U.S.C. 321(s), 348)) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.1), Part 178 is amended in § 178.3130(b) by alphabetically inserting a new item in the list of substances to read as follows:

§ 178.3130 Antistatic and/or antifogging agents in foodpacking materials.

* * * * *

(b) * * *

List of substances	Limitations
* * *	* *
N,N-Bis(2-hydroxyethyl) octadecylamine, Chemical Abstracts Service Registry No. 10213-78-2, *N*-(2-hydroxyethyl)-*N*-octadecylglycine (monosodium salt), Chemical Abstracts Service Registry No. 66810-88-6, and *N,N*-Bis(2-hydroxyethyl)-*N*-(carboxymethyl) octadecanaminum hydroxide (inner salt), Chemical Abstracts Service Registry No. 24170-14-7, as the major components of a mixture prepared by reacting ethylene oxide with octadecylamine and further reacting this product with sodium monochloroacetate and sodium hydroxide, such that the final product has: A nitrogen content of 3.3-3.8 percent; a melting point of 42°-50° C; and a pH of 10.0-11.5 in a 1 percent by weight aqueous solution.	For use only as an antistatic agent at levels not to exceed 0.45 percent by weight in polypropylene films complying with § 177.1520 of this chapter, and used for packaging food of types I, II, III, IV, V, VI-B, VII, VIII, and IX described in table 1 of § 176.170(c) of this chapter, and under conditions of use B through H described in table 2 of § 176.170(c). The average thickness of such polypropylene film shall not exceed 0.002 inch.
* * *	* *

Any person who will be adversely affected by the foregoing regulation may at any time on or before September 25, 1980, submit to the Hearing Clerk (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, written objections thereto and may make a written request for a public hearing on the stated objections. Each objection shall be separately numbered and each numbered objection shall specify with particularity the provision of the regulation to which objection is made. Each numbered objection on which a hearing is requested shall specifically so state; failure to request a hearing for any particular objection shall constitute a waiver of the right to a hearing on that objection. Each numbered objection for which a hearing is requested shall include a detailed description and analysis of the specific factual information intended to be presented in support of the objection in the event that a hearing is held; failure to include such a description and analysis for any particular objection shall constitute a waiver of the right to a hearing on the objection. Four copies of all documents shall be submitted and shall be identified with the Hearing Clerk docket number found in brackets in the heading of this regulation. Received objections may be seen in the above office between the hours of 9 a.m. and 4 p.m., Monday through Friday.

Effective date. This regulation shall become effective August 26, 1980.

(Secs. 201(s), 409, 72 Stat. 1784-1788 as amended (21 U.S.C. 321(s), 348))

Dated: August 19, 1980.

Joseph P. Hile,

Associate Commissioner for Regulatory Affairs.

[FR Doc. 80-25936 Filed 8-25-80; 8:45 am]

BILLING CODE 4110-03-M

21 CFR Part 178

[Docket No. 80F-0032]

Ethyl Alcohol; Indirect Food Additives: Adjuvants, Production Aids and Sanitizers

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) amends the food additive regulations to provide for the use of ethyl alcohol as a substitute for isopropyl alcohol when used with di-*n*-alkyl(C_8-C_{10})dimethyl ammonium chlorides in sanitizing solutions. The agency is taking this action in response to a petition filed by Lonza, Inc.

DATES: Effective August 26, 1980. Objections by September 25, 1980.

ADDRESS: Written objections to the Hearing Clerk (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: Gerad L. McCowin, Bureau of Foods (HFF-334), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202-472-5690.

SUPPLEMENTARY INFORMATION: A notice published in the **Federal Register** of February 15, 1980 (45 FR 10448) that a petition (FAP 9H3464) had been filed by Lonza, Inc., 22-10 Rte. 208, Fair Lawn, NJ 07410, proposing that the food additive regulations be amended to provide for the safe use of ethyl alcohol as a substitute for isopropyl alcohol as a component of sanitizing solutions containing di-*n*-alkyl(C_8-C_{10})dimethyl ammonium chlorides for use on food-processing equipment and utensils and on food-contact surfaces in public eating places.

Having evaluated data in the petition and other relevant material, FDA concludes that paragraph (b)(17) of § 178.1010 *Sanitizing solutions* (21 CFR 178.1010) should be amended as set forth below.

The agency further concludes that, for clarification, an editorial change should be made in paragraph (b)(17) to state clearly that the average molecular weights specified refer only to the di-*n*-alkyl(C_8-C_{10})dimethyl ammonium chlorides.

Therefore, under the Federal Food, Drug, and Cosmetic Act (secs. 201(s), 409, 72 Stat. 1784-1788 as amended (21 U.S.C. 321(s), 348)) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.1), Part 178 is amended in § 178.1010 by revising paragraph (b)(17) to read as follows:

§ 178.1010 Sanitizing solutions.

* * * * *

(b) * * *

(17) An aqueous solution containing di-*n*-alkyl(C_8-C_{10})dimethyl ammonium chlorides having average molecular weights of 332-361 and either ethyl alcohol or isopropyl alcohol. In addition to use on food-processing equipment and utensils, this solution may be used on food-contact surfaces in public eating places.

* * * * *

The agency has carefully considered the potential environmental effects of this action and has concluded that the action will not have a significant impact on the human environment and that an environmental impact statement is not required. The agency's findings of no significant impact and the evidence supporting that document, may be seen in the office of the Hearing Clerk (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, between the hours of 9 a.m. and 4 p.m., Monday through Friday.

Any person who will be adversely affected by the foregoing regulation may at any time on or before September 25, 1980, submit to the Hearing Clerk (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, written objections thereto and may make a written request for a public hearing on the stated objections. Each objection shall be separately numbered and each numbered objection shall specify with particularity the provision of the regulation to which objection is made. Each numbered objection on which a hearing is requested shall specifically so state; failure to request a hearing for any particular objection shall constitute a waiver of the right to a hearing on that objection. Each numbered objection for which a hearing is requested shall include a detailed description and analysis of the specific factual information intended to be presented in support of the objection in the event that a hearing is held; failure to include such a description and

analysis for any particular objection shall constitute a waiver of the right to a hearing on the objection. Four copies of all documents shall be submitted and shall be identified with the Hearing Clerk docket number found in brackets in the heading of this regulation. Received objections may be seen in the above office between the hours of 9 a.m. and 4 p.m., Monday through Friday.

Effective date. This regulation shall become effective August 26, 1980.

(Secs. 201(s), 409, 72 Stat. 1784–1788 as amended (21 U.S.C. 321(s), 348))

Dated: August 19, 1980.

Joseph P. Hile,

Associate Commissioner for Regulatory Affairs.

[FR Doc. 80–25935 Filed 8–25–80; 8:45 am]

BILLING CODE 4110–03–M

---

21 CFR Parts 510, 520, 522, 524, 526 and 558

CEVA Laboratories, Inc.; Change of Sponsor For Several New Animal Drug Applications

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The animal drug regulations are amended to reflect the change of sponsor for several new animal drug applications (NADA's) from Abbott Laboratories to CEVA Laboratories, Inc., and to add CEVA to the list of sponsors of approved NADA's. Supplemental NADA's filed by CEVA provide for this change.

EFFECTIVE DATE: August 26, 1980.

FOR FURTHER INFORMATION CONTACT: Bob G. Griffith, Bureau of Veterinary Medicine (HFV–112), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–443–3430.

SUPPLEMENTARY INFORMATION: CEVA Laboratories, Inc., 10560 Barkley, Overland Park, KS 66212, filed several supplemental NADA's providing for a change of sponsor from Abbott Laboratories. By letter, Abbott Laboratories confirmed the change of sponsors to CEVA. The regulations are amended to reflect the change. The NADA's affected are:

NADA, Product

6–623—Caparsolate Sodium Injection (Arsenamide sodium).
8–422—Seleen Suspension (Selenium disulfide)
10–092—Gallimycin Premix (Erythromycin thiocyanate)
12–123—Gallimycin Injectable (Erythromycin thiocyanate)
33–157—Spectam Scour Halt (Spectinomycin dihydrochloride)
35–157—Gallimycin Poultry Formula (Erythromycin phosphate)
35–455—Gallimycin 36 Solution for Mastitis (Erythromycin thiocyanate)
38–661—Spectam Water Soluble (Spectinomycin dihydrocloride)
40–040—Spectam Injectable (Spectinomycin dihydrochloride)
98–379—Cystorelin (GnRH) (Gonadorelin diacetate tetrahydrate)
102–656—Gallimycin Poultry Formula (Erythromycin thiocyanate).

This action, the change of sponsor of several NADA's, does not involve changes in manufacturing facilities, equipment, procedures, or personnel. Under the Bureau of Veterinary Medicine's supplemental approval policy (December 23, 1977; 42 FR 64367), approval of this action did not require a reevaluation of the safety and effectiveness data in the parent applications.

Therefore, under the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i))) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.1) redelegated to the Bureau of Veterinary Medicine (21 CFR 5.83), Parts 510, 520, 522, 524, 526, and 558 are amended as follows:

PART 510—NEW ANIMAL DRUGS

1. Part 510 is amended in § 510.600 by adding a new sponsor alphabetically to paragraph (c)(1) and numerically to paragrpah (c)(2) to read as follows:

§ 510.600 Names, addresses, and drug labeler codes of sponsors of approved applications.

* * * * *

(c) * * *
(1) * * *

Firm name and address and Drug labeler code

* * * * *

CEVA Laboratories, Inc., 10560 Barkley, Overland Park, KS 66212, 050604.

* * * * *

(2) * * *

Drug labeler code, Firm name and address

* * * * *

050604—CEVA Laboratories, Inc., 10560 Barkley, Overland Park, KS 66212.

* * * * *

PART 520—ORAL DOSAGE FORM NEW ANIMAL DRUGS NOT SUBJECT TO CERTIFICATION

2. Part 520 is amended:

§ 520.823 [Amended]

a. In § 520.823 *Erythromycin phosphate,* in paragraph (b) by deleting "043731" and inserting in its place "050604."

§ 520.2122 [Amended]

b. In § 520.2122 *Spectinomycin dihydrochloride oral solution,* in paragraph (b)(1) by deleting "043731" and inserting in its place "050604."

§ 520.2123b [Amended]

c. In § 520.2123b *Spectinomycin dihydrochloride pentahydrate soluble powder,* in paragraph (b) by deleting "043731" and inserting in its place "050604."

PART 522—IMPLANTATION OR INJECTABLE DOSAGE FORM NEW ANIMAL DRUGS NOT SUBJECT TO CERTIFICATION

3. Part 522 is amended:

§ 522.144 [Amended]

a. In § 522.144 *Arsenamide sodium aqueous injection,* in paragraph (c) by deleting "043731" and inserting in its place "050604."

§ 522.1078 [Amended]

b. In § 522.1078 *Gonadorelin diacetate tetrahydrate injection,* in paragraph (b) by deleting "043731" and inserting in its place "050604."

c. In § 522.2120, by revising paragraph (b) to read as follows:

§ 522.2120 Spectinomycin injection.

* * * * *

(b) *Sponsor.* See No. 043731 for use as in paragraph (d)(3) of this section; see No. 050604 for use as in paragraph (d)(1), (2), and (4) of this section.

* * * * *

PART 524—OPHTHALMIC AND TOPICAL DOSAGE FORM NEW ANIMAL DRUGS NOT SUBJECT TO CERTIFICATION

§ 524.2101 [Amended]

4. Part 524 is amended in § 524.2101 *Selenium disulfide suspension,* in paragraph (b)(1) by deleting "043731" and inserting in its place "050604."

PART 526—INTRAMAMMARY DOSAGE FORMS NOT SUBJECT TO CERTIFICATION

5. Part 526 is amended in § 526.820 by adding paragraph (b), to read as follows:

§ 526.820 Erythromycin.

* * * * *

(b) *Sponsor.* See No. 050604 in § 510.600(c) of this chapter.

* * * * *

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

§ 558.248 [Amended]

6. Part 558 is amended in § 558.248 *Erythromycin thiocyanate,* in paragraphs (a)(1) and (e)(1)(i) by deleting "043731" and inserting in its place "050604" and in paragraph (e)(1)(ii), and (iii), (iv), (v), and (vi) under "Sponsor" by inserting "050604" for all items.

Effective date. August 26, 1980.

(Sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i)))

Dated: August 18, 1980.

Robert A. Baldwin,

Associate Director for Scientific Evaluation.

[FR Doc. 80-25734 Filed 8-25-80; 8:45 am]

BILLING CODE 4110-03-M

---

21 CFR Part 524

Cuprimyxin Cream; Ophthalmic and Topical Dosage Form New Animal Drugs Not Subject to Certification

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) amends the animal drug regulations to reflect approval of a supplemental new animal drug application (NADA) filed by Hoffman-LaRoche, Inc., providing for safe and effective topical use of an antimicrobial cream for treatment of dermal infections in horses.

EFFECTIVE DATE: August 26, 1980.

FOR FURTHER INFORMATION CONTACT: Sandra K. Woods, Bureau of Veterinary Medicine (HFV-114), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-443-3420.

SUPPLEMENTARY INFORMATION: Hoffman-LaRoche, Inc., Nutley, NJ 07110, filed supplemental NADA 93-029 providing for use of cuprimyxin cream in treatment of bacterial, yeast, and fungal infections of the skin, hair, and external mucosae of horses, in addition to the current approval for the same conditions of use in dogs and cats. The agency is approving addition of horses to the product's labeling without the clinical investigations that were conducted in that species being strictly controlled evaluations as defined by 21 CFR 514.111(a)(5). The agency is granting a waiver from strictly controlled evaluations having concluded that the following information constitutes substantial evidence that the drug will have the effect it is represented to have under the conditions of use recommended in the labeling:

(1) The susceptibility to cuprimyxin of casual micro-organisms (bacteria, fungi, and yeasts) isolated from horses, in addition to several other animal species has been demonstrated in extensive *in vitro* studies.

(2) The course of the topical infections caused by the subject micro-organisms exhibits a well-known commonality in all mammals.

(3) The effectiveness and safety of cuprimyxin cream in dogs and cats are supported by several years of professional use.

(4) Extensive, well-controlled studies in several laboratory animal species and with all classes of infecting organisms (bacteria, yeasts, fungi), singly and in mixed infection, have consistently demonstrated a high degree of activity for cuprimyxin formulation against these micro-organisms.

(5) Clinical trials in horses have demonstrated the same high degree of effectiveness previously demonstrated in other mammalian species.

(6) Bioequivalence and bioavailability of the product, for the stated conditions of use, have been well established for mammalian species.

Accordingly, the regulations are amended to reflect the approval of cuprimyxin as a broad spectrum antibacterial and antifungal cream for the topical treatment of certain dermal infections in horses.

In accordance with the freedom of information provisions of Part 20 (21 CFR Part 20) and § 514.11(e)(2)(ii) (21 CFR 514.11(e)(2)(ii)), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the office of the Hearing Clerk (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

Therefore, under the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i))) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.1) and redelegated to the Bureau of Veterinary Medicine (21 CFR 5.83), Part 524 is amended in § 524.520 by revising paragraph (c)(1) to read as follows:

§ 524.520 Cuprimyxin cream.

* * * * *

(c) *Conditions of use.* (1) Cuprimyxin is a broad spectrum antibacterial and antifungal cream for the topical treatment of superficial infections in horses, dogs, and cats caused by bacteria, dermatophytes (*Trichophyton* spp., *Microsporum* spp.) and yeast (*Candida albicans*) affecting skin, hair, and external mucosae.

* * * * *

Effective date. This amendment is effective August 26, 1980.

(Sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i)))

Dated: August 18, 1980.

Gerald B. Guest,

Acting Director, Bureau of Veterinary Medicine.

[FR Doc. 80-25937 Filed 8-25-80; 8:45 am]

BILLING CODE 4110-03-M

---

21 CFR Part 558

Monensin, Bacitracin Methylene Disalicylate, Roxarsone; New Animal Drugs, for Use in Animal Feed

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental new animal drug application (NADA) providing for safe and effective use of a bacitracin methylene disalicylate (MD) range and an increased roxarsone range in combination with monensin in finished broiler feeds. The application was filed by Elanco Products Co.

EFFECTIVE DATE: August 26, 1980.

FOR FURTHER INFORMATION CONTACT: Lonnie W. Luther, Bureau of Veterinary Medicine (HFV-147), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-443-4317.

SUPPLEMENTARY INFORMATION: Elanco Products Co., a Division of Eli Lilly & Co., 740 S. Alabama St., Indianapolis, IN 46206, filed a supplemental NADA (49-464) providing for use of 10 to 25 grams of bacitracin MD and 11.3 to 45.4 grams of roxarsone per ton of finished broiler feed in combination with 90 to 110 grams of monensin (as monensin sodium) per ton. Elanco currently has approval for use of 25 grams of bacitracin MD and 11.3 to 22.7 grams of roxarsone in combination with 90 to 110 grams of monensin per ton of feed. The regulations are amended to provide for the new dosage ranges for bacitracin MD and roxarsone in the combination feeds. The feeds are used for increased rate of weight gain, improved feed efficiency, and as an aid in prevention of coccidiosis caused by *E. necatrix, E. tenella, E. acervulina, E. brunetti, E. mivati,* and *E. maxima.*

The approval of this combination is subject to the Bureau's supplemental approval policy (see the **Federal Register** of December 23, 1977 (42 FR 64367)). This approval poses no

increased human risk from exposure to residues of the new animal drugs bacitracin, roxarsone, and monensin because the number of food-producing animals receiving medication will not significantly increase, and because the combination consists of drugs which will not be administered at higher dosage levels, for longer duration, or for different indications than in effect. Accordingly, under the Bureau's supplemental approval policy, this approval did not require reevaluation of the safety and efficacy data supporting the parent applications.

In accordance with the freedom of information provisions of Part 20 (21 CFR Part 20) and § 514.11(e)(2)(ii) (21 CFR 514.11(e)(2)(ii)), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the office of the Hearing Clerk (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Lane, Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

The agency has determined pursuant to 21 CFR 25.24(d)(1) (proposed December 11, 1979, 44 FR 71742) that this action is of a type that does not individually or cumulatively have a significant impact on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

Therefore, under the Federal Food, and Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i))) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.1) and redelegated to the Bureau of Veterinary Medicine (21 CFR 5.83), Part 558 is amended in § 558.355 by revising paragraph (f)(1)(xii) to read as follows:

§ 558.355 Monensin.

* * * * *

(f) * * *

(1) * * *

(xii) *Amount per ton.* Monensin, 90 to 110 grams, plus bacitracin methylene disalicylate, 10 to 25 grams, and roxarsone, 11.3 to 45.4 grams.

* * * * *

Effective date. This amendment is effective August 26, 1980.

(Sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i)))

Dated: August 18, 1980.

Gerald B. Guest,

Acting Director, Bureau of Veterinary Medicine.

[FR Doc. 80–25938 Filed 8–25–80; 8:45 am]

BILLING CODE 4110–03–M

21 CFR Part 558

Tylosin; New Animal Drugs for Use in Animal Feeds

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to codify a previously approved new animal drug application (NADA) held by Hubbard Milling Co., providing for the safe and effective use of a 10-gram-per-pound premix for making complete swine feeds.

EFFECTIVE DATE: August 26, 1980.

FOR FURTHER INFORMATION CONTACT: Jack C. Taylor, Bureau of Veterinary Medicine (HFV–136), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–443–5247.

SUPPLEMENTARY INFORMATION: Hubbard Milling Co., 424 N. Front St., Mankato, MN 56001, is sponsor of an NADA (48–645) submitted on its behalf by Elanco Products Co. The NADA provides for use of a 10-gram-per-pound tylosin premix for making a complete swine feed which is used for increased rate of weight gain and improved feed efficiency. The application was approved by letter of February 14, 1972. At that time, the regulations were not routinely amended to reflect each approval. This document revises the regulations to reflect this approval.

Approval of this NADA relied on safety and effectiveness data contained in Elanco Products Co.'s approved NADA 12–491. Use of the data in NADA 12–491 to support this NADA was authorized by Elanco. This action, codification of a previously approved NADA, did not involve reevaluation of the drug's safety and effectiveness in NADA 12–491 or 48–645.

In accordance with the freedom of information provisions of Part 20 (21 CFR Part 20) and § 514.11(e)(2)(ii) (21 CFR 514.111(e)(2)(ii)), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Office of the Hearing Clerk (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Lane, Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

Therefore, under the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i))) and under authority delegated to the Commissioner of Foods and Drugs (21 CFR 5.1) and redelegated to the Bureau of Veterinary Medicine (21 CFR 5.83), § 558.625 is amended by adding a new paragraph (b)(72) to read as follows:

§ 558.625 Tylosin.

* * * * *

(b) * * *

(72) To 012190: 10 grams per pound; paragraph (f)(1)(vi)(*a*) of this section.

* * * * *

Effective date. August 26, 1980.

(Sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i)))

Dated: August 18, 1980.

Gerald B. Guest,

Acting Director, Bureau of Veterinary Medicine.

[FR Doc. 80–25939 Filed 8–25–80; 8:45 am]

BILLING CODE 4110–03–M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Assistant Secretary for Housing—Federal Housing Commissioner

24 CFR Part 203

[Docket No. 80–836]

Mutual Mortgage Insurance and Insured Home Improvement Loans; Condition of Property—Adjustment for Damage or Neglect

AGENCY: Department of Housing and Urban Development, Office of the Assistant Secretary for Housing—Federal Housing Commissioner.

ACTION: Interim rule.

SUMMARY: This interim rule will amend the current regulation at Section 203.379 by redefining the conditions under which mortgagees may convey fire damaged property not covered by fire insurance (or inadequately covered) at the time of the damage, or assign a mortgage on such property. Additionally, it will amend those regulations at Sections 203.402(c) and 204.322(a) to bring them into compliance. Mortgagees have long claimed, with good cause, that the present rules have resulted in substantial financial losses where the mortgagee has, despite its best efforts, been unable to secure sufficient insurance coverage. Those present rules and procedures also have imposed an unnecessary reporting burden upon mortgagees and reviewing burden upon HUD field offices.

DATES: Effective date: September 22, 1980. Comments due: October 27, 1980.

ADDRESS: Interested persons may participate in this rulemaking by submitting written data, views, or arguments to the Rules Docket Clerk, Office of General Counsel, Room 5218, Department of Housing and Urban

Development, 451 Seventh Street, S.W., Washington, D.C. 20410.
Communications should refer to the above docket number and title. All relevant material received on or before October 27, 1980 will be considered before adoption of a final rule. A copy of each communication submitted will be available for public inspection during regular business hours at the above address.

FOR FURTHER INFORMATION CONTACT: Julius M. Williams, Director, Single Family Loan Servicing Division, Office of Single Family Housing, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410, (202) 755–6700. This is not a toll free number.

SUPPLEMENTARY INFORMATION: This interim rule will redefine the conditions under which the Department will accept a conveyance of fire damaged property (or accept an assignment of the mortgage on such property) when the fire insurance policy has been terminated or renewal refused by the carrier and the mortgagee has been unable to obtain insurance adequate to protect its continuing interest at reasonable rates. Such conveyance (or assignment) will be accepted without deduction from the mortgage insurance benefits for such damages, except to the extent that the mortgagee has received a recovery from an insurance carrier. In order to qualify for this, the mortgagee must certify that at the time the mortgage was insured the property was covered by adequate fire insurance, that adequate coverage was later cancelled or renewal refused and that the mortgagee made a diligent but unsuccessful effort to secure replacement coverage or coverage under a FAIR Plan (as defined in 24 CFR Section 1905.1(i)) which was adequate to protect the mortgagee's continuing interest. The rule will remove the current requirement that the mortgagee notify the Commissioner within 30 days of the cancellation of the insurance or refusal to renew. The rule also will define "reasonable rate" and "sufficient to protect the mortgagee's continuing interest."

This interim rule will make no change in Section 203.379(a) of the current regulations applicable to conveyances of property by the mortgagee subject to a deduction for the cost of repair or the insurance recovery received, whichever is greater. The interim rule will delete the reference in the current rule to "hazard insurance."

Both Sections 203.402(c) and Section 204.322(c) will be amended to cite 203.379(c). These are technical changes.

A Finding of Inapplicability respecting the National Environmental Policy Act of 1969 has been made in accordance with HUD procedures. A copy of this Finding of Inapplicability will be available for public inspection during regular business hours in the Office of the Rules Docket Clerk at the address listed above.

The Department is issuing this as an Interim Rule after determining that it would not be contrary to the public interest to do so. Mortgagees have long claimed, with good cause, that the present rules have resulted in substantial financial losses where the mortgagee has, despite its best efforts, been unable to secure sufficient insurance coverage. Those present rules and procedures also have imposed an unnecessary reporting burden upon mortgagees and reviewing burden upon HUD field offices.

This rule is not listed in the Department's semiannual agenda of significant rules, published pursuant to Executive Order 12044. Accordingly, the Department will amend Chapter II of Title 24 CFR Sections 203.379, 203.402(c), and 204.322(c) as follows:

* * * * *

§ 203.379 Adjustment for damage or neglect.

If the property has been damaged by fire, flood, earthquake, or tornado, or, for mortgages insured on or after January 1, 1977, the property has suffered damage due to failure of the mortgagee to take action as required by Section 203.377, such damage shall be repaired prior to conveyance of the property or assignment of the mortgage to the Secretary, except under the following conditions:

(a) If the prior approval of the Commissioner is obtained, there shall be deducted from the insurance benefits the Commissioner's estimate of the cost of repairing such damage or any insurance recovery received by the mortgagee, whichever amount is the greater.

(b) If the property has been damaged by fire and was not covered by fire insurance at the time of the damage, or the amount of insurance coverage was inadequate to protect the mortgagee's continuing interest, only the amount of insurance recovery received by the mortgagee, if any, shall be deducted from the insurance benefits, provided the mortgagee certifies that:

(1) At the time the mortgage was insured, the property was covered by fire insurance in an amount and under such terms sufficient to protect the mortgagee's continuing interest, and

(2) Coverage in such amount or under such terms was later cancelled (for reasons other than nonpayment of premium) or renewal was refused by the insuring company, or the mortgagee was unable to secure coverage sufficient to protect its continuing interest, and

(3) The mortgagee has made diligent, though unsuccessful, efforts, within 30 days and at least annually thereafter, to secure replacement coverage or coverage under a FAIR Plan, as defined in 24 CFR Section 1905.1(i), administered by the Federal Emergency Management Agency and coverage in such amount and under such terms was not available at a reasonable rate, and

(4) The mortgagee took such actions as were required by Section 203.377.

(c) As used in this section "reasonable rate" shall mean a rate which is not in excess of the rate or advisory rate set by the principal State-licensed rating organization for essential property insurance in the voluntary market, or if coverage is available under a FAIR Plan, the FAIR Plan rate.

(d) As used in this section "sufficient to protect the mortgagee's continuing interest" shall mean an amount which will permit recovery of not less than the amount necessary to repair the damage in the case of a partial loss or to pay the mortgage in full in the case of a total loss.

* * * * *

§ 203.402 Items included in payment-conveyed properties.

* * * * *

(c) Hazard insurance premiums on the mortgaged property not in excess of a "reasonable rate" as defined in Section 203.379(c).

* * * * *

§ 204.322 Items included in payment.

* * * * *

(c) Hazard insurance premiums on the mortgaged property not in excess of a "reasonable rate" as defined in Section 203.379(c), prorated to the date of disposition of the property.

* * * * *

(Sections 203 and 211 of the National Housing Act, as amended; 12 USC 1709 and 1715b.)

Issued at Washington, D.C. on July 8, 1980.

Lawrence B. Simons,

Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. 80-25833 Filed 8-25-80; 8:45 am]

BILLING CODE 4210-01-M