

§ 3560.302 Accounting, bookkeeping, budgeting, and financial management systems.

(a) *General.* Borrowers must establish the accounting, bookkeeping, budgeting and financial management procedures necessary to conduct housing project operations in a financially safe and sound manner. Borrowers must maintain records in a manner suitable for an audit, and must be able to report accurate operational results to the Agency from these accounts and records.

(b) * * *

(1) Borrowers are required to use the accrual method of accounting in preparing annual financial reports, as identified in § 3560.308.

(2) Borrowers must describe their accounting, bookkeeping, budget preparation, and financial reporting procedures in their management plan.

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(e) * * *

(1) Borrowers must retain all housing project financial records, books, and supporting material for at least three years after the issuance of their financial reports. Upon request, these materials will immediately be made available to the Agency, its representatives, the USDA Office of Inspector General (OIG), or the Government Accountability Office (GAO).

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■ 5. Amend § 3560.303 by revising paragraph (b)(1)(vi)(Q) to read as follows:

§ 3560.303 Housing project budgets.

* * * * *

(b) * * *

(1) * * *

(vi) * * *

(Q) Professional service contracts (audits, owner-certified submissions in accordance with § 3560.308(a)(2), tax returns, energy audits, utility allowances, architectural, construction, rehabilitation and inspection contracts, etc.)

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■ 6. Amend § 3560.308 by:

■ a. Revising paragraph (a).

■ b. Removing paragraph (b).

■ c. Redesignating paragraphs (c) and

(d) as (b) and (c) respectively.

■ d. Revising the newly redesignated paragraph (b) introductory text.

■ e. Adding paragraphs (b)(8), (b)(9), and (b)(10).

■ f. Revising the newly redesignated paragraph (c)(1).

The revisions and additions read as follows:

§ 3560.308 Annual financial reports.

(a) *General.* (1) For-profit borrowers that receive \$500,000 or more in

combined Federal financial assistance must include an independent auditor's report that includes, financial statements and notes to the financial statements, supplemental information containing Agency approved forms for project budgets and borrower balance sheets, a report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with Government Auditing Standards; a report on compliance for each major program and internal control over compliance (if applicable). Federal Financial Assistance is defined in accordance with 2 CFR 200.40.

(2) Non-profit borrowers that receive \$750,000 or more in combined Federal financial assistance must meet the audit requirements set forth by OMB, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, found at 2 CFR parts 200 and 400. Borrowers must provide a copy of this audit to RHS in compliance with these financial reporting requirements.

(3) Non-profit borrowers that receive less than \$750,000, and for-profit borrowers that receive less than \$500,000 in combined Federal financial assistance will submit annual owner certified prescribed forms on the accrual method of accounting in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Borrowers may use a CPA to prepare this compilation report of the prescribed forms.

(b) *Performance standards.* All Borrowers must certify that the housing meets the performance standards below:

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(8) There have been no changes in project ownership other than those approved by the Agency and identified in the certification.

(9) Real estate taxes are paid in accordance with state and/or local requirements and are current.

(10) Replacement Reserve accounts have been used for only authorized purposes.

(c) * * *

(1) Non-profit and public borrower entities subject to OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards, must submit audits in accordance with 2 CFR parts 200 and 400.

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Dated: September 28, 2017.

Richard A. Davis,

Acting Administrator, Rural Housing Service.

[FR Doc. 2017–23082 Filed 10–24–17; 8:45 am]

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FEDERAL RESERVE SYSTEM**12 CFR Part 261**

[Docket No. R–1556]

RIN 7100–AE65

Rules Regarding Availability of Information

AGENCY: Board of Governors of the Federal Reserve System (“Board”).

ACTION: Final rule.

SUMMARY: The Board is finalizing its interim final rule amending its regulations for processing requests under the Freedom of Information Act (“FOIA”) pursuant to the FOIA Improvement Act of 2016 (the “Act”). The amendments clarify and update procedures for requesting information from the Board, extend the deadline for administrative appeals, and add information on dispute resolution services. The interim final rule became effective on December 27, 2016. This rulemaking finalizes the interim rule with minor edits.

DATES: This final rule is effective on November 24, 2017.

FOR FURTHER INFORMATION CONTACT:

Katherine Wheatley, Associate General Counsel, (202) 452–3779, or Misty Mirpuri, Counsel, (202) 452–2597, Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551. Users of telecommunications device for the hearing impaired, please call (202) 263–4869.

SUPPLEMENTARY INFORMATION:**I. Overview of Final Rule**

On December 27, 2016, the Board published an interim final rule¹ amending its existing Rules found at 12 CFR part 261, in order to comply with the statutory changes required by the FOIA Improvement Act of 2016 (“Improvement Act”).² Amendments to the Rules adopted statutory exemptions and exceptions as required by the Improvement Act. The interim final rule became effective on December 27, 2016, and the Board accepted comments through February 27, 2017. The Board is finalizing the interim rule with minor

¹ 81 FR 94932 (Dec. 27, 2016).

² Public Law 114–185, 130 Stat. 538 (enacted June 30, 2016).

changes to paragraph 261.13(i)(4) in response to a public comment.

II. Summary of Public Comments and Final Rule

Interested persons were afforded the opportunity to participate in the rulemaking process through submission of written comments on the interim final rule during the open comment period. The Board is adopting a minor revision to the interim final rule in response to a comment from the Office of Government Information Services within the National Archives and Records Administration ("OGIS").³

OGIS asked the Board to revise section 261.13(i)(4) of the Rules to require that a determination letter on an appeal inform appellants of the availability of OGIS's dispute resolution services. Although not required by the FOIA statute, this change is consistent with guidance issued by the Department of Justice's Office of Information Policy. Accordingly, the Board has determined to edit the language in paragraph (i)(4) of section 261.13 to notify an appealing party of the availability of OGIS's dispute resolution services as a nonexclusive alternative to litigation.

The Board has determined not to adopt two other suggestions by OGIS. OGIS's proposed amendment would add a statement that "[d]ispute resolution is a voluntary process." This sentence appears to be unnecessary and repetitive given that the Board is already advising appellants that dispute resolution services are available as a "nonexclusive alternative to litigation." OGIS also proposed language stating that the Board will "actively engage as a partner to the process in an attempt to resolve the dispute" if the Board participates in the OGIS dispute resolution process. Although active engagement in attempting to resolve a FOIA dispute is of course not unreasonable, the proposed sentence could create additional legal obligations not required under the FOIA. Accordingly, aside from adding in language regarding the availability of OGIS's dispute resolution services as a nonexclusive alternative to litigation, the Board is adopting section 261.13(i)(4) in the final rule without any further change.

³ The Board received a second comment requesting that it amend the rule in a manner unrelated to the amendments required by the Improvement Act. While the Board intends to make more extensive amendments to its FOIA Rule at a later time, the interim final rule only addressed the matters required by the Improvement Act, and further changes to the Rule will be preceded by a request for public comment.

III. Regulatory Requirements

As the Board noted in its interim rule, Congress required that the substantive changes to the Board's Rules under the Improvement Act become effective by December 27, 2016, and the other amendments to the Board's Rules were technical in nature. Thus, the Board determined that the prior notice and comment requirements of the Administrative Procedure Act, 5 U.S.C. 553(b), did not apply to the rule. Because no notice of proposed rulemaking is required, these regulations are not a "rule" as defined by the Regulatory Flexibility Act, 5 U.S.C. 601(2), and no initial or final regulatory flexibility analysis is required.

List of Subjects in 12 CFR Part 261

Administrative practice and procedure, Confidential business information, Freedom of information, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons stated above, the Board of Governors of the Federal Reserve System adopts the interim final rule published on December 27, 2016, at 81 FR 94932, as final with the following change:

PART 261—RULES REGARDING AVAILABILITY OF INFORMATION

■ 1. The authority citation for part 261 continues to read as follows:

Authority: 5 U.S.C. 552; 12 U.S.C. 248(i) and (k), 321 *et seq.*, 611 *et seq.*, 1442, 1467a, 1817(a)(2)(A), 1817(a)(8), 1818(u) and (v), 1821(o), 1821(t), 1830, 1844, 1951 *et seq.*, 2601, 2801 *et seq.*, 2901 *et seq.*, 3101 *et seq.*, 3401 *et seq.*; 15 U.S.C. 77uuu(b), 78q(c)(3); 29 U.S.C. 1204; 31 U.S.C. 5301 *et seq.*; 42 U.S.C. 3601; 44 U.S.C. 3510.

■ 2. In § 261.13 paragraph (i)(4) is revised to read as follows:

§ 261.13 Processing requests.

* * * * *

(i) * * *

(4) The Board shall make a determination regarding any appeal within 20 working days of actual receipt of the appeal by the Freedom of Information Office. If an adverse determination is upheld on appeal, in whole or in part, the determination letter shall notify the appealing party of the right to seek judicial review and of the availability of dispute resolution services from the Office of Government Information Services as a nonexclusive alternative to litigation.

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By order of the Board of Governors of the Federal Reserve System, October 19, 2017.

Ann E. Misback,
Secretary of the Board.

[FR Doc. 2017-23095 Filed 10-24-17; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 770

[EPA-HQ-OPPT-2017-0245; FRL-9962-84]

RIN 2070-AK36

Voluntary Consensus Standards Update; Formaldehyde Emission Standards for Composite Wood Products

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is taking direct final action on a revision to the formaldehyde standards for composite wood products final rule, published in the **Federal Register** on December 12, 2016. The revision will update multiple voluntary consensus standards that have been updated, superseded, or withdrawn since publication of the notices of proposed rulemaking on June 10, 2013 and will amend an existing regulatory provision regarding the correlation of quality control test methods.

DATES: This final rule is effective on December 11, 2017 without further notice, unless EPA receives relevant adverse comment by November 9, 2017. If EPA receives adverse comment, the Agency will publish a timely withdrawal in the **Federal Register** informing the public that the rule will not take effect. The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of December 11, 2017.

ADDRESSES: The docket for this action, identified by docket identification (ID) number EPA-HQ-OPPT-2017-0245, is available at <http://www.regulations.gov> or at the Office of Pollution Prevention and Toxics Docket (OPPT Docket), Environmental Protection Agency Docket Center (EPA/DC), West William Jefferson Clinton Bldg., Rm. 3334, 1301 Constitution Ave. NW., Washington, DC. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the OPPT Docket is (202) 566-0280. Please review the visitor instructions and additional