

EOA violations and providing that to the GSEs; directing the GSEs to take remedial actions against lenders with discriminatory lending practices; reviewing and commenting on the GSEs' underwriting and appraisal guidelines to ensure that such guidelines are consistent with the Fair Housing Act and FHEFSSA; and requesting the Director of the Office of Federal Housing Enterprise Oversight to bring actions under 12 U.S.C. 4631 and 12 U.S.C. 4636 to enforce violations of 12 U.S.C. 4545.

3. With the exception of the authority and power provided to Administrative Law Judges under 24 CFR 81.82(b)(2) and (b)(3), 81.83(d)(3)-(4), and 81.84, the Secretary delegates to the Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner all the power and authority with respect to prior approval of new programs under 12 U.S.C. 4542 including, but not limited to: requiring that GSEs submit information about a program and requiring that GSEs submit new program requests under 24 CFR 81.52; approving and disapproving new program requests; extending the period for new program review.

4. With the exception of the authority and power provided to Administrative Law Judges under 24 CFR 81.82(b)(2) and (b)(3), 81.83(d)(3)-(4), and 81.84, the Secretary delegates to the Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner all the power and authority with respect to reporting activities in 12 U.S.C. 1456(e)-(f), 1723a(m)-(n), and 4547, and under 24 CFR 81.102, including but not limited to: determining the form of data submitted; requiring the submission of additional data characteristics; requiring additional reports and other information concerning GSE activities; requiring the GSEs to provide data underlying any of the reports required under 24 CFR part 81 and to conduct additional analyses concerning any report required under 24 CFR part 81; and to independently verify the accuracy and completeness of data, information, and reports provided by each GSE, including conducting on-site verification when such steps are reasonably related to: determining whether a GSE is complying with 12 U.S.C. 4541-4589 and the GSEs' Charter Acts; establishing standards and procedures for and imposing civil money penalties; requesting the Attorney General to bring actions; settling and depositing civil money penalties; making orders and

agreements publicly available;); and requesting the Director of the Office of Federal Housing Enterprise Oversight to bring actions under 12 U.S.C. 4631 and 12 U.S.C. 4636 to enforce violations of 12 U.S.C. 1456(e)-(f), 1723a(m)-(n), and 4547, and 24 CFR 81.102.

5. The Secretary delegates to the Assistant Secretary for Housing—Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner all the power and authority with respect to access to information activities in 12 U.S.C. 4525, 4543, and 4546 including, but not limited to: recommending the invocation of 5 U.S.C. 552(b)(4), (6), and (8); and not providing public access to proprietary data.

6. The Secretary delegates to the Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner all the power and authority with respect to book-entry procedure activities in 24 CFR part 81, subpart H, including, but not limited to establishing certain procedures for Federal Reserve Banks and waiving book-entry regulations.

7. The Secretary delegates to the Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner all the power and authority with respect to the Office of Federal Housing Enterprise Oversight (OFHEO) activities in 12 U.S.C. 4513(c), 4516(g)(1)-(2), and 4548(b) including, but not limited to: reviewing and approving certain actions of the OFHEO Director; and receiving and commenting to Congress on OFHEO's financial plans, forecasts, and operations reports. When taking action relating to OFHEO under this paragraph, the Assistant Secretary for Housing—Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner shall consult with the Secretary.

8. The Secretary delegates to the Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner all the power and authority with respect to issuing regulations under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 *et seq.*) and waiving regulations promulgated under such Act.

9. The Secretary delegates to the Assistant Secretary for Housing—Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing

Commissioner the power and authority to take any appropriate action to implement the power and authority delegated under this delegation.

Section B. Authority to Redelegate

The Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner may redelegate to employees of the Department any of the power and authority delegated under this delegation.

Authority: Secs. 1302 and 1331-48 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, 12 U.S.C. 4502 and 4561-88; section 7(d), Department of Housing and Urban Development Act, 42 U.S.C. 3535(d).

Dated: February 5, 1999.

Andrew Cuomo,
Secretary.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4461-D-02]

Redelegation of Fair Housing And Other Authorities Respecting the Government Sponsored Enterprises Under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to the Assistant Secretary for Fair Housing and Equal Opportunity

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

ACTION: Notice of redelegation of authority.

SUMMARY: This notice redelegates from the Assistant Secretary for Housing-Federal Housing Commissioner to the Assistant Secretary for Fair Housing and Equal Opportunity the Fair Housing authority, and other authorities necessary to carry out the Fair Housing authority, under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

EFFECTIVE DATE: February 5, 1999.

FOR FURTHER INFORMATION CONTACT: Bryan Greene, Acting Director of Policy and Program Evaluation, Office of Fair Housing and Equal Opportunity, Room 5246, telephone (202) 708-1145; or for legal questions, contact Kenneth Markison, Assistant General Counsel for GSE/RESPA, room 9262, telephone (202) 708-3137 (these are not toll-free numbers). The address for both persons is Department of Housing and Urban Development, 451 Seventh Street, S.W.,

Washington, D.C. 20410. For hearing- and speech-impaired persons, the telephone numbers may be accessed via TTY (text telephone) by calling the Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION: Under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (FHEFSSA) (12 U.S.C. 4501 *et seq.*), the Secretary of Housing and Urban Development has general and specific regulatory authorities respecting the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Government-Sponsored Enterprises or GSEs) which have been delegated to the Assistant Secretary for Housing-Federal Housing Commissioner, the notice of which is published elsewhere in today's **Federal Register**.

The Fair Housing provisions of FHEFSSA (12 U.S.C. 4545) mandate that the Secretary: prohibit the GSEs from discriminating in their mortgage purchases; require the GSEs to submit data to assist in investigations of mortgage lenders under the Fair Housing Act and the Equal Credit Opportunity Act (ECOA); obtain information on Fair Housing Act and ECOA violations and provide such information to the GSEs; direct the GSEs to take remedial actions against lenders with discriminatory lending practices; and periodically review and comment on the GSEs' underwriting and appraisal guidelines to ensure that the guidelines are consistent with FHEFSSA and the Fair Housing Act. Under HUD's GSE regulations (24 CFR 81.47), as appropriate, the Secretary is required to refer violations of 12 U.S.C. 4545 to the Director of the Office of Federal Housing Enterprise Oversight (OFHEO) to initiate enforcement actions for GSE violations or potential violations of its provisions pursuant to 12 U.S.C. 4513 and 4631 of FHEFSSA.

FHEFSSA establishes the Secretary's authority to require reports on GSE activities as the Secretary deems appropriate (12 U.S.C. 4547). This includes the authority under 24 CFR 81.65 to require that a GSE furnish the data underlying any reports and conduct additional analyses concerning any such report. Under 24 CFR 81.102, the Secretary is also authorized to independently verify the accuracy and completeness of the data, information, and reports provided by each GSE, including conducting on-site verification, when such steps are reasonably related to determining whether a GSE is complying with 12

U.S.C. 4541-4589 of FHEFSSA and the GSEs' Charter Acts. FHEFSSA provides at 12 U.S.C. 4546 that the Secretary may by regulation or order provide that certain information shall be treated as proprietary information and not subject to public disclosure under 12 U.S.C. 4543.

The Assistant Secretary for Fair Housing and Equal Opportunity is delegated the Secretary's authority under the Fair Housing Act (42 U.S.C. 3601 *et seq.*), which includes authority over the GSEs under that Act. This redelegation of Fair Housing authority under FHEFSSA complements those authorities of the Assistant Secretary for Fair Housing and Equal Opportunity.

In carrying out the Fair Housing authority under FHEFSSA, the Assistant Secretary for Fair Housing and Equal Opportunity will receive confidential and proprietary information of the GSEs. The Assistant Secretary for Fair Housing and Equal Opportunity will establish all necessary safeguards to protect such information, including establishment of appropriate organizational walls and confidentiality agreements.

The Assistant Secretary for Housing-Federal Housing Commissioner is, therefore, redelegating to the Assistant Secretary for Fair Housing and Equal Opportunity all of the Fair Housing authority under FHEFSSA. To carry out this authority, the Assistant Secretary for Housing-Federal Housing Commissioner is also redelegating the authority to refer violations of FHEFSSA to OFHEO for enforcement in accordance with 24 CFR 81.47; to require necessary reports, underlying data, and analyses; and to verify the accuracy and completeness of the data, information, and reports provided by the GSEs, including conducting on-site verification.

The authority under FHEFSSA that is redelegated under this notice does not include the Secretary's general regulatory power, authority provided to Administrative Law Judges in 24 CFR part 81, or the authority to: issue rules and regulations; waive regulations; determine whether data is proprietary; issue orders providing that data is proprietary; submit annual reports to Congress; make certain income adjustments or determinations; issue cease-and-desist orders and impose civil money penalties; request the Attorney General to bring actions; settle and deposit civil money penalties; or make orders and agreements publicly available.

Accordingly, the Assistant Secretary for Housing-Federal Housing Commissioner hereby redelegates to the

Assistant Secretary for Fair Housing and Equal Opportunity the following:

Section A. Authorities Redelegated

1. All power and authority under the Fair Housing provisions of FHEFSSA at 12 U.S.C. 4545 and under regulations at 24 CFR part 81, subpart C, including, but not limited to: prohibiting each GSE from discriminating in any manner in the purchase of any mortgage because of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect; requiring each GSE to submit data to assist the Secretary in investigating whether a mortgage lender with which the GSE does business has failed to comply with the Fair Housing Act; requiring each GSE to submit data to the Secretary to assist in investigating whether a mortgage lender with which the GSE does business has failed to comply with the Equal Credit Opportunity Act (ECOA) and to submit information to ECOA enforcement agencies; obtaining information on Fair Housing Act and ECOA violations and providing that to the GSEs; directing the GSEs to take remedial actions against lenders with discriminatory lending practices; and periodically reviewing and commenting on the GSEs' underwriting and appraisal guidelines to ensure that such guidelines are consistent with the Fair Housing Act and FHEFSSA.

2. All power and authority necessary to carry out the Fair Housing provisions of FHEFSSA at 12 U.S.C. 4545 including, but not limited to: requiring additional reports or other information concerning GSE activities; requiring the GSEs to provide data underlying any of the reports required under 24 CFR part 81 and to conduct additional analyses concerning any report required under 24 CFR part 81; requesting the Director of the Office of Federal Housing Enterprise Oversight to bring actions to enforce violations of 12 U.S.C. 4545; and under 24 CFR 81.102 to independently verify the accuracy and completeness of the data, information, and reports provided by each GSE, including conducting on-site verification when such steps are reasonably related to determining whether a GSE is complying with 12 U.S.C. 4541-4589 and the GSEs' Charter Acts.

3. All power and authority to carry out the Fair Housing provisions of FHEFSSA at 12 U.S.C. 4545 respecting access to information at 12 U.S.C. 4543 and 4546 including, but not limited to, recommending the invocation of 5

U.S.C. 552(b)(4), (6), and (8); and not providing public access to proprietary data.

Section B. No Authority to Redelegate

The Assistant Secretary for Fair Housing and Equal Opportunity may not redelegate to employees of the Office of Fair Housing and Equal Opportunity any of the power and authority delegated under this redelegation.

Authority: Secs. 1321, 1323, 1325, 1326 and 1327 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, 12 U.S.C. 4541, 4543, 4545, 4546 and 4547; section 7(d), Department of Housing and Urban Development Act, 42 U.S.C. 3535(d).

Dated: February 5, 1999.

William Apgar,

*Assistant Secretary for Housing-Federal
Housing Commissioner.*

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