



## DEPARTMENT OF THE TREASURY

### Bureau of the Fiscal Service

### 31 CFR Parts 337 and 345

### RIN 1530-AA34

### Eliminating Unnecessary Regulations

**AGENCY:** Bureau of the Fiscal Service, Fiscal Service, Treasury.

**ACTION:** Direct Final Rule.

**SUMMARY:** Pursuant to an Executive order, the Department of the Treasury (Treasury), Bureau of the Fiscal Service (Fiscal Service) is conducting a review of existing regulations, with the goal of reducing regulatory burden by revoking existing regulations that meet the criteria set forth in the Executive order. In support of that objective, this direct final rule streamlines title 31 of the Code of Federal Regulations (CFR) by removing regulations that are no longer necessary or no longer have any current or future applicability.

**DATES:** This rule is effective upon [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] without further action, unless significant adverse comment is received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. If Fiscal Service receives significant adverse comments, it will publish a timely withdrawal in the *Federal Register* informing the public that this rule will not take effect.

**ADDRESSES:** Submit comments electronically through the Federal eRulemaking Portal: (<https://www.regulations.gov>) or by mail to: Attn: E.O. 14219 Comments, Elizabeth Spears, Senior Counsel, Bureau of Fiscal Service, P.O. Box 396, Parkersburg, WV 26106-1328. Because paper mail may be subject to delay, it is recommended that comments be submitted electronically. Comments will be available for public inspection

on (<https://www.regulations.gov>). In general, comments received, including attachments and other supporting materials, are part of the public record and are available to the public. Do not submit any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

**FOR FURTHER INFORMATION CONTACT:** Sara C. Badger, Special Assets & Liabilities Division, Office of Accounting, Division Director or Jared Waters, Program Manager, via email at [SLGS@fiscal.treasury.gov](mailto:SLGS@fiscal.treasury.gov), by telephone at (304) 480-5299, or via U.S. Mail at Bureau of the Fiscal Service, P.O. Box 396, Parkersburg, WV 26106-1328, for information on the removal of the following parts of 31 CFR:

- part 337 (<https://www.ecfr.gov/current/title-31/part-337>)
- part 345 (<https://www.ecfr.gov/current/title-31/part-345>)

**SUPPLEMENTARY INFORMATION:**

Background

On April 9, 2025, the President issued a Presidential Memorandum, Directing the Repeal of Unlawful Regulations, to implement Executive Order 14219, Ensuring Lawful Governance And Implementing The President’s “Department of Government Efficiency” Deregulatory Initiative (Deregulatory E.O.), 90 FR 10583 (Feb. 19, 2025). The Deregulatory E.O. directed the heads of executive departments and agencies to review their regulations and repeal those which are unlawful or impose undue burdens, among other things.

This Direct Final Rule

This direct final rule removes regulations that are no longer necessary, or have no current or future applicability and, therefore, no longer provide useful guidance. Removing these regulations from the Code of Federal Regulations will streamline title 31 and increase clarity.

## Explanation of Provisions

In accordance with the purposes described above, the regulations removed are:

### **31 CFR Part 337, Supplemental Regulations Governing Federal Housing**

#### **Administration Debentures**

The Federal Housing Administration (FHA) provides mortgage insurance on single-family, multifamily, manufactured home, and hospital loans made by FHA-approved lenders throughout the United States and its territories. The FHA, through Fiscal Service as its agent, issued debentures under 31 CFR part 337 to settle claims on certain insured mortgages.

The rescission action taken under this rule follows FHA's cost-savings measure to remove the option of mortgagees to elect payment of FHA insurance claims in debentures instead of cash. The Federal Housing Commissioner, as delegated by the Secretary of the Department of Housing and Urban Development, has the option of paying insurance claims in either cash or debentures issued with respect to a loan or mortgage insured by FHA under the provisions of the National Housing Act (the Act) pursuant to 24 CFR 207.259(a)(1).

In 2015, FHA amended its regulations to bring consistency in determining the method of payment for FHA insurance claims. The changes eliminated provisions in HUD's regulations that provided mortgagees the ability to request and receive payment of an insurance claim on a loan insured under the Act in debentures. 80 FR 51466, 51468, Final Rule, Federal Housing Administration (FHA): Standardizing Method of Payment for FHA Insurance Claims (Aug. 25, 2015).

The debenture offering under 31 CFR Part 337 remained open out of an abundance of caution while FHA implemented cash payments as the uniform, consistent method of paying insurance claims. In consultation with FHA, Fiscal Service has determined that

the offering is unnecessary. Accordingly, FHA instructed that the annual interagency agreement between FHA and Fiscal Service that was referenced in 80 FR 51466, 51466 and which was implemented through its service provider, the Administrative Resource Center who serviced the outstanding debentures, would not renew in Fiscal Year 2026. Therefore, Fiscal Service is removing 31 CFR part 337.

Nonetheless, Fiscal Service continues to be responsible for disbursing cash payments under 31 U.S.C. 3321 under its disbursement function. Fiscal Service issued the final debenture pursuant to the Act on February 3, 2011, and made the last maturity payment, with interest, upon the redemption of a debenture submitted by an owner for payment on July 2, 2012. In keeping with FHA's rule changes, Fiscal Service redeemed all other remaining matured outstanding debentures (\$209,264.15 in principal and interest) on October 1, 2025. These redeemed debentures no longer contribute to the statutory debt limit calculation codified at 31 U.S.C. 3101; however, Fiscal Service will maintain the corresponding subsidiary ownership records until such time as final payment is made to the owners.

### **31 CFR Part 345, Regulations Governing 5 Percent Treasury Certificates of Indebtedness – R.E.A. Series**

Fiscal Service is eliminating the Regulations Governing 5 Percent Certificates of Indebtedness – R.E.A. Series promulgated in 31 CFR Part 345 which were offered to the borrowers of the Rural Electrification Administration (R.E.A.) and the Rural Telephone Bank. REA was abolished in 1994, and its functions were assumed by Rural Utilities Service (RUS). In consultation with RUS, Fiscal Service has determined that this part is unnecessary. Moreover, the Rural Telephone Bank was liquidated in 2006, and all of the bank shares were redeemed. There are no remaining outstanding obligations left in the R.E.A. Series. Therefore, Fiscal Service is removing 31 CFR part 345.

## Procedural Requirements

This direct final rule is not a significant regulatory action under Executive Order 12866, as amended. Therefore, a regulatory assessment is not required. Because no notice of proposed rulemaking is required, an analysis under the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply.

The Fiscal Service is issuing this rule as a direct final rule. Although the Administrative Procedure Act (APA; 5 U.S.C. 551-559) generally requires agencies to provide notice and an opportunity for comment, section 553(b)(B) of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” Because this rule removes regulations that are no longer necessary or have no current or future applicability, the Fiscal Service has determined that it is unnecessary to undertake notice-and-comment rulemaking under 5 U.S.C. 553.

## **List of Subjects**

### **31 CFR Part 337**

Government securities.

### **31 CFR Part 345**

Government securities.

For the reasons stated in the preamble and under the authority of 31 U.S.C. 321, Fiscal Service removes 31 CFR Parts 337 and 345.

By the Department of the Treasury.

**Gary E. Grippo,**

*Acting Fiscal Assistant Secretary.*

