Compliance With Regulatory Flexibility Act; Executive Orders 12612, 12778, and 12866; and the Paperwork Reduction Act.

This rule has been reviewed under Executive Order 12866. SBA certifies that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 15 U.S.C., et seq. The SBA has made this determination based on the fact that a limited number of Federal contracts would likely be awarded to small businesses as a direct result of this action. Thus, even though this proposed rule, if adopted as final, would make eligible previously ineligible firms for SBA procurement preference programs, SBA does not expect the number of affected firms to be significant. For purposes of Executive Order 12612, SBA certifies that this proposed rule would not have Federalism implications warranting the preparation of a Federalism assessment. For purposes of Executive Order 12778, SBA certifies that this proposed rule is drafted, to the extent practicable, in accordance with the standards set forth in section 2 of that Order. For purposes of the Regulatory Flexibility Act, the SBA certifies that this proposed rule would not have a significant economic effect on a substantial number of small entities for the same reason indicated above. For purposes of the Paperwork Reduction Act, the SBA certifies that this proposed rule would not impose any new reporting or recordkeeping requirements.

List of Subjects in 13 CFR Part 121

Government procurement, Government property, Grant programs business, Loan programs—business, Small businesses.

Accordingly, part 121 of 13 CFR is amended as follows:

PART 121—[AMENDED]

1. The authority citation of part 121 continues to read as follows:

Authority: 15 U.S.C. 632(a), 634(b)(6), 637(a), and 644(c); and Pub. L. 102–486, 106 Stat. 2776, 3133.

2. § 121.401(1)(4) is revised to read as follows:

§121.401 Affiliation.

* * * * (l) * * *

(4) An ostensible subcontractor which performs or is to perform primary or vital requirements of a contract may have such a controlling role that it must be considered a joint venturer affiliated on the contract with the prime contractor. In determining whether subcontracting rises to the level of affiliation as a joint venture, SBA considers whether the prime contractor has unusual reliance on the subcontractor. This provision does not apply to subcontracts entered into with public utility concerns providing open access to distribution facilities if such subcontracts are limited to the lease and use of telecommunication circuits, petroleum pipelines, natural gas pipelines, or electric transmission lines, and if the prime contractor contributes meaningful value to the contract.

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Dated: December 2, 1994.

Philip Lader, *Administrator.*

[FR Doc. 95–1505 Filed 1–20–95; 8:45 am] BILLING CODE 8025–01–M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing-Federal Housing Commissioner

24 CFR Part 203

[Docket No. R-95-1759; FR-3626-P-01]

RIN 2502-AG20

Single Family Mortgage Insurance— Special Forbearance Procedures

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD. **ACTION:** Proposed rule.

SUMMARY: This proposed rule would permit the mortgagee and the mortgagor to enter into a special forbearance agreement requiring the payment of arrearages before maturity of the mortgage without obtaining the prior approval of HUD. It would also eliminate the present gap in reimbursement of debenture interest that occurs if the mortgagor files a petition in bankruptcy after entering into a special forbearance agreement. The purpose of this change is to encourage mortgagees to make greater use of special forbearance procedures when the mortgagor is temporarily unable to make full regular mortgage payments.

DATES: Comment due date: March 24, 1995.

ADDRESSEES: Interested persons are invited to submit comments regarding this rule to the Rules Docket Clerk, Office of the General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410–0500. Communications should refer to the above docket number and title. A copy of each communication submitted will be available for public inspection between 7:30 a.m. and 5:30 p.m. at the above address. Facsimile (FAX) comments are not acceptable.

FOR FURTHER INFORMATION CONTACT:

Joseph Bates, Director, Single Family Servicing Division, Room 9178, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, D.C. 20410, (202) 706– 1672, or, for hearing and speech impaired, (202) 706–4594. (These are not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This rule would revise current HUD regulations governing forbearance procedures in connection with FHA insurance of single-family homes. Under the present forbearance procedures (24 CFR 203.614 (a) and (b)), the mortgagee may suspend or reduce the mortgagor's required payments for the forbearance period, but may not increase payments to recover arrearages until after mortgage maturity unless the mortgagee obtains prior approval from HUD. This rule proposes to add a new paragraph (c) to § 203.614, which would permit the mortgagee to reduce the required payments to an amount not less than 50% of the regular mortgage payments for a forbearance period of up to 6 months. On expiration of the forbearance period, the mortgagee may increase the required payments to not more than 11/2 times the regular payment amount until all arrearages are repaid.

Limitations

The new procedure contains several limitations that are intended to avoid arrearages accumulating to an amount that the mortgagor cannot reasonably be expected to repay before maturity. These limitations include:

• Not more than four monthly payments may be due and unpaid at the time of execution of the forbearance agreement;

• The monthly payments may be reduced but not suspended;

• The period of reduced payments may not exceed 6 months;

• The increase in payments may not be required until 6 months after execution of the agreement; and

• The first monthly payment must be made at the time of execution of the agreement.

If greater forbearance relief is needed, the mortgagee may utilize the existing forbearance procedures, under which the mortgagee may not recover