



**BILLING CODE 3410-XV**

**DEPARTMENT OF AGRICULTURE**

**Rural Housing Service**

**Rural Business-Cooperative Service**

**Rural Utilities Service**

**Farm Service Agency**

**7 CFR Parts 1944, 1955 and 1962**

**RIN 0575-AC56**

**Environmental Policies and Procedures; Corrections**

**AGENCY:** Rural Business-Cooperative Service, Rural Housing Service, Rural Utilities Service, Farm Service Agency, USDA.

**ACTION:** Correcting amendments.

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**SUMMARY:** The Rural Business-Cooperative Service, Rural Housing Service, Rural Utilities Service, and Farm Service Agency published a document in the **Federal Register** on March 2, 2016 (81 FR 11000), entitled “Environmental Policies and Procedures.” The rule replaced two existing rules relating to the Agencies’ procedures for implementing NEPA. These corrections will replace references in several paragraphs to one of the former rules, 7 CFR part 1940, subpart G, which is now obsolete.

**DATES:** This rule is effective [INSERT DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

**FOR FURTHER INFORMATION CONTACT:**

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## **SUPPLEMENTARY INFORMATION:**

The Rural Business-Cooperative Service, Rural Housing Service, Rural Utilities Service, and Farm Service Agency published a document in the **Federal Register** on March 2, 2016 (81 FR 11000), entitled “Environmental Policies and Procedures.” This document describes the Agencies’ procedures for implementing the National Environmental Policy Act (NEPA), and supplanted two former regulations. These corrections will replace references in other regulations to one of the former rules, 7 CFR part 1940, subpart G, which is now obsolete. The following sections will be corrected: §§ 1944.672(g), 1955.10, 1955.63(b), 1955.66, 1955.107(a)(3)(iv), 1955.136(a), 1955.137(a)(3)(i), 1955.139(a)(3)(v), 1955.140(a), 1962.30, and 1962.34(a).

### **List of Subjects**

#### **7 CFR Part 1944**

Administrative practice and procedure, Grant programs—Housing and community development, Home improvement, Loan programs—Housing and community development, Migrant labor, Nonprofit organizations, Reporting requirements, Rural housing.

#### **7 CFR Part 1955**

Government acquired property, Government property management, Sale of government acquired property, Surplus government property.

#### **7 CFR Part 1962**

Agriculture, bankruptcy, drug traffic control, Government property, Loan programs-agriculture, Loan programs-housing and community development, Rural areas.

Accordingly, 7 CFR chapter XVIII is amended by making the following correcting amendments:

**PART 1944—HOUSING**

1. The authority citation for part 1944 continues to read as follows:

**Authority:** 5 U.S.C. 301; 42 U.S.C. 1480.

**Subpart N – Housing Preservation Grants**

2. Revise § 1944.672(g) to read as follows:

**§ 1944.672 Environmental review requirements.**

\* \* \* \* \*

(g) Grantees must contact Rural Development prior to actual usage of funds by the grantees under §1944.664 (c)(11) of this subpart. Rural Development must complete the appropriate level of environmental review in accordance with part 1970 of this chapter.

**PART 1955--PROPERTY MANAGEMENT**

3. The authority citation for part 1955 continues to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480.

**Subpart A – Liquidation of Loans Secured by Real Estate and Acquisition of Real and Chattel Property**

4. Revise the eleventh sentence of § 1955.10 to read as follows:

**§ 1955.10 Voluntary conveyance of real property by the borrower to the Government.**

\* \* \* In addition, prior to acceptance of a voluntary conveyance of farm real property that collateralizes an FP loan, the County Supervisor will remind the borrower-owner of possible deed restrictions and easement that may be placed on the property in the event the property contains wetlands, floodplains, historical sites and/or other federally protected environmental resources as set forth in part 1970 of this chapter and §1955.137 of this part . \* \* \*

\* \* \* \* \*

**Subpart B – Management of Property**

5. Revise the last sentence of paragraph (b) of § 1955.63 to read as follows:

**§ 1955.63 Suitability determination.**

\* \* \* \* \*

(b) \* \* \* The environmental effects of such actions will be considered pursuant to part 1970 of this chapter.

\* \* \* \* \*

6. Amend § 1955.66 by:

a. Revising the the last sentence of the introductory text; and

b. Removing paragraph (a)(2)(iii) and redesignating paragraph (a)(2)(iv) as new paragraph (a)(2)(iii).

**§ 1955.66 Lease of real property.**

\* \* \* The requirements of part 1970 of this chapter will be met for all leases.

\* \* \* \* \*

**Subpart C – Disposal of Inventory Property**

7. Revise the first sentence of § 1955.107(a)(3)(iv) to read as follows:

**§ 1955.107 Sale of FSA Property (CONACT).**

\* \* \* \* \*

(a) \* \* \*

(3) \* \* \*

(iv) Property sold on credit sale may not be used for any purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity. \* \* \*

\* \* \* \* \*

8. Revise § 1955.136(a) introductory text to read as follows:

**§ 1955.136 Environmental review requirements.**

(a) Prior to a final decision on some disposal actions, the action must comply with the environmental review requirements in accordance with the agency's environmental policies and procedures found in 7 CFR part 1970.

\* \* \* \* \*

9. Revise § 1955.137(a)(3)(i) to read as follows:

**§ 1955.137 Real property located in special areas or having special characteristics.**

(a) \* \* \*

(3) \* \* \* (i) Financial assistance is limited to property located in areas where flood insurance is available. Flood insurance must be provided at closing of loans on program-eligible and non-program (NP)-ineligible terms. Appraisals of property in flood

or mudslide hazard areas will reflect this condition and any restrictions on use. Financial assistance for substantial improvement or repair of property located in a flood or mudslide hazard area is subject to the limitations outlined in 7 CFR part 1970 for Rural Development programs.

\* \* \* \* \*

10. Revise the second sentence of § 1955.139(a)(3)(v) to read as follows:

**§ 1955.139 Disposition of real property rights and title to real property.**

\* \* \* \* \*

(a) \* \* \*

(3) \* \* \*

(v) \* \* \* Examples of instances where an affirmative responsibility exists to place an easement on a farm property include wetland and floodplain conservation easements required by §1955.137 of this subpart or easements designed as environmental mitigation measures for the purpose of protecting federally designated important environmental resources. \* \* \*

11. Revise § 1955.140(a) to read as follows:

**§ 1955.140 Sale in parcels.**

(a) Individual property subdivided. An individual property, other than Farm Loan Programs property, may be offered for sale as a whole or subdivided into parcels as determined by the State Director. For MFH property, guidance will be requested from the National Office for all properties other than RHS projects. When farm inventory property is larger than a family-size farm, the county official will subdivide the property into one or more tracts to be sold in accordance with §1955.107. Division of the land or separate

sales of portions of the property, such as timber, growing crops, inventory for small business enterprises, buildings, facilities, and similar items may be permitted if a better total price for the property can be obtained in this manner. Environmental review requirements must comply with 7 CFR part 1970. Any applicable State laws will be set forth in a State supplement and will be complied with in connection with the division of land. Subdivision of acquired property will be reported on Form RD 1955-3C, “Acquired Property—Subdivision,” in accordance with the FMI.

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## **PART 1962—PERSONAL PROPERTY**

12. The authority citation for part 1962 continues to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480.

### **Subpart A – Servicing and Liquidation of Chattel Security**

#### **§ 1962.30 [Amended]**

13. Amend § 1962.30 to remove paragraph (b)(5) and redesignate paragraphs (b)(6) and (7) as new paragraphs (b)(5) and (6) respectively.

**§ 1962.34 [Amended]**

14. Amend § 1962.34 to remove paragraph (a)(4) and redesignate paragraphs (a)(5) and (6) as new paragraphs (a)(4) and (5) respectively.

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Roger Glendenning  
Acting Under Secretary  
Rural Development

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Dated: March 29, 2017.

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Jason Hafemeister  
Acting Deputy Under Secretary  
Farm and Foreign Agricultural Services  
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