Authority: 8 U.S.C. 1101; 1102; 1103, 1104; 1182; 1184; 1185 note (Section 7209 of Pub. L. 108–458, as amended by Section 546 of Pub. L. 109–295); 1201; 1258; 1323; 1361; 2651a.

■ 2. Revise § 41.11(c) to read as follows:

* * * * *

(c) *Visa Bond Program.*—(1) *Summary.* This paragraph (c) establishes a program (Visa Bond Program) implementing INA § 221(g)(3). Under the Visa Bond Program, consular officers will require a Bond to be posted via the Visa Bond Program payment platform as a condition of visa issuance, for nationals of certain countries.

(2) *Visa Bond Program Parameters.* Under the program, consular officers will require Visa Bonds to be posted by visa applicants who are applying for visas as temporary visitors for business or pleasure (B–1/B–2) who are nationals of countries with high overstay rates, deficient information sharing, insufficient identity verification and criminal records, and/or that need improvement in the area of screening and vetting and the security of travel and civil documents, including in the granting of citizenship. Countries deemed to meet these criteria are identified on the Department's website at *http://www.travel.state.gov.* Additional countries may be identified on this website no less than 15 days prior to the initiation of the program for that country, and countries may be modified on a rolling basis. Consular officers will set the Visa Bond amount at $10,000, $15,000, or $20,000, based on a consular officer's assessment of which amount is sufficient to ensure the alien will maintain the status under which he or she was admitted or any status subsequently acquired under Section 248 of the INA and will not remain in the United States beyond the end of the alien's authorized period of stay. Visas issued under the Visa Bond Program will be valid for a single entry or multiple entries to the United States within three or up to 12 months of the date of visa issuance.

(3) *Bond Waiver Authority.* The Assistant Secretary for Consular Affairs, or his or her designate, may waive the bond requirement, for an alien, country, or a category of aliens, if the Assistant Secretary, or designate, assesses that such a waiver is not contrary to the national interest. A waiver of the bond requirement may be recommended to the Assistant Secretary for Consular Affairs by a consular officer where the consular officer has reason to believe the waiver would advance a national or humanitarian interest. There will be no procedure for visa applicants to apply for a waiver of the bond requirement. Consular officers will determine whether a waiver would advance a significant national or humanitarian interest based on the applicant's purpose of travel and employment, as described in the visa application and during the visa interview.

(4) *Bond Procedures.* A Visa Bond required under paragraph (c) of this section must be posted after notification from a consular officer of the visa bond requirement. Upon the posting of such bond, the Department will receive notification that the bond has been posted. Under this Visa Bond Program, Visa Bonds will be administered by the Department, the Department of the Treasury, and DHS in accordance with regulations, procedures, and instructions promulgated by DHS for immigration bonds.

(i) *Visa Bond Cancellation.* A Visa Bond will be canceled when the associated visa expires or is canceled, if the visa holder is not in the United States, or the visa holder departs the United States after visa expiry, so long as the visa holder substantially performs with respect to the terms and conditions of the Visa Bond as set forth in the appropriate DHS form and under paragraph (c) of this section. To comply with the bond requirements, aliens must enter and depart the United States through commercial airports of entry—entry through CBP Preclearance locations is also permitted. Aliens who timely file a request for extension of stay or change of status and whose request for extension of stay or change of status is granted are not deemed to be in breach of bond as long as the alien complies with all the conditions of each specific nonimmigrant status which s/he is accorded while classified in such status. Such conditions include not accepting unauthorized employment and departing from the United States on or before the extended date (if any) to which s/he is authorized to remain in the United States.

(ii) *Visa Bond Breach.* A Visa Bond is breached when there has been a substantial violation of any of the terms and conditions of the bond for which the nonimmigrant visa has been issued, including any terms that may be set forth in the appropriate DHS forms and regulations. The following actions are considered to be violations under this paragraph:

(A) Remaining in the United States after expiration of the temporary period of admission;

(B) Filing an untimely request for a change of status;

(C) Not departing the United States within 10 days after denial of a timely and properly filed request for extension of stay or change of status;

(D) Filing an untimely request for an extension of stay of nonimmigrant status; or

(E) Filing for asylum or any other form of humanitarian protection that is submitted on Form I–589, Application for Asylum and for Withholding of Removal.

(5) *Appeal of Bond Breach Determination.* A determination of a bond breach may be appealed in accordance with instructions provided by DHS.

(6) *Effect on other law.* Nothing in this paragraph shall be construed as altering or affecting any other authority, process, or regulation provided by or established under any other provision of federal law.

Morvared Namdarkhan,

Assistant Secretary, Bureau of Consular Affairs, U.S. Department of State.

[FR Doc. 2026–15726 Filed 7–31–26; 8:45 am]

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DEPARTMENT OF THE TREASURY

31 CFR Part 22

RIN 1505–AC91

Rescinding Portions of Department of the Treasury Title VI Regulations To Conform More Closely With the Statutory Text and To Implement an Executive Order

AGENCY: Department of the Treasury.

ACTION: Final rule.

SUMMARY: By this rule, the Department of the Treasury (''Department'') amends its regulations implementing Title VI of the Civil Rights Act of 1964 (''Title VI'') to eliminate disparate-impact liability. These amendments align the Department's regulations with Title VI's original public meaning, avoid constitutional concerns, reduce compliance costs, and serve the public interest. In addition, these revisions implement changes directed in the Executive order, *Restoring Equality of Opportunity and Meritocracy.*

DATES: This rule is effective on August 3, 2026.

FOR FURTHER INFORMATION CONTACT: Tina Lancaster, Acting Director, Office of Civil Rights and Equal Employment Opportunity, Department of the Treasury, (202) 622–1079 (voice), by mail to Tina Lancaster, Acting Director, U.S. Department of the Treasury, Office of Civil Rights and Equal Employment Opportunity, 1500 Pennsylvania

Avenue NW, Washington, DC 20220, by email at *OCRE.comments@treasury.gov.*

SUPPLEMENTARY INFORMATION:

I. Purpose of the Regulatory Action

The Department is rescinding portions of its regulations promulgated under Title VI, 42 U.S.C. 2000d–1, to more closely align them to the language that Congress enacted, which prohibits intentionally discriminatory conduct, *see* 42 U.S.C. 2000d. This rule rescinds those portions of the regulations that prohibit conduct having a disparate impact. First, this rule rescinds the full text of 31 CFR 22.4(b)(2), which currently prohibits the utilization of ''criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, or national origin.'' Second, this rule removes the two uses of the phrase ''or effect'' from 31 CFR 22.4(b)(3). Third, this rule rescinds the full text of 31 CFR 22.4(b)(6). Fourth, this rule rescinds the full text of 31 CFR 22.4(c)(2), which addresses employment practices subject to Federal financial assistance.

The rule's revisions also conform to Executive Order 14281, *Restoring Equality of Opportunity and Meritocracy,* 90 FR 17537 (Apr. 23, 2025). That Order states that ''[i]t is the policy of the United States to eliminate the use of disparate-impact liability in all contexts to the maximum degree possible to avoid violating the Constitution, Federal civil rights laws, and basic American ideals.'' *Id.* at 17537. The Order directed the Attorney General to, among other things, initiate appropriate action to repeal or amend the implementing regulations for Title VI of the Civil Rights Act of 1964 for all agencies to the extent they contemplate disparate-impact liability. *Id.* at 17538.

This rule makes clear that the Department's Title VI regulations prohibit only intentional discrimination, not conduct or activities that have a disparate impact. The Department thus will not pursue Title VI disparate-impact liability against its Federal-funding recipients.

II. Regulatory Amendments

This rule's regulatory changes address the concerns regarding the statutory authority that the Supreme Court questioned in *Alexander* v. *Sandoval,* 532 U.S. 275, 280 (2001), and the other legal and policy concerns discussed below. This rule also narrows the implementing regulations' scope to the conduct that Congress intended Title VI to prohibit, promotes consistent enforcement among private plaintiffs and Federal departments and agencies, and provides much needed clarity to the courts and Federal-funding recipients and beneficiaries. The Department is also amending its regulation to conform with the recent changes to the Department of Justice's Title VI regulations, published on December 10, 2025 (90 FR 57141), and agrees with the rationale contained therein.

1. Serious Legal Concerns

There are serious statutory concerns as to whether Title VI authorizes the disparate-impact provisions of the current regulations. As the Supreme Court has made clear, Title VI prohibits ''only intentional discrimination'' and ''permits'' facially neutral policies that result in disparate outcomes when there is no discriminatory intent. *Sandoval,* 532 U.S. at 280, 286 n.6. That is the ''single, best meaning'' of Title VI. *Loper Bright Enters.* v. *Raimondo,* 603 U.S. 369, 400 (2024). *Sandoval* calls into serious doubt the legality of the Department's ''disparate-impact regulations.'' *Sandoval,* 532 U.S. at 281–82, 284–85 (noting that the Department of Justice's regulations were in ''considerable tension'' with the Supreme Court's Title VI precedents); *see also id.* at 286 n.6 (''[Title VI] permits the very behavior that the regulations forbid.'').

Although *Sandoval* resolved only the question of private enforceability, subsequent cases such as *Loper Bright* have made clear that agencies cannot extend Title VI beyond its original public meaning. *See* 603 U.S. at 412–13 (holding that ''courts must . . . ensur[e] that [an] agency acts within'' its statutory authority). And even in the absence of Supreme Court precedent, the Department would have concluded that the best reading of Title VI is that it prohibits only intentional discrimination.

Title VI authorizes agencies to promulgate regulations ''to effectuate'' the statute's prohibition of intentional discrimination. 42 U.S.C. 2000d–1. The current regulations' extension of prohibited conduct to include conduct with an unintentional disparate impact reaches a vastly broader scope than the statute itself. This scope is too broad to be considered a simple prophylactic measure aimed at preventing intentional discrimination. *See Sandoval,* 532 U.S. at 286 n.6 (''[Title VI] permits the very behavior that the regulations forbid.''). Thus, the disparate-impact regulations do not ''effectuate'' Title VI. 42 U.S.C. 2000d–1.

There are also serious concerns about whether the Department's Title VI regulations pass constitutional muster under the Equal Protection Clause. As the Supreme Court recently held in *Students for Fair Admissions, Inc.* v. *President & Fellows of Harvard Coll.,* ''the Equal Protection Clause . . . applies without regard to any differences of race, of color, or of nationality—it is universal in its application,'' and the ''guarantee of equal protection cannot mean one thing when applied to one individual and something else when applied to a person of another color.'' 600 U.S. 181, 206 (2023) (*SFFA*) (internal quotation marks omitted) (first quoting *Yick Wo* v. *Hopkins,* 118 U.S. 356, 369 (1886)); and then quoting *Regents of the Univ. of Cal.* v. *Bakke,* 438 U.S. 265, 289–90 (1978) (Powell, J.)). Despite the promises of the Equal Protection Clause, a funding recipient's risk of disparate-impact liability under the Department's regulations is triggered by unintentional disparate outcomes, which the recipient may not even know about without investigation. To evaluate and avoid this risk, the funding recipient must incur investigatory costs, such as conducting an impact analysis, and is coerced to proactively consider race, color, and national origin and potentially use it to change the unintended disparate outcomes.

In short, disparate-impact liability encourages and, in some cases, requires covered entities to engage in the intentional use of race and racial balancing to eliminate those disparate outcomes by treating certain racial groups differently from others—the exact conduct the Equal Protection Clause forbids. *See id.* The serious constitutional concerns raised by encouraging or requiring the intentional use of race further confirm that the best reading of Title VI is that it prohibits only intentional discrimination and does not authorize the Department to impose disparate-impact liability. *See Edward J. DeBartolo Corp.* v. *Fla. Gulf Coast Bldg. & Constr. Trades Council,* 485 U.S. 568, 575 (1988) (''[W]here an otherwise acceptable construction of a statute would raise serious constitutional problems, the Court will construe the statute to avoid such problems unless such construction is plainly contrary to the intent of Congress.'' (citing *NLRB* v. *Catholic Bishop of Chi.,* 440 U.S. 490, 499–501, 504 (1979))).

This encouraged or coerced use of race, color, or national origin violates the Equal Protection Clause unless it survives review under the ''daunting'' strict-scrutiny standard. *SFFA,* 600 U.S. at 206; *see also Free Speech Coal., Inc.* v. *Paxton,* 606 U.S. 461, 484 (2025) (''Strict scrutiny—which requires a restriction to be the least restrictive means of achieving a compelling governmental interest—is 'the most demanding test known to constitutional law.' '' (quoting *City of Boerne* v. *Flores,* 521 U.S. 507, 534 (1997))). The use of race, color, or national origin necessitated by the disparate-impact provisions runs into serious issues with the requirement of narrow tailoring to achieve a compelling interest. *SFFA,* 600 U.S. at 206–07.

Similarly, the ''affirmative action'' provision authorizes and sometimes requires the intentional use of race without requiring that this intentional use be narrowly tailored to serve a recognized compelling interest. Instead, it encourages intentional racial balancing ''to overcome the consequences of'' unintended racial disparities. 31 CFR 22.5(b)(6). Thus, for substantially the same reasons as above, the ''affirmative action'' provision raises serious constitutional concerns.

As summarized above, there are serious statutory and constitutional concerns with the Department's disparate-impact regulations. But even if the regulations were consistent with the statute, the Department finds that the potential constitutional concerns addressed above would independently justify the amendment of the regulations. *Cf. U.S. Tel. Ass'n* v. *FCC,* 188 F.3d 521, 528 (D.C. Cir. 1999) (concluding it was not ''arbitrary and capricious'' to adopt a certain policy in order to ''avoid[ ] raising a non-trivial constitutional question''). And even if the regulations did not raise serious constitutional concerns, the Department finds that eliminating the costs and confusion caused by the mismatch between the statute and the disparate-impact regulations would independently justify the repeal of the regulations.

2. Serious Policy Concerns

The Department also has serious policy concerns with the imposition of disparate-impact liability. While the Department expresses its policy concerns with disparate-impact liability independent of Executive Order 14281, that Order sets forth many valid policy concerns with disparate-impact liability. Moreover, the legal concerns identified above have caused uncertainty and confusion for Federal-funding recipients as to whether and when they need to comply with the disparate-impact regulations and when they can or must consider race, color, and national origin. As explained above, *Sandoval* casts substantial doubt on the validity of the disparate-impact regulations that many Federal departments and agencies have promulgated pursuant to Title VI. 532 U.S. at 280–82.

Additionally in practice, and as explained above, disparate-impact liability leads covered entities to engage in racial balancing even as Title VI forbids intentional racial discrimination. This tension tends to create confusion and undermine public confidence in the nation's civil rights laws and in the rule of law itself, as the law seems to both forbid and require the same conduct.

These problems are amplified by the arbitrary nature of the racial and ethnic categories typically used to measure disparate effects, which, by virtue of their arbitrariness, typically lack a meaningful connection to a compelling interest. *See, e.g., SFFA,* 600 U.S. at 216–17 (explaining that the ''[racial] categories'' utilized by Harvard and University of North Carolina were ''themselves imprecise in many ways'' and ''the use of these opaque racial categories undermine[d], instead of promote[d], [their] goals''). This confusion undermines the law's ability to teach principles of nondiscrimination. The Department believes these policy concerns independently justify repealing certain parts of its regulation to cure this confusion, remove the incentive for covered entities to engage in racial balancing, and maintain clarity and public confidence in the nation's civil rights laws.

The Department has considered the view that looking at disparate effects can sometimes be useful in uncovering or deterring subtle intentional discrimination or intentional indifference to unnecessary and arbitrary barriers. But that view's alleged benefits are outweighed by the other issues and factors the Department has considered. And in any event, the concern is mitigated by the fact that eliminating disparate-impact liability does not preclude the use of data on disparate outcomes to help prove intentional discrimination. Both the Department and private litigants rely on such data as a potential indicator of intentional discrimination. This use of statistical disparity to help establish, as an evidentiary matter, liability for *intentional* discrimination materially differs from using it to impose liability for an unintentional disparate impact.

The Department has also considered the alternative of trying to adopt a modified version of disparate-impact liability, for example, by requiring covered entities to remedy unintentional discrimination for only certain types of cases where services are being provided in an economically disadvantaged area. But any version of imposing liability for unintentional discrimination is inconsistent with Title VI's original public meaning. Regardless, even a modified version of disparate-impact liability would not eliminate the Department's serious legal and policy concerns. The Department determines that any benefits from adopting alternative versions of disparate-impact liability are outweighed by the Department's legal and policy concerns. And even if possible, developing such a rule would not solve the confusion or rule-of-law concerns expressed above, nor reduce the compliance and litigation costs that covered entities face. The Department believes that the better course is to avoid the complexities, costs, and litigation associated with this alternative, even if eliminating disparate-impact liability would ultimately leave some problems unaddressed and others inadequately addressed.

The Department has additionally considered the potential reliance interests of funding recipients and others on the disparate-impact regulations. *Sandoval,* however, cast serious doubt on the continuing viability of the regulations more than 20 years ago. At least since *Sandoval,* the Department's enforcement of its Title VI disparate-impact regulations has been minimal and sporadic. And Executive Order 14281 also directed all agencies to ''deprioritize enforcement of all statutes and regulations to the extent they include disparate-impact liability,'' including specifically the Department's Title VI disparate-impact regulations. 90 FR at 17538. The Department accordingly believes that any reliance interests should be minimal and do not outweigh the Department's legal and other policy concerns. Further, each of the Department's concerns, whether considered cumulatively or separately, outweighs any reliance interests.

The Department notes that *Sandoval* has also led to a divergence between Title VI enforcement by private plaintiffs and enforcement by Federal departments and agencies. After *Sandoval,* private plaintiffs can enforce only Title VI's statutory prohibition on intentional discrimination, while the Department could continue to pursue disparate-impact liability. Repealing the disparate-impact regulations eliminates this incongruent enforcement.

Overall, after considering the relevant issues and factors and weighing the relevant considerations, the Department finds that, regardless of the legality of the Department's disparate-impact regulations, the above summarized policy concerns, when viewed separately or cumulatively, independently justify the repeal of its disparate-impact regulations.

For the reasons summarized above, the Department amends the following provisions in its Title VI implementing regulation that explain the particular types of discrimination prohibited, located at 31 CFR 22.4.

Table Summarizing Amendments

The table below indicates the exact wording changes. For each section indicated in the left column, the text shown in the middle column is removed and the text shown in the right column is added:

Section	Remove	Add
22.4(b)(2)	Full text of paragraph: "(2) A recipient . . . or national origin."	"[Removed]".
22.4(b)(3)	"or effect" from both places	
22.4(b)(6)	Full text of paragraph (6)	
22.4(c)(1)	"(1)" from "(c) Employment practice. (1) Whenever a primary objective of the . . . ."; "Such recipient shall take affirmative action to insure that applicants are employed, and employees are treated during employment, without regard to their race, color, or national origin."; and last sentence citing Executive Order 11246, which has been rescinded.	
22.4(c)(2)	Full text of paragraph: "(2) In regard to . . . of beneficiaries."	

III. Section-by-Section Analysis

Section 22.4(b)(2)

Section 22.4(b)(2) is the current regulation's general prohibition of conduct with an unintentional disparate impact. It expands prohibited conduct from purposeful discrimination to impose liability on Federal funding recipients who "utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination." Because section 22.4(b)(2)'s only purpose is to extend the scope of Title VI to reach unintentional disparate-impact discrimination, this rule deletes this paragraph in its entirety. It thus amends the Department's Title VI implementing regulations to conform to what Congress intended when it enacted Title VI and to address the legal and policy considerations and determinations described in this document. The rule replaces paragraph (b)(2) with a placeholder to maintain the numbering accuracy of previous citations and other references to parts of this section.

Section 22.4(b)(3)

Section 22.4(b)(3) addresses a Federal-funding recipient's or applicant's selection of the site or location of facilities. It provides that a funding recipient may not make selections with the "purpose or effect" of discriminating or "with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of" Title VI or the Department's implementing regulations. The paragraph's two references to "effect" extend its scope to unintentional disparate impacts. This rule deletes both "or effect" references to conform paragraph (b)(3) more closely to what Congress intended when it enacted Title VI and to address the legal and policy considerations and determinations described in this document.

Section 22.4(b)(6)

Section 22.4(b)(6) deals with "affirmative action." Paragraph (b)(6) authorizes affirmative action even in the absence of a finding of prior discrimination in a program "if the purpose and effect are to remove or overcome the consequences of practices or impediments which have restricted the availability of, or participation in, the program or activity receiving Federal financial assistance, on the grounds of race, color, or national origin." This provision points not to intentional discrimination, but rather to the unintentional "consequences of practices or impediments." It consequently encourages intentional racial classifications, racial preferences, and other race-based actions without requiring the compelling governmental interest and narrow tailoring that the Equal Protection Clause demands.

Paragraph (b)(6) also requires that a recipient "must take affirmative action to overcome the effects of the prior discriminatory practice or usage" "[w]here prior discriminatory practice or usage tends, on the grounds of race, color, or national origin to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which this part applies." This provision goes beyond the Equal Protection Clause, which permits in limited circumstances, but does not mandate, a government to take narrowly tailored action to remedy the effects of its identified past discrimination. *See, e.g., Regents of the Univ. of Cal.* v. *Bakke,* 438 U.S. 265, 307 (Powell, J.). Moreover, even putting aside the mandatory language, this provision does not expressly require narrow tailoring to address identified past discrimination, but rather simply "affirmative action to remove or overcome the effects of the prior discriminatory practice or usage." This provision accordingly promotes potentially illegal race, color, and national origin discrimination. Moreover, in some instances, it may even coerce recipients to consider and use race preferences when the recipient does not want to. This is contrary to the Department's goal of promoting and defending a culture of nondiscrimination and is destructive to the public's understanding of and faith in the nation's civil rights laws. This rule, therefore, removes paragraph (b)(6).

Section 22.4(c)

Section 22.4(c) addresses prohibited discriminatory employment practices. Paragraph (c)(1) prohibits intentionally discriminatory employment practices in a program when a primary objective of the Federal financial assistance that program receives is to provide employment. This paragraph also includes one sentence regarding "affirmative action" that recipients must take: "Such recipient shall take affirmative action to insure that applicants are employed, and employees are treated during employment, without regard to their race, color, or national origin." Although this use of "affirmative action" language may not raise the same legal concerns given its focus on equal "treat[ment] . . . without regard to . . . race, color, or national origin," this rule removes this sentence to avoid potential confusion. This rule also removes a reference to Executive Order 11246, which has been rescinded.

Paragraph (c)(2) extends the prohibition on discrimination to employment practices of the funding recipient even when "[w]here a primary objective of the federal financial assistance is not to provide employment'' if discrimination in the non-funded ''employment practices of the recipient or other persons subject to the regulation tends, on the grounds of race, color, or national origin, to exclude individuals from participation in, deny them the benefits of, or subject them to discrimination under any program to which this regulation applies.'' This paragraph prohibits not only intentional discrimination but rather extends the prohibition to conduct that ''tends'' to have a discriminatory effect.

Moreover, the Department notes that paragraph (c)(2)'s extension to employment practices where the Federal funding's primary objective is not to provide employment conflicts with the statutory limitation found in 42 U.S.C. 2000d–3. That section states that ''[n]othing contained in [Title VI] shall be construed to authorize action under [Title VI] by any department or agency with respect to any employment practice of any employer, employment agency, or labor organization except where a primary objective of the Federal financial assistance is to provide employment.'' 42 U.S.C. 2000d–3; *see also Johnson* v. *Transp. Agency, Santa Clara Cnty.,* 480 U.S. 616, 627–28 n.6 (1987) (citing the statutory limitation and noting Congress's intent that Title VI not ''impinge'' on Title VII, which prohibits discriminatory employment practices). The rule deletes paragraph (c)(2) so that the regulation more closely adheres to Title VI, which addresses the legal and policy considerations and determinations described in this document.

IV. Severability

The Department's position is that each of the amendments serve a vital, related, but distinct purpose. The Department also confirms that each of the amendments is intended to operate independently of each other and that the potential invalidity of one amendment should not affect the other amendments. The Department would adopt any of the amendments independently of the invalidity of a separate amendment.

V. Procedural Requirements

Administrative Procedure Act

The Department issues this final rule without prior public notice and comment or a delayed effective date pursuant to the Administrative Procedure Act's exception for rules ''relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.'' 5 U.S.C. 553(a)(2).

Title VI concerns non-discrimination conditions on the receipt of Federal financial assistance, and more particularly to the receipt of Federal ''[g]rants and loans,'' ''property,'' ''personnel'' and ''[a]ny Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance.'' 31 CFR 22.3; *see also* 31 CFR 22.5 (requiring funding recipient sign contractual assurance of compliance with Title VI); *Cummings* v. *Premier Rehab Keller, P.L.L.C.,* 596 U.S. 212, 217–18 (2022) (observing that Congress enacted Title VI ''[p]ursuant to its authority to 'fix the terms on which it shall disburse federal money' '' (internal citation omitted)). *Cf. Education Programs or Activities Receiving or Benefitting from Federal Financial Assistance,* 82 FR 46655, 46655 (Oct. 6, 2017) (invoking the section 553(a)(2) exception to amend Title IX regulations to ''promote consistency in the enforcement of Title IX for [the Department of Agriculture] financial assistance recipients''); *Preserving Community and Neighborhood Choice,* 85 FR 47899 (Aug. 7, 2020) (invoking the exception to repeal Housing and Urban Development rule regarding Federal grantees); *Participation by Minority Business Enterprise in Department of Transportation Programs,* 53 FR 18285 (May 23, 1988) (invoking the exception to expand coverage of Department of Transportation regulation regarding Federal Aviation Administration's airport financial assistance program); *Nondiscrimination on the Basis of Handicap in Federally Assisted Programs—Suspension of Guidelines with Respect to Mass Transportation,* 46 FR 40687 (Aug. 11, 1981) (invoking the exception to suspend Department of Justice guidelines regarding prohibiting disability discrimination in transportation programs and activities receiving Federal financial assistance).

Indeed, invoking 5 U.S.C. 553(a)(2) is consistent with the Office for Management and Budget's (OMB) definition for ''Federal financial assistance'' under 2 CFR 200.1, which defines ''Federal financial assistance'' with the same categories as the Administrative Procedure Act's exception for rules ''relating to agency management or personnel or to public property, loans, grants, benefits, or contracts,'' 5 U.S.C. 553(a)(2). With potentially limited exceptions not applicable to the Department, all the forms of Federal financial assistance set forth under 2 CFR 200.1 that the Department administers would fall under the ''public property, loans, grants, benefits, or contracts'' exception. Thus, the Department issues this final rule without prior public notice and comment or a delayed effective date under 5 U.S.C. 553(a)(2).

Executive Orders 12866 and 13563 (Regulatory Review)

Executive Orders 13563 and 12866 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been designated a ''significant regulatory action'' although not ''economically significant,'' under section 3(f) of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget.

Data limitations make the costs and benefits of the rule difficult to quantify. This deregulatory action should, however, decrease the Department's enforcement costs. It should also have the benefit, albeit difficult to quantify, of bringing the Department's conduct in line with the law. The Department is also unable to quantify how funding recipients will respond to the regulatory changes. But the deregulatory action is anticipated to result in greater flexibility and lower compliance costs for recipients.

Other than the time needed to read and understand the final rule, this deregulatory action does not create any new obligations for funding recipients. On the contrary, by eliminating disparate-impact liability from the regulations, it eliminates a source of regulatory confusion, narrows the conduct prohibited, and thus lessens the costs of compliance and potential liability. Moreover, recipients who receive funds for the same program or activity from more than one Federal entity already enter into separate contractual assurances with each funding entity, *see, e.g.,* 31 CFR 22.5. These contractual assurances already impose varying requirements that each Federal funding source deems necessary. Funding recipients will continue to be held to the most stringent contractual assurance and regulation.

Based on the analysis of the practical qualitative costs and benefits noted above, the Department believes that this rule is consistent with the principles of Executive Orders 12866 and 13563, including the requirements that, to the extent permitted by law, the Department adopt a regulation only upon a reasoned determination that its benefits justify its costs and choose a regulatory approach that maximizes net benefits. *See* 58 FR at 51735; 76 FR at 3821.

Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (''UMRA''), 2 U.S.C. 1501 *et seq.,* requires agencies to prepare several analytic statements before proposing any rule that may result in annual expenditures of $100 million by state, local, or tribal governments, or the private sector. 2 U.S.C. 1532(a). The UMRA also, however, excludes from its coverage any proposed or final Federal regulation that ''establishes or enforces any statutory rights that prohibit discrimination on the basis of race, color, religion, sex, national origin, age, handicap, or disability.'' 2 U.S.C. 1503(2). Accordingly, this rulemaking is not subject to the provisions of the UMRA.

The Regulatory Flexibility Act

This rule does not require a regulatory flexibility analysis under the Regulatory Flexibility Act, 5 U.S.C. 603, 604, because, for the reasons described above, no notice of proposed rulemaking is required under 5 U.S.C. 553. *See Or. Trollers Ass'n* v. *Gutierrez,* 452 F.3d 1104, 1123–24 (9th Cir. 2006) (noting that the RFA does not apply when an agency validly invokes an exception to the public comment requirements of 5 U.S.C. 553). Further, the Department, in accordance with 5 U.S.C. 605(b), has reviewed these regulations and certifies that the rule's changes will not have a significant economic impact on a substantial number of small entities, in large part because these regulatory changes do not impose any new substantive obligations on Federal funding recipients. The rule amends and clarifies existing regulations that are required by Title VI. The rule merely brings the Department into compliance with the Equal Protection Clause and harmonizes the scope of its regulations with the scope of Title VI, which does not prohibit conduct having an unintentional disparate impact. All Federal-funding recipients have been bound by the existing standards that will remain in place after this rule since their initial promulgation.

Congressional Review Act

The Office of Information and Regulatory Affairs has determined that this rule is not a ''major rule'' as defined by the Congressional Review Act, 5 U.S.C. 804(2).

Executive Order 13132

These Title VI regulations will not have substantial direct effects on the states, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. These Title VI regulations do not subject recipients of Federal funding to any new substantive obligations because all recipients of Federal funding have been bound by Title VI's nondiscrimination provision since 1964. Moreover, these Title VI regulations are required by statute; Congress specifically directed Federal agencies to adopt implementing regulations when Title VI was enacted. Therefore, in accordance with section 6 of Executive Order 13132, the Department has determined that this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. No further action is required.

Executive Order 12250

Pursuant to Executive Order 12250, the Department of Justice has the responsibility to ''review . . . proposed rules . . . of the Executive agencies'' implementing nondiscrimination statutes such as Title VI in order to identify those which are inadequate, unclear or unnecessarily inconsistent.'' Additionally, Executive Order 12250 delegated the President's responsibility to approve Title VI regulations to the Attorney General. *See* 42 U.S.C. 2000d–1. The Attorney General has reviewed and approved this rule.

Paperwork Reduction Act

This rule will not impose additional reporting or recordkeeping requirements under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 *et seq.*

Executive Order 14192 (Unleashing Prosperity Through Deregulation)

The Department expects this rule to be a deregulatory action under Executive Order 14192.

Executive Order 14294 (Fighting Overcriminalization in Federal Regulations)

Executive Order 14294 requires agencies promulgating regulations with criminal regulatory offenses potentially subject to criminal enforcement to ''explicitly describe the conduct subject to criminal enforcement, the authorizing statutes, and the *mens rea* standard applicable to'' each element of those offenses. 90 FR 20363, 20363 (May 9, 2025). This rule does not impose a criminal regulatory penalty and is thus exempt from Executive Order 14294 requirements.

Executive Order 12988 (Civil Justice Reform)

This rule meets the applicable standards set forth in sections 3(a) and (b)(2) of Executive Order 12988 to specify provisions in clear language. *See* 61 FR 4729, 4731–32 (Feb. 5, 1996). Pursuant to section 3(b)(1)(I) of the Executive Order, *id.* at 4731, nothing in this proposed or any previous rule (or in any administrative policy, directive, ruling, notice, guideline, guidance, or writing) directly relating to the Program that is the subject of this proposed rule is intended to create any legal or procedural rights enforceable against the United States.

List of Subjects in 31 CFR Part 22

Administrative practice and procedure, Civil rights, Claims, Disability benefits, Government contracts.

For the reasons discussed in the preamble, the Department amends 31 CFR part 22 as follows:

PART 22—NONDISCRIMINATION ON THE BASIS OF RACE, COLOR, OR NATIONAL ORIGIN IN PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE FROM THE DEPARTMENT OF THE TREASURY

■ 1. The authority citation for part 22 is revised to read as follows:

Authority: 42 U.S.C. 2000d, 2000d–1, 2000d–7; E.O. 12250, 45 FR 72995, 3 CFR, 1980 Comp., p. 298; E.O. 14281, 90 FR 17537.

■ 2. In § 22.4:
■ a. Remove and reserve paragraph (b)(2);
■ b. Revise paragraph (b)(3);
■ c. Remove paragraph (b)(6); and
■ d. Revise paragraph (c).

The revisions read as follows:

§ 22.4 Discrimination prohibited.

* * * * *

(b) * * *

(3) In determining the site or location of facilities, a recipient or applicant may not make selections with the purpose of excluding individuals from, denying them the benefits of, or subjecting them to discrimination under any program to which this regulation applies, on the ground of race, color, or national origin; or with the purpose of defeating or substantially impairing the

accomplishment of the objectives of Title VI or this part.

* * * * *

(c) *Employment practices.* Where a primary objective of the Federal financial assistance to a program to which this part applies is to provide employment, a recipient subject to this part shall not, directly or through contractual or other arrangements, subject a person to discrimination on the ground of race, color, or national origin in its employment practices under such program (including recruitment or recruitment advertising, hiring, firing, upgrading, promotion, demotion, transfer, layoff, termination, rates of pay or other forms of compensation or benefits, selection for training or apprenticeship, and use of facilities).

Rachel Miller,

Executive Secretary.

[FR Doc. 2026–15720 Filed 7–31–26; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[EPA–HQ–OPP–2025–0071; FRL–13395–01–OCSPP]

Permethrin; Pesticide Tolerances

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This regulation establishes a tolerance for residues of permethrin (CASRN 52645–53–1) in or on the food and feed commodity of black pepper at 0.1 parts per million (ppm). Under the Federal Food, Drug, and Cosmetic Act (FFDCA), the American Spice Trade Association, Inc., submitted a petition to EPA requesting that EPA establish a maximum permissible level for residues of this pesticide in or on the identified commodity.

DATES: This regulation is effective August 3, 2026. Objections and requests for hearings must be received on or before October 2, 2026 and must be filed in accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the **SUPPLEMENTARY INFORMATION**).

ADDRESSES: The docket for this action, identified by docket identification (ID) number EPA–HQ–OPP–2025–0071, is available at *https://www.regulations.gov.* Additional information about dockets generally, along with instructions for visiting the docket in person, is available at *https://www.epa.gov/dockets.*

FOR FURTHER INFORMATION CONTACT: Charles Smith, Director, Registration Division (7505T), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460–0001; main telephone number: (202) 566–1030; email address: *RDFRNotices@epa.gov.*

SUPPLEMENTARY INFORMATION:

I. Executive Summary

A. Does this action apply to me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. The following list of North American Industrial Classification System (NAICS) codes is not intended to be exhaustive, but rather provides a guide to help readers determine whether this document applies to them:

- Crop production (NAICS code 111).
- Animal production (NAICS code 112).
- Food manufacturing (NAICS code 311).
- Pesticide manufacturing (NAICS code 32532).

If you have any questions regarding the applicability of this proposed action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What is EPA's authority for taking this action?

EPA is issuing this rulemaking under section 408 of the Federal Food, Drug, and Cosmetic Act (FFDCA), 21 U.S.C. 346a. FFDCA section 408(b)(2)(A)(i) allows EPA to establish a tolerance (the legal limit for a pesticide chemical residue in or on a food) only if EPA determines that the tolerance is ''safe.'' FFDCA section 408(b)(2)(A)(ii) defines ''safe'' to mean that ''there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information.'' This includes exposure through drinking water and in residential settings but does not include occupational exposure. FFDCA section 408(b)(2)(C) requires EPA to give special consideration to exposure of infants and children to the pesticide chemical residue in establishing a tolerance and to ''ensure that there is a reasonable certainty that no harm will result to infants and children from aggregate exposure to the pesticide chemical residue . . .''

C. How can I file an objection or hearing request?

Under FFDCA section 408(g), 21 U.S.C. 346a, any person may file an objection to any aspect of this regulation and may also request a hearing on those objections. If you fail to file an objection to the final rule within the time period specified in the final rule, you will have waived the right to raise any issues resolved in the final rule. You must file your objection or request a hearing on this regulation in accordance with the instructions provided in 40 CFR part 178. To ensure proper receipt by EPA, you must identify docket ID number EPA–HQ–OPP–2025–0071 in the subject line on the first page of your submission. All objections and requests for a hearing must be in writing and must be received by the Hearing Clerk on or before October 2, 2026.

The EPA's Office of Administrative Law Judges (OALJ), in which the Hearing Clerk is housed, urges parties to file and serve documents by electronic means only, notwithstanding any other particular requirements set forth in other procedural rules governing those proceedings. See ''Revised Order Urging Electronic Filing and Service,'' dated June 22, 2023, which can be found at *https://www.epa.gov/system/files/documents/2023-06/2023-06-22%20-%20revised%20order%20urging%20electronic%20filing%20and%20service.pdf.* Although the EPA's regulations require submission via U.S. Mail or hand delivery, the EPA intends to treat submissions filed via electronic means as properly filed submissions; therefore, the EPA believes the preference for submission via electronic means will not be prejudicial. When submitting documents to the OALJ electronically, a person should utilize the OALJ e-filing system at *https://yosemite.epa.gov/oa/eab/eab-alj_upload.nsf.*

In addition to filing an objection or hearing request with the Hearing Clerk as described in 40 CFR part 178, please submit a copy of the filing (excluding any Confidential Business Information (CBI)) for inclusion in the public docket at *https://www.regulations.gov.* Follow the online instructions for submitting comments. Do not submit electronically any information you consider to be CBI or other information whose disclosure is restricted by statute. If you wish to include CBI in your request, please follow the applicable instructions at *https://www.epa.gov/dockets/commenting-epa-dockets#rules* and clearly mark the information that you claim to be CBI. Information not marked confidential pursuant to 40 CFR part 2