

DATED: December 9, 2016.

R. Gil Kerlikowske,
Commissioner.

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DEPARTMENT OF HOMELAND SECURITY

Agency Information Collection Activities: DHS Civil Rights Compliance Form

AGENCY: Office for Civil Rights and Civil Liberties, DHS.

ACTION: 30-Day notice and request for comments; new collection, 1601-NEW.

SUMMARY: The Department of Homeland Security (DHS), Office for Civil Rights and Civil Liberties, will submit the following Information Collection Request (ICR) to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995. DHS previously published this information collection request (ICR) in the **Federal Register** on Thursday, September 22, 2016 at 81 FR 65390 for a 60-day public comment period. Five comments were received by DHS. The purpose of this notice is to allow an additional 30 days for public comments.

DATES: Comments are encouraged and will be accepted until January 13, 2017. This process is conducted in accordance with 5 CFR 1320.1.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to OMB Desk Officer, Department of Homeland Security and sent via electronic mail to oir_submission@omb.eop.gov or faxed to (202) 395-5806.

SUPPLEMENTARY INFORMATION: Recipients of Federal financial assistance from DHS are required to meet certain legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from DHS do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin, disability, age, or sex, in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 *et seq.*, and the Department's implementing regulation, 6 CFR part 21 and 44 CFR part 7; Section 504 of the Rehabilitation Act of

1973 (Sec. 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 *et seq.*, and the Department's implementing regulations, 6 CFR part 17, and 44 CFR part 19; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 *et seq.*, and the Department implementing regulation at 44 CFR part 7. The aforementioned civil rights authorities also prohibit retaliatory acts against individuals for participating or opposing discrimination in a complaint, investigation, or other proceeding related to prohibited discrimination.

DHS has an obligation to enforce nondiscrimination requirements to ensure that its Federally-assisted programs and activities are administered in a nondiscriminatory manner. In order to carry out its enforcement responsibilities, DHS must obtain a signed assurance of compliance and collect and review information from recipients to ascertain their compliance with applicable requirements. DHS implementing regulations and the Department of Justice (DOJ) regulation Coordination of Non-discrimination in Federally Assisted Program, 28 CFR part 42, provide for the collection of data and information from recipients (see 28 CFR 42.406).

DHS has developed the DHS Civil Rights Compliance Form as the primary tool to implement this information collection. The purpose of the information collection is to advise recipients of their civil rights obligation; obtain an assurance of compliance from each recipient, and collect pertinent civil rights information to ascertain if the recipient has in place adequate policies and procedures to achieve compliance, and to determine what, if any, further action may be needed (technical assistance, training, compliance review, etc.) to ensure the recipient is in compliance and will carry out its programs and activities in a nondiscriminatory manner. DHS will make available sample policies and procedures to assist recipients in completing Section 4 of the Form, and providing technical assistance directly to recipients as needed.

DHS will use the DHS Civil Rights Compliance Form to collect civil rights related information from all primary recipients of Federal financial assistance from the Department. Primary recipients are non-federal entities that receive Federal financial assistance in the form of a grant, cooperative agreement, or other type of financial assistance directly from the Department and not through another recipient or "pass-

through" entity. This information collection does not apply to sub-recipients, Federal contractors (unless the contract includes the provision of financial assistance), nor the ultimate beneficiaries of services, financial aid, or other benefits from the Department. Recipients will be required to provide the information once every two years, not every time a grant is awarded. Entities whose award does not run a full two years are required to provide the information again if they receive a subsequent award more than two (2) years after the prior award. In responding to Section 4: Required Information, which contains the bulk of the information collection, if the recipient's responses have not changed in the two year period since their initial submission, the recipient does not need to resubmit the information. Instead, the recipient will indicate "no change" for each applicable item. DHS will require recipients to submit their completed forms and supporting information electronically, via email, to the Department, in an effort to minimize administrative burden on the recipient and the Department. DHS anticipates that records or files that will be used to respond to the information collection are already maintained in electronic format by the recipient, so providing the information electronically will further minimize administrative burden. DHS will allow recipients to scan and submit documents that are not already maintained electronically. If the recipient is unable to submit their information electronically, alternative arrangements will be made to submit responses in hard copy.

There are no confidentiality assurances associated with this collection. The system of record notices associated with this information collection are: DHS/ALL-029—Civil Rights and Civil Liberties Records, (July 8, 2010, 75 FR 39266) and DHS/ALL-016—Department of Homeland Security Correspondence Records, (November 10, 2008, 73 FR 66657).

This is a new information collection. The Office of Management and Budget is particularly interested in comments which:

1. Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

2. Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

3. Enhance the quality, utility, and clarity of the information to be collected; and

4. Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

Analysis

Agency: Office for Civil Rights and Civil Liberties, DHS.

Title: Agency Information Collection Activities: DHS Civil Rights Compliance Form.

OMB Number: 1601-NEW.

Frequency: Bi-annually.

Affected Public: Private and Public Sector.

Number of Respondents: 2220.

Estimated Time Per Respondent: 4 hours.

Total Burden Hours: 8,880 hours.

Dated: December 8, 2016.

Carlene C. Iletto,

Executive Director, Enterprise Business Management Office.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5658-N-02]

Federal Housing Administration (FHA): Direct Endorsement Program Timeframe for Conducting Pre-Endorsement Review

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: Through this document FHA advises that it is shifting the timeframe for FHA's review of loans prior to endorsement from pre-closing to post-closing. A lender applying for unconditional Direct Endorsement authority will therefore submit required loan files, required in accordance with HUD regulations, only after closing. After determining that the mortgage is acceptable and meets all FHA requirements, FHA will notify the lender that the loan has been endorsed.

DATES: *Effective Date:* January 13, 2017.

FOR FURTHER INFORMATION CONTACT: Joy Hadley, Director, Office of Lender Activities and Program Compliance, Office of Housing, U.S. Department of Housing and Urban Development, 490

L'Enfant Plaza East SW., Room P3214, Washington, DC 20024-8000; telephone number 202-708-1515 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

FHA grants lenders unconditional Direct Endorsement authority to close loans without prior FHA approval in accordance with the terms and conditions of HUD's regulations in 24 CFR 203.3. Under the Direct Endorsement program, the lender underwrites and closes the mortgage loan without prior FHA review or approval. Before being granted unconditional Direct Endorsement authority, the lender must submit a specified number of loan files for review and approval by FHA as described in 24 CFR 203.3(b)(4). The regulations provide for the review of each loan file to be conducted by FHA, and the lender to be notified of the acceptability of the mortgage, prior to FHA endorsement of the mortgage for insurance. The Direct Endorsement program has been designed to give the lender sufficient certainty of FHA endorsement requirements to justify the assumption of the responsibilities involved in originating and closing mortgage loans without prior FHA review.

Currently, FHA generally conducts this review of the loan files required under 24 CFR 203.3(b)(4) prior to closing and, if acceptable, issues a commitment to the lender at that time. After closing, the mortgage is then submitted to FHA for endorsement for insurance. While this is the general procedure utilized by lenders seeking unconditional Direct Endorsement approval, FHA currently allows lenders to close the loans before submission for review. A lender is eligible for unconditional Direct Endorsement authority once FHA has reviewed and found acceptable the requisite number of loan files, at either pre-closing or pre-endorsement review, provided that the lender has met the other requirements for Direct Endorsement approval under 24 CFR 203.3.

II. Solicitation of Comment on Timeframe Pre-Endorsement Review

A. March 2013 Notice Soliciting Comment

On March 21, 2013, at 78 FR 17303, HUD published in the **Federal Register** a notice that solicited comment from FHA-approved lenders and other

interested parties on FHA's announcement that it was considering shifting the timeframe for FHA's review of loans prior to endorsement from pre-closing to post-closing. The notice specifically sought feedback on whether the proposed change in review time would benefit the lender by reducing the amount of time between loan origination and closing, and would result in operational savings of time and costs associated with approval timeframes, which FHA recognizes can be lengthy at times. The notice also sought feedback on whether the proposed change in review time would benefit the borrower; that is, would the borrower be able to take advantage of shorter interest rate lock-in periods, which could help to ensure that the borrower receives the best interest rate available at the lowest possible cost to the borrower.

As provided in the March 21, 2013, notice, HUD submitted that the proposed change in review time should not alter the current quality of review of the loan file or the quality of the Direct Endorsement lender approval process. The notice advised that FHA guidance issued in accordance with 24 CFR 203.3(b)(2), already requires the lender to certify that their underwriter(s) have the qualifications, expertise, and experience to underwrite mortgage loans in accordance with FHA requirements. The notice provided that given the certification required of lenders, the shift in the timeframe for review may in fact result in enhanced lender accountability; that is, the lender will place more emphasis on ensuring that their underwriting staff is sufficiently trained prior to requesting Direct Endorsement authority. The notice further provided that properly trained underwriters will help to increase the number of loans that are found to be acceptable, resulting in an even higher percentage of loan files that meet FHA policies and guidelines.

The March 21, 2013, notice also advised that HUD had analyzed data for mortgage loans that were submitted for review during the period beginning October 1, 2009 through June 30, 2012, and the data demonstrated that 86.7 percent of all loans reviewed during this time period, and 90.5 percent of all loans reviewed year to date in FY 2012, were found to meet FHA policies and guidelines and were subsequently endorsed. The notice further advised that the lenders entering the Direct Endorsement review process during the October 1, 2009 through June 30, 2012 timeframe, 48.6 percent did not receive an unacceptable rating on any loan submitted for review, while 28 percent