applicable Section 8 Rental Certificate program two-bedroom FMR. HUD accepts public comments requesting modifications of manufactured home space FMRs. To be accepted for approval, such comments must contain statistically valid survey data that show the 40th percentile space rent (excluding the cost of utilities) for the FMR area. This program uses the same FMR area definitions as the Section 8 Rental Certificate program. Manufactured home space FMR revisions are published as final FMRs in Schedule D. Once approved, the revised manufactured home space FMRs establish new base year estimates that are updated annually using the same data used to update the Rental Certificate program FMRs.

Public Comments

In response to the June 23 proposed FMRs, HUD received 175 comments covering 267 FMR areas, for which rental housing survey information was included for 188 areas. HUD carefully evaluated all information submitted and, based on this review, revised the FMRs for 131 areas. The information submitted for the 57 other areas was not considered sufficient to provide a basis for revising the FMRs.

The 131 FMR areas with approved FMR revisions included 87 areas for which RDD surveys were conducted either by the Public Housing Agency or by a professional survey firm.

Successful surveys were submitted for 18 areas using the more traditional landlord/owner type surveys. FMR increases were also approved for 26 other areas that submitted incomplete survey information but for which HUD was able to make adjustments using available information on assisted housing.

AHS and HUD Sponsored RDD Surveys

HUD received public comments with survey data from two of the eight areas identified in the September 28 FMR publication with RDD or AHS surveys indicating FMR reductions. Based on the rental housing survey conducted for Gage County, NE, the FMRs have been increased. The survey data provided for the Memphis metropolitan area was not sufficient to provide a basis for revising the FMRs.

Based on RDD survey results obtained since the last publication of final FMRs on September 28, 1994, the FMRs for the following 14 additional areas are being increased in today's notice:
Allentown-Bethlehem-Easton, PA Corpus Christi, TX
Davenport-Moline-Rock Island, IA-IL

Greensboro-Winston Salem-Highpoint, NC
Greenville-Spartanburg-Anderson, SC
Louisville, KY-IN
Medford-Ashland, OR
Olympia, WA
Pensacola, FL
Salem, OR
Shreveport-Bossier City, LA
Syracuse, NY
Utica-Rome, NY
Columbus County, NC

HUD Rental Housing Survey Guides

HUD recommends use of professionally-conducted Random Digit Dialing (RDD) telephone surveys to test the accuracy of FMRs for areas where there is a sufficient number of Section 8 units to justify the survey cost of \$10,000-\$15,000. Areas with 500 or more program units usually meet this criterion, and areas with fewer units may meet it if the actual two-bedroom FMR rent standard is significantly different than that proposed by HUD. In addition, HUD has developed a simplified version of the RDD survey methodology for smaller, nonmetropolitan PHAs. This methodology is designed to be simple enough to be done by the PHA itself, rather than by professional survey organizations, at a cost of around \$6,000. In addition, PHAs in nonmetropolitan areas may, in certain circumstances, do surveys of clusters of counties. All clustered surveys must be approved in advance by HUD. PHAs are cautioned that the resultant FMRs will not be identical within the cluster: each individual FMR area will have a separate FMR based on its relationship to the combined rent of the cluster of FMR areas. HUD does not mandate the use of either the RDD telephone survey or the modified RDD telephone survey methodology. Other survey methodologies are acceptable as long as they provide statistically reliable unbiased estimates of the 40th percentile gross rent. All survey results must be fully documented.

Because it takes two months to obtain survey estimates, interested organizations concerned about FMR accuracy may wish to begin their FMR surveys in the next few months to assure that the results will be available in time to be incorporated into the FY 1996 FMRs. The starting point is to carefully review one of the two following publications, both obtainable from HUD USER at 1-800-245-2691. Larger PHAs should obtain "Random Digit Dialing Surveys; A Guide to Assist Larger Public Housing Agencies in Preparing Fair Market Rent Comments." Smaller PHAs should obtain "Rental

Housing Surveys; A Guide to Assist Smaller Public Housing Agencies in Preparing Fair Market Rent Comments."

FMRs for Flood Damaged Areas in the Southeast and Midwest

Under the authority granted in 24 CFR part 899, the Secretary will continue to waive the regulatory requirements that govern requests for geographic area FMR exceptions for the flood-impacted areas in the midwest and southeast. The flood-related FMR exceptions will be approved by the HUD field office with jurisdiction for: (1) Single-county FMR areas and for individual county parts of multi-county FMR areas that qualify as disaster areas under the Robert T. Stafford Disaster Relief and Emergency Assistance Act; if (2) the PHA certifies that damage to the rental housing stock is so substantial that it has increased the prevailing rent levels. Such exceptions must be requested in writing by the responsible PHAs. Once approved by HUD, they will remain in effect until superseded by final FY 1996 FMRs.

Other Matters

A Finding of No Significant Impact with respect to the environment as required by the National Environmental Policy Act (42 U.S.C. 4321–4374) is unnecessary, since the Section 8 Rental Certificate program is categorically excluded from the Department's National Environmental Policy Act procedures under 24 CFR 50.20(d).

The undersigned, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), hereby certifies that this notice does not have a significant economic impact on a substantial number of small entities, because FMRs do not change the rent from that which would be charged if the unit were not in the Section 8 program.

The General Counsel, as the Designated Official under Executive Order No. 12606, *The Family*, has determined that this notice will not have a significant impact on family formation, maintenance, or well-being. The notice amends Fair Market Rent schedules for various Section 8 assisted housing programs, and does not affect the amount of rent a family receiving rental assistance pays, which is based on a percentage of the family's income.

The General Counsel, as the Designated Official under section 6(a) of Executive Order No. 12611, Federalism, has determined that this notice will not involve the preemption of State law by Federal statute or regulation and does not have Federalism implications. The Fair Market Rent schedules do not have any substantial direct impact on States, on the relationship between the Federal