA. The transfer of authority to the CFPB occurred on July 21, 2011,³ and the CFPB has since issued its own regulations for these statutes.⁴ Entities covered by these statutes must now comply with the regulations issued by the CFPB. Accordingly, HUD is removing the regulations from title 24 of the Code of Federal Regulations.

II. Justification for Final Rulemaking

Pursuant to the Administrative Procedure Act (APA), notice and comment are not required prior to the issuance of a final rule if an agency, for good cause, finds that "notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest."⁵ HUD finds that public notice and comment are not necessary for this rulemaking because the Dodd-Frank Act transferred all authority, including rulemaking authority, for RESPA, the SAFE Act, and the ILSFDA to the CFPB as of July 21, 2011. Therefore, HUD's rules for these laws are

¹ Public Law 111-203, 124 Stat. 1376, approved July 21, 2010.

² 12 U.S.C. 5581. *See* Dodd-Frank Act, section 1061(b)(7).

³ *See* <http://www.gpo.gov/fdsys/pkg/FR-2010-09-20/pdf/2010-23487.pdf>.

⁴ *See* 12 CFR part 1024 for RESPA, 12 CFR parts 1007 and 1008 for the SAFE Act, and 12 CFR part 1024 for ILSFDA

⁵ 5 U.S.C. 553(b).

no longer operative. The removal of these regulations from title 24 of the Code of Federal Regulations is clerical in nature and will reduce any possible confusion that may result from having two sets of rules addressing these laws.

For these reasons, HUD has determined that it is unnecessary to delay the effectiveness of this rule in order to solicit prior public comment.

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. Because HUD has determined that good cause exists to issue this rule without prior public comment, this rule is not subject to the requirement to publish an initial or final regulatory flexibility analysis under the RFA as part of such action.

Unfunded Mandates Reform

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA)⁶ requires that an agency prepare a budgetary impact statement before promulgating a rule that includes a Federal mandate that may result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year. If a budgetary impact statement is required, section 205 of UMRA also requires an agency to identify and consider a reasonable number of regulatory alternatives before promulgating a rule.⁷ However, the UMRA applies only to rules for which an agency publishes a general notice of proposed

⁶ 2 U.S.C. 1532.

⁷ 2 U.S.C. 1534.

rulemaking pursuant to the APA.⁸ As discussed above, HUD has determined, for good cause, that the APA does not require general notice and public comment on this rule and, therefore, the UMRA does not apply to this final rule.

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 final 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.

Environmental Review

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

List of Subjects

24 CFR Part 1710

Consumer protection, Land sales, Reporting and recordkeeping requirements.

24 CFR Part 1715

Advertising, Consumer protection, Fraud, Land sales.

⁸ 2 U.S.C. 1532(a).

24 CFR Part 1720

Administrative practice and procedure.

24 CFR Part 3400

Licensing, Mortgages, Registration, Reporting and recordkeeping requirements.

24 CFR Part 3500

Consumer protection, Housing, Mortgages, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, and under the authority of 42 U.S.C. 3535(d), title 24 of the Code of Federal Regulations is amended as follows:

PART 1710—[Removed]

1. Remove part 1710.

PART 1715 – [Removed]

2. Remove part 1715.

PART 1720 – [Removed]

3. Remove part 1720.

PART 3400 - [Removed]

4. Remove part 3400.

PART 3500 – [Removed]

5. Remove part 3500.

Dated: **June 10, 2014.**

Shaun Donovan,
Secretary.

[FR-5788-F-01]

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