economic assumptions. For reference, these economic assumptions are described in Chapter 2 of the Analytical Perspectives in the President’s FY 2016 Budget Proposal.

Using the Per Unit Cost forecasting model, HUD forecasts average PUC to decrease slightly in 2015. The PUC forecast for 2015 uses VMS data and actual performance of economic indices through December of 2014. With no increases in PUCs predicted for 2015, the Renewal Funding Inflation Factor for each area will be 1.0.

III. The Use of Inflation Factors

Typically, the inflation factors have been developed to account for relative differences in the PUC of vouchers so that RCV funds can be allocated among PHAs. However, since the current forecast is for the PUC to decline in 2015, HUD has set all areas to have an inflation factor of 1.0, which is consistent with the statutory requirements governing the Annual Adjustment Factor.

IV. Geographic Areas and Area Definitions

Inflation factors based on PUC forecasts are produced for all FMR areas. The tables showing the Renewal Funding Inflation Factors available electronically from the HUD data information page list the inflation factors for each FMR area and are created on a state by state basis. The inflation factors use the same OMB metropolitan area definitions, as revised by HUD, that are used in the FY 2015 FMRs. To make certain that they are referencing the correct inflation factors, PHAs should refer to the Area Definitions Table on the following Web page: http://www.huduser.org/portal/datasets/rfif/FY2015/FY2015_RFIF_FMR_AREA_REPORT.pdf. The Area Definitions Table lists areas in alphabetical order by state, and the counties associated with each area. In the six New England states, the listings are for counties or parts of counties as defined by towns or cities.

V. Request for Comments

HUD has forecasted the decline in national PUC for 2015 to be –0.79 percent. While more analysis is necessary, HUD is concerned that the current model used to predict the amount of per unit cost, when interacted with voucher program appropriations decisions, may have inadvertently locked in PHA cost reduction behaviors used to cope with funding reductions under sequestration in 2013. Rather than terminate assistance from families participating in the program, PHAs often respond to reduced funding by not reissuing vouchers when families leave the program. However there is a strong incentive for PHAs to reduce spending in the voucher program by means other than reducing the number of families served because PHA administrative fees are based on the number of vouchers under lease. These policies have the effect of reducing the (average) subsidy cost of vouchers, and as a result, reduce a family’s ability to rent in higher rent markets and higher opportunity areas. These policies, while necessary to handle the budget constraints, may also be viewed as reducing the effectiveness of vouchers in meeting the goals of the program.

One of the primary tools PHAs use in administering the voucher program is through setting payment standards. Payment standards, rather than Fair Market Rents (FMR), form the basis of the subsidy (the lower of the payment standard or gross rent less the total tenant payment—typically 30 percent of adjusted household income) since a tenant selecting a unit with a gross rent higher than the payment standard must make up the additional rent to the owner. When payment standards decrease relative to FMR, the selection of units available to tenants decreases and higher opportunity neighborhoods with generally higher rents may no longer be available for tenants. A reduction of payment standards relative to FMRs is likely to cause gross rents to grow more slowly than FMRs as tenants choose units available within the payment standard.

Other tools PHAs may use to reduce subsidy cost include policies that encourage more earnings among tenants or by approving more cases of tenants paying more than 30 percent of adjusted income toward rent. Thus, the model’s projections for PUC may not accurately forecast the true cost of maintaining a voucher program when there is a significant external event. As stated in prior notices, HUD may update the methodology for future funding estimates to improve the forecasting model, if necessary. HUD is also continuing to review and refine the methodology, especially for area differences in the factors, which will be described in future inflation factor notices. One option the Department is considering is to create a “constant quality” PUC forecast that addresses reduced payment standards and increases in tenant contributions as a way to avoid disruptions such as sequestration. The Department welcomes comments on other ways to calculate the Renewal Funding Inflation Factor for the Housing Choice Voucher program for 2016 and beyond.

VI. Environmental Impact

This notice involves a statutorily required establishment of a rate or cost determination which does not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Dated: April 10, 2015.

Katherine M. O’Regan, Assistant Secretary for Policy Development and Research.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5870–D–01]

Consolidated Delegation of Authority for the Office of Housing—Federal Housing Administration (FHA)

AGENCY: Office of the Secretary, HUD.

ACTION: Notice of revocation and delegation of authority.

SUMMARY: Section 7(d) of the Department of Housing and Urban Development (HUD) Act, as amended, authorizes the Secretary to delegate functions, powers and duties as the Secretary deems necessary. In this delegation of authority, the Secretary delegates authority to the Assistant Secretary for Housing—Federal Housing Commissioner, the Principal Deputy Assistant Secretary for Housing, the General Deputy Assistant Secretary for Housing and the Associate General Deputy Assistant Secretary for Housing, for the administration of certain Office of Housing programs. This delegation revokes and supersedes all prior delegations of authority, including the delegation published on June 20, 2012.

DATES: Effective upon date of signature.

FOR FURTHER INFORMATION CONTACT:
Laura M. Marin, Associate General Deputy Assistant Secretary, Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, 451 7th Street SW., Room 9106, Washington, DC 20410; telephone number 202–708–2601. (This is not a toll-free number.) Persons with hearing or speech impairments may call HUD’s toll-free number 202–708–2601. (This is not a toll-free Federal Relay Service at 800–877–8339.)

SUPPLEMENTARY INFORMATION:
This notice supersedes the prior consolidated delegation of authority dated June 20, 2012. First, authority previously delegated to the Assistant Secretary for Housing—Federal Housing Commissioner (Assistant Secretary) and General Deputy Assistant Secretary for Housing—Deputy Federal Housing Commissioner (General Deputy Assistant Secretary), with regard to regulation of government-sponsored enterprises (GSEs) under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 et seq.) (FHEFSSA), is no longer included in the delegation to the aforesaid official. Except for certain fair housing oversight requirements retained by HUD, programmatic regulation of the GSEs was transferred to the Federal Housing Finance Agency by the Housing and Economic Recovery Act of 2008 (Pub. L. 110–289, approved July 30, 2008). The Secretary’s authority for those oversight requirements has been delegated in a separate document to the Assistant Secretary for Fair Housing. Second, this delegation has been updated (in sections B through E) to include legislative authority enacted since the 2006 publication of consolidated delegations for the Office of Housing and includes a new overall category for risk management and regulatory functions and authorities. With respect to regulatory authorities, as of July 21, 2011, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111–203, approved July 21, 2010) transferred from the Department of Housing and Urban Development to a new Consumer Financial Protection Bureau, all powers and duties vested in HUD to carry out the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601–2617); the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (Title V of Pub. L. 110–289, approved July 30, 2008); and the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1701 et seq.).

Nevertheless, HUD may be responsible for certain actions undertaken prior to the transfer date but not completed, or for other residual duties after the transfer of regulatory functions. As a result, this notice contains delegations of authority under the statutes cited above. Finally, the general delegation below includes the position of the Associate General Deputy Assistant Secretary for Housing.

Section A. General Delegation of Authority

Unless otherwise stated, the Assistant Secretary, the Principal Deputy Assistant Secretary, the General Deputy Assistant Secretary and the Associate General Deputy Assistant Secretary for Housing are each delegated the power and authority of the Secretary of HUD with respect to all housing programs and functions, including, but not limited to, those listed below in Sections B through F, with authority to redelege to officials of the Department, unless otherwise specified. Only the Assistant Secretary for Housing is delegated the authority to issue a final regulation or a Notice of Funding Availability (NOFA). The authority delegated herein to the Assistant Secretary, Principal Deputy Assistant Secretary and General Deputy Assistant Secretary for Housing includes the authority to waive regulations and statutes.

Section B. Multifamily, Healthcare, and Other Authority Delegated

The authority of the Secretary of HUD with respect of Office of Housing’s multifamily housing, healthcare, and certain other programs and functions that are authorized under the following:
(1) Titles I, II, V, VI, VII, VIII, IX, and XI of the National Housing Act (12 U.S.C. 1701 et seq.) in exercising the power and authority delegated under this section.
(2) Section 202 of the Housing Act of 1959, as such section existed prior to