operating the aircraft, not the training provider who holds the exemption.

The following table shows all variants of the CE–500 airplane currently covered by the single-pilot exemptions.

TABLE—CE–500 VARIANTS COVERED BY SINGLE-PILOT EXEMPTION

Cessna model	Number of required pilots
Transport Category (weighing more than 12,500 lbs)	
Model 500—Citation and Citation I	2
Model 550—Citation II	2
Model S550—Citation S/II	2
Model 552, Navy T–47A	2
Model 560—Citation V and Citation Ultra	2
Model 550—Bravo	2
Model 560—Encore	2
Model 560—Encore+	2

In 2024, the FAA began an in-depth review of compliance based on information discovered that non-exemption holders were offering training under another entity's exemption. The FAA found numerous instances of non-compliance with the C&Ls by holders of these exemptions. These acts of non-compliance include incomplete records, conducting required flight training in an advanced aviation training device contrary to the C&Ls, and improper checks by designated pilot examiners (DPEs) that included falsified records.[4] As a result, 13 of the 14 Part 61 exemption holders were denied an extension or had their exemption rescinded either for failing to respond to information requests or for non-compliance with the C&Ls.

In addition to the widespread non-compliance described above, a review of CE–500 accidents over the last 18 years indicates that, even with conservative assumptions about crew configuration, Part 25 CE–500 aircraft operated with a single pilot are involved in approximately twice the rate [5] of accidents as Part 23 CE–500, 510 and 525 aircraft flown with a single pilot. This data undermines the threshold requirement for issuance of an exemption, namely that the relief would provide an equivalent level of safety or result in no adverse impact on safety.[6] The FAA also notes a fatal accident occurred on May 22, 2025 (NTSB WPR25FA161), that involved a CE–500 single-pilot operation that killed six on board the aircraft and injured eight others on the ground. The FAA determined that the pilot of the aircraft had received an improper check six months before the accident by a DPE employed by a Part 61 exemption holder. The accident is still under investigation, and a probable cause has yet to be determined.

Additionally, another accident took place in Statesville, NC on December 18, 2025 (NTSB WPR26MA063), in which the pilot of that aircraft, a CE–500 variant that required two pilots under the regulations, was operating without a qualified SIC on board. The accident is still under investigation, and a probable cause has yet to be determined.

In addition to these concerns, the FAA has determined that the exemptions to training providers present safety oversight issues for the agency. Unlike other exemptions that grant relief to the operator of a flight on behalf of a pilot involved in the operation, the CE–500 exemption holders have no ongoing involvement with the pilots exercising the relief to operate as a single pilot. The FAA distinguishes the CE–500 exemption from exemptions granted to air carriers on behalf of the air carrier and its pilots [7] and exemptions where the exemption holder is responsible for the operations for which the pilot requires relief. In those circumstances, the exemption holder maintains responsibility for the pilot, and a loss of exemption to the operator prevents the pilot from continuing to exercise the relief independently.

Conversely, under the CE–500 exemptions, the relief granted to the training provider is required only by the pilot operating the aircraft. The training provider has no ongoing involvement with the operation for which the relief is required; thus, the pilot exercising the relief is likely unaware when the exemption expires or is terminated and may continue to conduct operations for which no relief exists, resulting in regulatory noncompliance.

Disposition

Due to the recent safety concerns, the widespread non-compliance that has been identified, and the overarching problems associated with granting relief to training providers on behalf of pilots for whom they have no ongoing operational relationship, the FAA has determined that cessation of the CE–500 single-pilot exemptions is warranted.

The FAA announces in this notice that it will cease issuing this exemption to training providers who petition for relief on behalf of pilots seeking to operate the CE–500 contrary to the aircraft's operating limitations. The FAA finds that these exemptions do not provide an equivalent level of safety to the regulations and are no longer in the public interest. For those training providers who currently hold a valid exemption, the FAA is issuing rescissions following publication of this notice, effectively ending their current exemptions. The FAA is also advising all pilots who hold logbook endorsements authorizing them to operate a CE–500 aircraft as a single pilot that with the termination of the exemption relief, their logbook endorsement is no longer valid, and they must comply with the requirements of §§ 91.9 and 91.531. Accordingly, these pilots must operate the aircraft in a two-pilot configuration consistent with the operating limitations in the TCDS. The FAA notes that, if a pilot received a § 61.58 proficiency check during the course complying with the C&Ls of the exemption, that pilot can still use that completed proficiency check to satisfy the pilot-in-command requirements for a two-pilot operation in a CE–500 model aircraft.

The FAA will apply the principles of the Compliance Program to determine how to address flights performed by single pilots who received a logbook endorsement from an exemption holder who was rescinded or denied an extension prior to the issuance of this Notice.

Issued in Washington, DC, on September 24, 2026.

Hugh J. Thomas,

Executive Director, Flight Standards Service.

[FR Doc. 2026–19843 Filed 9–25–26; 8:45 am]

BILLING CODE 4910–13–P

[4] In response to the exemption review, the FAA took concurrent action against certain DPEs who administered checks for the non-compliant training providers. In the instances involving falsification of records, the FAA terminated the designee authority.

[5] Rate is based on total number of aircraft.

[6] *See* 49 U.S.C. 44701(f), 14 CFR 11.81(e).

[7] In those instances, the regulation generally applies to both the air carrier and the pilot (*e.g.,* 14 CFR 121.383, which states ''[n]o certificate holder may use any person as an airman nor may any person serve as an airman unless . . .'').

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 570

[Docket No. FR–6561–N–03]

Section 108 Loan Guarantee Program: Announcement of Fee To Cover Credit Subsidy Costs for FY 2027

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Announcement of fee.

SUMMARY: This document announces the fee that HUD will collect from borrowers of loans guaranteed under HUD's Section 108 Loan Guarantee Program (Section 108 Program) to offset the credit subsidy costs of the guaranteed loans pursuant to commitments awarded in Fiscal Year 2027 in the event HUD is required or authorized by statute to do so, notwithstanding subsection (m) of section 108 of the Housing and Community Development Act of 1974. The fee to offset credit subsidy costs is changing from 0.58 percent in Fiscal Year 2026 to 1.05 percent in Fiscal Year 2027.

DATES: *Applicability date:* October 28, 2026.

FOR FURTHER INFORMATION CONTACT: Scott Laliberte, Loan Management Team Lead, Financial Management Division, Office of Block Grant Assistance, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 7282, Washington, DC 20410; telephone number 202–402–3956 (this is not a toll-free number). FAX inquiries (but not comments) may be sent to Mr. Laliberte at 202–402–3956 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

SUPPLEMENTARY INFORMATION:

I. Background

The Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2015 (division K of Public Law 113–235, approved December 16, 2014) (2015 Appropriations Act) provided that ''the Secretary shall collect fees from borrowers, notwithstanding subsection (m) of such section 108, to result in a credit subsidy cost of zero for guaranteeing'' Section 108 loans. This language overrode section 108(m) of the Housing and Community Development Act of 1974, which states that ''No fee or charge may be imposed by the Secretary or any other Federal agency on or with respect to a guarantee made by the Secretary under this section after February 5, 1988.'' Identical language was continued or included in the Department's continuing resolutions and appropriations acts authorizing HUD to issue Section 108 loan guarantees during Fiscal Years (FYs) 2016 to 2026.

On November 3, 2015, HUD published a final rule (80 FR 67626) that amended the Section 108 Program regulations at 24 CFR part 570 to add 24 CFR 570.712. 24 CFR 570.712 established additional procedures for charging borrowers a fee, including procedures for announcing the amount of the fee each fiscal year when HUD is required to offset the credit subsidy costs to the Federal Government to guarantee Section 108 loans. For FYs 2016 to 2026, HUD published notifications to set the fees in accordance with 24 CFR 570.712.[1]

II. FY 2027 Fee: 1.05 Percent of the Principal Amount of the Loan

If authorized by statute, this document sets the fee for Section 108 loan disbursements under loan guarantee commitments awarded for FY 2027 at 1.05 percent of the principal amount of the loan. HUD will collect this fee from borrowers of loans guaranteed under the Section 108 Program to offset the credit subsidy costs of the guaranteed loans pursuant to commitments awarded in FY 2027 if language authorizing the collection of fees in the FY 2027 HUD appropriations bill under consideration is enacted, or if HUD is otherwise required or authorized by statute to collect fees from borrowers to offset the credit subsidy costs of the guaranteed loans, notwithstanding subsection (m) of section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(m)). The calculation of the FY 2027 fee uses a similar calculation model as the FY 2016 to FY 2026 fee notifications but incorporates updated information regarding the composition of the Section 108 portfolio and the timing of the estimated future cash flows for defaults and recoveries. The calculation of the fee is also affected by the discount rates required to be used by HUD when calculating the present value of the future cash flows as part of the Federal budget process.

As described in 24 CFR 570.712(b), HUD's credit subsidy calculation is based on the amount required to reduce the credit subsidy cost to the Federal Government associated with making a Section 108 loan guarantee to the amount established by applicable appropriation acts. As a result, HUD's credit subsidy cost calculations incorporated assumptions based on: (1) data on default frequency for municipal debt where such debt is comparable to loans in the Section 108 loan portfolio; (2) data on recovery rates on collateral security for comparable municipal debt; (3) the expected composition of the Section 108 portfolio by end users of the guaranteed loan funds (*e.g.,* third-party borrowers and public entities); and (4) other factors that HUD determined were relevant to this calculation (*e.g.,* assumptions as to loan disbursement and repayment patterns).

Taking these factors into consideration, HUD determined that the fee for disbursements made under loan guarantee commitments awarded in FY 2027 will be 1.05 percent, which will be applied only at the time of loan disbursements. Note that future notifications may provide for a combination of upfront and periodic fees for loan guarantee commitments awarded in future fiscal years but, if so, HUD will provide the public with an opportunity to comment if appropriate under 24 CFR 570.712(b)(2).

The expected cost of a Section 108 loan guarantee is difficult to estimate using historical program data because there have been no defaults in the history of the program that required HUD to pay a note holder in accordance with its full faith and credit guarantee or use the credit subsidy reserved each year for future losses.[2] This is due to a variety of factors, including the availability of Community Development Block Grant (CDBG) funds as security for HUD's guarantee as provided in 24 CFR 570.705(b). As authorized by Section 108(c) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5308(c)), borrowers may make payments on Section 108 loans using CDBG grant funds. Borrowers may also make Section 108 loan payments from other anticipated sources but continue to have CDBG funds available should they encounter shortfalls in the anticipated repayment source. Despite the program's history of no defaults, Federal credit budgeting principles require that the availability of CDBG funds to repay the guaranteed loans cannot be assumed in the development of the credit subsidy cost estimate (see 80 FR 67629, November 3, 2015). Thus, the estimate must incorporate the risk that

[1] 80 FR 67634 (November 3, 2015), 81 FR 68297 (October 4, 2016), 82 FR 44518 (September 25, 2017), 83 FR 50257 (October 5, 2018), 84 FR 35299 (July 23, 2019), 85 FR 52479 (August 26, 2020), 86 FR 59302 (October 27, 2021), 87 FR 53662 (September 1, 2022), 88 FR 73532 (October 26, 2023), 89 FR 78239 (September 25, 2024), and 90 FR 51992 (November 19, 2025) respectively.

[2] U.S. Department of Housing and Urban Development, *Study of HUD's Section 108 Loan Guarantee Program,* (prepared by Econometrica, Inc. and The Urban Institute), September 2012, at pp. 73–74. This fact has not changed since the issuance of this report.

alternative sources are used to repay the guaranteed loan in lieu of CDBG funds, and that those sources may be insufficient. Based on the rate that CDBG funds are used annually for repayment of loan guarantees, HUD's calculation of the credit subsidy cost must acknowledge the possibility of future defaults if those CDBG funds were not available. The fee of 1.05 percent of the principal amount of the loan will offset the expected cost to the Federal Government due to default, financing costs, and other relevant factors. To arrive at this measure, HUD analyzed data on comparable municipal debt over an extended period. The estimated rate is based on the default and recovery rates for general purpose municipal debt and industrial development bonds. The cumulative default rates on industrial development bonds were higher than the default rates on general purpose municipal debt during the period from which the data were taken. These two subsectors of municipal debt were chosen because their purposes and loan terms most closely resemble those of Section 108 guaranteed loans.

In this regard, Section 108 guaranteed loans can be broken down into two categories: (1) loans that finance public infrastructure and activities to support subsidized housing (other than financing new construction) and (2) other development projects (*e.g.,* retail, commercial, industrial). The 1.05 percent fee was derived by combining the default and recovery data for general purpose municipal debt and the data for industrial development bonds according to the expected composition of the Section 108 portfolio by corresponding project type. Based on the dollar amount of Section 108 loan guarantee commitments awarded from FY 2021 through FY 2025, HUD expects that 73 percent of the Section 108 portfolio will be similar to general purpose municipal debt and 27 percent of the portfolio will be similar to industrial development bonds. In setting the fee at 1.05 percent of the principal amount of the guaranteed loan, HUD expects that the amount generated will fully offset the cost to the Federal Government associated with making guarantee commitments awarded in FY 2027. Note that the fee increased from 0.58 percent in FY 2026 to 1.05 percent in FY 2027, an increase of 0.47 percentage points in the level of fee charged.

This document establishes a statutorily required fiscal requirement in the form of a fee based on rate and cost determinations that does not constitute a development decision that affects the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this document is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Ronald J. Kurtz,

Assistant Secretary for Community Planning and Development.

[FR Doc. 2026–19743 Filed 9–25–26; 8:45 am]

BILLING CODE 4210–67–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 228

[EPA–R06–OW–2025–3359; FRL 13119–02–R6]

Marine Protection: Modification To Expand Ocean Dredged Material Disposal Sites Offshore of Corpus Christi, Texas

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is issuing a rule that modifies the existing EPA-designated ocean dredged material disposal sites (ODMDSs) offshore of Corpus Christi, Texas; specifically, the Corpus Christi Ship Channel (CCSC) ODMDS and the Corpus Christi New Work (CCNW) ODMDS to serve the long-term need for locations to dispose of suitable material dredged from the Corpus Christi Bay area. The modified sites will be subject to monitoring and management to ensure continued protection of the marine environment.

DATES: The final rule is effective on October 28, 2026.

ADDRESSES: The EPA has established a docket for this action under Docket No. EPA–R06–OW–2025–3359. All documents in the docket are listed on the Federal e-Rulemaking Portal: *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Wendy Jacques, Environmental Protection Agency, Region 6, Water Division, Marine Coastal and Nonpoint Source Section (6WD–AM) (R06–WD–APB–MCNSS), 1201 Elm Street, Suite 500, Dallas, TX 75270; telephone number: 214–665–7395; email address: *jacques.wendy@epa.gov.* Further information is available via the EPA website at *https://www.epa.gov/marine-protection-permitting/marine-protection-permitting-epa-region-6.*

SUPPLEMENTARY INFORMATION:

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I. Potentially Affected Persons

Persons potentially affected by this action include those who seek or might seek permits or approval to dispose of dredged material into ocean waters pursuant to the Marine Protection, Research and Sanctuaries Act (MPRSA) (*See* 33 U.S.C. 1401 *et seq*). The EPA's action is therefore relevant to persons, including dredging entities and government bodies, seeking to dump dredged material in ocean waters offshore of Corpus Christi, Texas (currently, the U.S. Army Corps of Engineers (USACE) and other persons with permits to use designated sites offshore of Corpus Christi, Texas), as well as persons interested in protection of the marine environment. Potentially affected categories and persons include:

Category	Examples of potentially regulated persons
Federal Government	USACE Civil Works projects and other Federal agencies.
Industry and general public	Port authorities, marinas and harbors, shipyards and marine repair facilities, berth owners.
State, local and Tribal governments	Governments owning and/or responsible for ports, harbors, and/or berths, government agencies requiring disposal of dredged material associated with public works projects.

The table above is not intended to be exhaustive but rather provides a guide for readers regarding persons likely to be affected by this action. For any questions regarding the applicability of this action to a particular entity, please refer to the contact person listed in the preceding **FOR FURTHER INFORMATION CONTACT** section.