

2. Adding the language “4955(b),” immediately after “4952(b),”.

§ 301.6863-1 [Amended]

Par. 15. Section 301.6863-1 is amended as follows:

1. Paragraph (a)(1) is amended by adding the language “, or under section 6852 (referred to as a political assessment for purposes of this section)” immediately after “for purposes of this section”).

2. Paragraphs (a)(3) first sentence, (a)(4) last sentence, and (b) first sentence are amended by adding the language “or political assessment” immediately after “jeopardy assessment” in each place it appears.

3. Paragraph (b) is amended by adding the language “(or political assessment)” immediately after “jeopardy” in the last sentence.

§ 301.6863-2 [Amended]

Par. 16. In § 301.6863-2, paragraph (a) introductory text, the first sentence is amended by adding the language “6852,” immediately after “section 6851,”.

Par. 17. Section 301.7409-1 is added under the undesignated centerheading “Civil Actions by the United States” to read as follows:

§ 301.7409-1 Action to enjoin flagrant political expenditures of section 501(c)(3) organizations.

(a) *Letter to organization.* When the Assistant Commissioner (Employee Plans and Exempt Organizations) concludes that a section 501(c)(3) organization has engaged in flagrant political intervention and is likely to continue to engage in political intervention that involves political expenditures, the Assistant Commissioner (Employee Plans and Exempt Organizations) shall send a letter to the organization providing it with the facts based on which the Service believes that the organization has been engaging in flagrant political intervention and is likely to continue to engage in political intervention that involves political expenditures. The organization will have 10 calendar days after the letter is sent to respond by establishing that it will immediately cease engaging in political intervention, or by providing the Service with sufficient information to refute the Service’s evidence that it has been engaged in flagrant political intervention. The Internal Revenue Service will not proceed to seek an injunction under section 7409 until after the close of this 10-day response period.

(b) *Determination by Commissioner.* If the organization does not respond

within 10 calendar days to the letter under paragraph (a) of this section in a manner sufficient to dissuade the Assistant Commissioner (Employee Plans and Exempt Organizations) of the need for an injunction, the file will be forwarded to the Commissioner of Internal Revenue. The Commissioner of Internal Revenue will personally determine whether to forward to the Department of Justice a recommendation that it immediately bring an action to enjoin the organization from making further political expenditures. The Commissioner may also recommend that the court action include any other action that is appropriate in ensuring that the assets of the section 501(c)(3) organization are preserved for section 501(c)(3) purposes. The authority of the Commissioner to make the determinations described in this paragraph may not be delegated to any other persons.

(c) *Flagrant political intervention.* For purposes of this section, *flagrant political intervention* is defined as participation in, or intervention in (including the publication and distribution of statements), any political campaign by a section 501(c)(3) organization on behalf of (or in opposition to) any candidate for public office in violation of the prohibition on such participation or intervention in section 501(c)(3) and the regulations thereunder if the participation or intervention is flagrant.

(d) *Effective date.* This section is effective December 5, 1995.

§ 301.7422-1 [Amended]

Par. 18. In § 301.7422-1, paragraphs (a) introductory text, (c) introductory text and (d) are amended by adding the language “4955,” immediately after “4952,”.

§ 301.7611-1 [Amended]

Par. 19. In § 301.7611-1, A-6, the first sentence is amended by adding the language “or 6852,” immediately after “section 6851”.

Margaret Milner Richardson,
Commissioner of Internal Revenue.

Approved: October 26, 1995.
Leslie Samuels,
Assistant Secretary of the Treasury.
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**FEDERAL EMERGENCY
MANAGEMENT AGENCY**

44 CFR Part 65

RIN 3067-AC38

**Review of Determinations for Required
Purchase of Flood Insurance**

AGENCY: Federal Emergency
Management Agency (FEMA).

ACTION: Final rule.

SUMMARY: This final rule establishes the procedures for FEMA’s review of determinations whether a building or manufactured home is located in an identified Special Flood Hazard Area. The determination review process will provide an opportunity for borrowers and lenders of loans secured by improved real estate to resolve disputes regarding contested determinations.

EFFECTIVE DATE: January 2, 1996.

FOR FURTHER INFORMATION CONTACT: Michael K. Buckley, P.E., Chief, Hazard Identification Branch, Mitigation Directorate, 500 C Street SW., Washington, DC 20472, (202) 646-2756, or by facsimile (202) 646-4596 (not toll-free calls).

SUPPLEMENTARY INFORMATION: As part of its implementation of the National Flood Insurance Reform Act of 1994 (NFIRA), FEMA published a proposed rule (60 FR 31442, June 15, 1995) to establish the procedures for its review of determinations whether a building or mobile home is located in an identified Special Flood Hazard Area. The comment period ended on August 14, 1995. The proposed rule used the term “mobile home” for consistency with the statute. However, the term “manufactured home” is preferred in the industry, and is specifically defined in both the National Flood Insurance Program (NFIP) regulations at 44 CFR part 59, and in the standard flood insurance policy. Therefore, the term “manufactured home” will be used in this final rule.

This final rule addresses FEMA’s requirement under 42 U.S.C. 4012a(e)(3) to review a determination whether a building or manufactured home is located in an identified Special Flood Hazard Area (SFHA) if jointly requested by the borrower and lender for a loan secured by improved real estate or a manufactured home. FEMA will begin accepting requests for determination reviews under this regulation on January 2, 1996. Requests should be mailed to the following locations:

For Minnesota and locations east of the Mississippi River: Determination Review Coordinator, c/o Dewberry &