131. U.S. Financial Mortgage Corporation, Rocklin, CA *[Docket No. 13–1459–MRT]*
132. United Funding Mortgage Corp., Alpharetta, GA *[Docket No. 13–1460–MRT]*
133. United Home Mortgage Corp., Antioch, CA *[Docket No. 13–1461–MRT]*
134. Universal Mortgage Corporation, Mequon, WI *[Docket No. 13–1462–MRT]*
135. US Capital Funding, LLC, East Islip, NY *[Docket No. 13–1463–MRT]*
136. USGI, Inc., Darien, CT *[Docket No. 13–1464–MRT]*
137. Vision Mortgage Professionals, Inc., Lebanon, TN *[Docket No. 13–1465–MRT]*
138. Volunteer Trust Mortgage Corporation, Nashville, TN *[Docket No. 13–1466–MRT]*

Dated: April 5, 2013.

Carol J. Galante,

Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. 2013–08520 Filed 4–10–13; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5638–N–02]

Public Housing Assessment System (PHAS): Capital Fund Final Scoring Notice

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice.

SUMMARY: This notice makes final an interim notice that advised public housing agencies (PHAs), as well as members of the public, that HUD intended to award 5 points for the occupancy sub-indicator of the Capital Fund indicator to all PHAs for the Capital Fund Indicator under the PHAS interim rule published February 23, 2011. The award of 5 points is awarded as a temporary measure to address the transition to the scoring system implemented by the PHAS interim rule, especially as relates to the Capital Fund sub-indicator that assesses occupancy rate. The 5 points for this occupancy sub-indicator is awarded for fiscal years ending March 31, 2011, June 30, 2011, September 30, 2011, and December 31, 2011. This notice follows an interim notice for comment published on June 11, 2012.

DATES: *Effective Date:* April 11, 2013.

FOR FURTHER INFORMATION CONTACT: Claudia J. Yarus, Real Estate Assessment Center (REAC), Office of Public and Indian Housing, Department of Housing and Urban Development, 550 12th Street SW., Suite 100, Washington, DC 20410, telephone 202–475–8830 (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. Additional information is available from the REAC Internet site at *http://www.hud.gov/offices/reac/*.

SUPPLEMENTARY INFORMATION:

I. The June 11, 2012 Interim Notice for Comment

On June 11, 2012, HUD published for public comment an interim notice that advised that for PHA's with fiscal years ending March 31, 2011, June 30, 2011, September 30, 2011 and December 31, 2011, HUD was awarding all PHAs 5 points for the occupancy rate sub-indicator under the Capital Fund Program Indicator. The score already assigned for occupancy rate sub-indicator of the Capital Fund score was made advisory only as of the effective date of the interim notice, and remains advisory for a period of one year from the date of publication of this notice.

II. This Final Notice

This notice makes final the June 11, 2012 interim notice without change.

III. The Public Comments

The public comment period for the interim notice closed on July 11, 2012. By the close of the comment period, HUD received 22 public comments. Comments were submitted by housing authorities, a consortium, and public housing trade associations.

A summary of the significant issues raised in the comments, and HUD's responses, follows.

A. The Occupancy Sub-Indicator of the Capital Fund Indicator

Issue: Opposition to 2 occupancy indicators. Commenters stated that: there should not be two occupancy indicators in a scoring system, when they are based on different criteria; Having two occupancy standards is duplicative and redundant, even though they are not weighted the same; the different uses of the occupancy sub-indicator in the management indicator and the Capital Fund indicator appear to conflict; it seems odd that 96 percent occupancy is acceptable in the Capital Fund indicator, but for the management indicator 98 percent is the standard; having an occupancy indicator under both the management indicator and the Capital Fund indicator leads to a double penalty for one sub-indicator; and that it is incongruous for PHAs to be high performing or passing for the occupancy sub-indicator under one subsystem and failing in another.

HUD Response: HUD disagrees that there should not be two occupancy sub-indicators. The two sub-indicators are for different purposes. The occupancy sub-indicator under the Management (MASS) Indicator is a management measure. The occupancy sub-indicator under the Capital Fund Indicator is a measure of the use of Capital Funds for modernization and other capital needs. HUD believes that success in addressing capital needs will be reflected in higher occupancy rates. Because they are two different measures, HUD does not agree that there is a redundancy or double penalty.

The percentage difference between the MASS occupancy sub-indicator and the Capital Fund occupancy sub-indicator is due to the exclusion of all HUD approved vacant units from the MASS occupancy calculation. The higher percentage required for full points under the MASS sub-indicator reflects that HUD approved vacant units (under 24 CFR 990.145) are not considered in the formula used to determine this occupancy percentage. Since those same HUD approved vacant units are considered in the formula used to calculate the Capital Fund occupancy percentage, the percentage required for full points under Capital Fund is lower.

With the award of five (5) points to all PHAs for the Capital Fund occupancy sub-indicator for FY 2011, as provided in this notice, for this assessment cycle a PHA cannot ''fail'' one occupancy sub-indicator and still be designated a high performer or ''pass'' the other occupancy sub-indicator. Furthermore, even were it not for this adjustment, as the two occupancy sub-indicators are intended for different purposes, it would not be incongruous for PHAs to receive differing scores.

Issue: Commenters stated that standard is too strict. A commenter stated that the standard for the occupancy sub-indicator is too stringent. Real estate firms in the local area accept 5 percent vacancy as normal. If HUD multi-family projects accept 5 percent as normal (grade of C), public housing should be no different. Another commenter stated that, if the multi-family standard is only 95 percent, PHAs should not be held to a different standard and penalized for what is acceptable with PHA's private counterparts, as PHA's challenges are just as real, if not more so. One commenter stated as an example of the problems with the new PHAS rule, that although it has always previously maintained high performer status under PHAS, ''based on the new flawed PHAS rule'' it received an 89 initially. The commenter states that it was ''unfairly penalized'' 5 points in the occupancy sub-indicator of the Capital Fund indicator.

HUD Response: HUD disagrees that the standard is too stringent. Insofar as the comment is directed to the 98 percent threshold for full points under the MASS occupancy sub-indicator, that comment is outside the scope of this notice. Insofar as the comment relates to the 96 percent threshold for full points under the Capital Fund occupancy sub-indicator, HUD sees this sub-indicator as a measure of how the PHA is using the Capital Funds to make units available to house families. An occupancy rate of 96 percent permits up to 4 percent of a PHA's units to be used for non-dwelling purposes and to be vacant in accordance with a modernization program.

Insofar as a commenter claims that the standard is unfair, this Notice addresses that issue by providing 5 additional points and thus extending the time during which PHAs can prepare to address the new standard.

Although HUD's diverse housing programs provide necessary low-income housing, the public housing program serves a different population than the multifamily program and both of these programs serve different needs than conventional multifamily real estate firms. With the need for low-income housing and the long waiting lists, the occupancy percentages in the PHAS rule are consistent with the Department's goals of utilization and housing more low-income families.

Issue: HUD-approved vacant units. A commenter stated that the indicator is flawed because it does not recognize approved vacant units under the management indicator (MASS). These include vacant units approved and exempt under MASS (e.g., because undergoing modernization, litigation, or market conditions), and non-dwellings units (e.g., those used for self sufficiency and anti-crime initiatives) that are approved and exempt under MASS. A number of commenters stated that the indicator fails to account for HUD-approved vacancies for modernization, which discourages PHAs from making improvements to the nation's aging stock and unfairly punishes PHAs for well-managed renovation programs. Occupancy should continue to be evaluated based on a PHAs adjusted occupancy rate, as is done in the management indicator. Also, these vacancies are needed to improve the living conditions for the residents. HUD should be encouraging the modernization of existing public housing stock for long-term viability, rather than penalizing modernization efforts in the PHAS scoring. One commenter stated that PHAs with active and on-schedule construction contracts should be able to exclude vacancies for modernization and casualty loss.

A commenter stated that HUD has a system that recognizes that some units are vacant for legitimate reasons. These include having to perform modernization work on properties that, in some cases, are now approaching the 75 year old mark. Often, vacating these units for renovation is more cost-effective and better for the residents. In situations where PHAs have HUD approval for this work, they should not be penalized for taking these steps to improve their properties and the lives of their residents. The Capital Fund occupancy sub-indicator, however, does exactly that, by measuring occupancy rates regardless of any reason why a unit might be vacant. This method is inherently flawed, with ''perverse consequences,'' and fails to measure PHA management performance accurately. Occupancy should only measured once, and only after HUD-approved vacancies have been excluded.

One commenter stated that modernization cannot be efficient if a PHA has to wait until a contract is signed before moving tenants to do the modernization. A commenter stated that renovating dwelling units that are located in close proximity, then moving residents permanently into the newly renovated units, and placing their previous dwelling units on the next annual Capital Fund Program (CFP) renovation program is the most efficient way to manage the program and the least disrupting to the lives of residents. It is not logical to rent the renovated dwelling units and wait for more dwelling units to become vacant, which would be scattered throughout the development, to begin the next CFP renovation program.

A commenter stated that it is counter-intuitive that HUD would approve modernization initiatives and then penalize the PHA for doing exactly what was approved by HUD. Two commenters cited their specific experience with having units approved to be offline for rehabilitation and being penalized under the Capital Fund indicator, even though they were following HUD's requirements. One of these commenters stated that the PHAS snapshot taken on the last day of the fiscal year does not capture all units leased at the end of the month.

HUD Response: The calculations of the occupancy percentages for each PHAS occupancy sub-indicator are different under the two sub-indicators because, as stated in the response to the first comment above, they are different measures. To measure the number of families served, as the Capital Fund occupancy sub-indicator does, dwelling units with approved vacancies for modernization and special uses (e.g., self sufficiency and anti-crime initiative), as well as units vacant due to litigation, disasters and casualty losses that are not included in the MASS occupancy calculation are included in the Capital Fund calculation. As a result, a PHA's Capital Fund occupancy score reflects how well each PHA is serving the families in its communities.

HUD is concerned about the time that dwelling units are in modernization status. The scoring for the Capital Fund occupancy sub-indicator allows up to 4 percent of the PHA's dwelling units to be vacant at any one time for non-dwelling uses and modernization in order for the PHA to receive the full 5 points and up to 7 percent of the units to receive partial points. To achieve a higher occupancy rate that results in a corresponding higher score under this sub-indicator, PHAs are encouraged to continue ongoing proactive capital projects, strategize and stage their modernization projects minimizing the number of units that are off-line as well as the time, and to consider performing modernization while units are occupied since not all modernization work requires the family to vacate. With the Capital Fund occupancy measure being based on the data the PHA enters in the Public and Indian Housing Information Center (PIC) as of the last day of the PHA's fiscal year, HUD believes that PHAs can effectively plan their modernization projects early in the fiscal year in preparation for the occupancy percentage calculation at the end of the PHA's fiscal year.

HUD can legally approve the use of units for a number of purposes other than occupancy, but it is the decision of the PHA how to best serve the families in its community and minimize the number of units that are not occupied by tenants. With respect to HUD's approval of units under modernization, this approval is granted under the Operating Fund, not for the Capital Fund or occupancy purposes. However, because Operating Funds can be used to make certain improvements and repairs, for example, to turn a unit over for occupancy, this approval and the attendant funding can positively impact a PHA's Capital Fund occupancy percentage under PHAS.

The methodology for counting units for a Uniform Physical Condition Standards (UPCS) inspection has no impact on a PHA's occupancy percentage or score under PHAS. Units are counted under the UPCS inspection protocol, including units vacant for modernization, for the purpose of determining the inspection sample size. The calculation of a PHA's Capital Fund occupancy percentage, determined based on the data the PHA has entered in PIC, is based on units occupied in PIC at the FYE of that agency. Unit count issues experienced during a PASS inspection may indicate the PHA has data errors in PIC that need to be corrected or the PASS protocol counts the units differently to serve the inspection process. In instances when there are PIC errors, it is incumbent on the PHA to get these errors corrected as, in addition to affecting their PHAS Capital Fund indicator score, it can also affect the PHA's funding under Capital Fund and Operating Fund.

Issue: Occupancy sub-indicator should be permanently removed. Commenters stated that there should not be an occupancy sub-indicator in the Capital Fund section for a number of reasons, namely: it is redundant to have two occupancy sub-indicators; the one in the management section is more than sufficient with its 16 point value; ''it serves no useful purpose''; too much emphasis is placed on the occupancy factor; occupancy points comprise 21 potential points out of 100, which is too much weight for one factor; the ''illogic'' of the indicator is shown by the fact that Capital Fund has little to do with occupancy; the occupancy component of the management indicator is extremely important, with a 16 point value, and there is no reason to have a second sub-indicator measuring the same thing; and it unnecessarily complicates the scoring and appeals process and overall efficient administration of the PHAS scoring system. A commenter stated that the possibility of receiving an 'A' in one and an 'F' in the other displays a lack of understanding of what it is the Department is trying to measure and reduces confidence in the integrity of the scores.

A commenter stated that this occupancy sub-indicator is presumably to measure whether PHAs are adequately using Capital Funds to improve units for occupancy. However, there are many factors outside of the use of Capital Funds that determine successful occupancy rates, including tenant driven factors, property management, and local housing markets.

HUD Response: The removal of the Capital Fund occupancy sub-indicator from PHAS is outside the scope of this notice. This notice is limited to providing PHAs with a year to adjust to the assessments under the Interim PHAS rule by awarding all PHAs the full five (5) points for the Capital Fund occupancy sub-indicator for fiscal year 2011.

As stated in HUD responses above, HUD does not believe that it is redundant to have two occupancy sub-indicators since each one measures something different. The emphasis on occupancy in the PHAS rule is consistent with HUD's goals that include increasing the number of families housed through its low-income rental housing programs.

HUD disagrees that the Capital Fund occupancy sub-indicator discourages renovation and complicates PHAS. The Capital Fund provides money for PHAs to modernize units for occupancy by low income families and considering occupancy provides a good measure of how well those funds are being used for capital expenditures. All PHAs continue to request and receive Capital Funds and all PHAs obligate these funds timely in order to rehabilitate units and return those units to commerce for occupancy by income eligible families. As such, the Capital Fund occupancy sub-indicator is a valuable measure of how the program funds authorized for improving and modernizing units are being used to house families.

Issue: Change should be made permanent. A commenter stated that the final notice should make permanent the restoration of 5 points for the occupancy sub-indicator for the duration of the interim rule, as the problems with the Capital Fund subsystem will still be present in subsequent fiscal years. This notice is only a temporary solution.

HUD Response: The purpose of the notice is to provide PHAs with a one year period of time to adjust to the new occupancy measure under Capital Fund in the PHAS interim rule.

Issue: Other suggested changes to the Capital Fund indicator. A commenter stated that the obligation and expenditure of Capital Funds should be worth the whole 10 points. This is an important indicator that PHAs can use funding in a timely and appropriate manner. Another commenter stated that timeliness of the obligation of Capital Funds might be preferable.

HUD Response: HUD disagrees that the obligation and expenditure of Capital Funds should be the two measures for the full ten (10) points scored under the PHAS Capital Fund indicator. HUD has determined that the quantitative expenditure of Capital Funds, alone, is not necessarily a good qualitative measure of how well the funds are being. Thus, HUD revised the indicator accordingly to consider occupancy as one of the two Capital Fund sub-indicators in order to measure the outcomes of this funding stream in addition to the timeliness of the obligation of the funds as the other sub-indicator.

Issue: Small PHAs. A commenter stated that the occupancy sub-indicator is unfair to small PHAs, who can end up with a low score because of vacancies due to all kinds of circumstances.

HUD Response: HUD has addressed all PHAs, both small and large, in this notice by providing the full 5 points for the Capital Fund occupancy sub-indicator for fiscal years ending in 2011.

Issue: Snapshot in time. Two commenters stated that the occupancy standards do not recognize a PHA's true performance because it only measures a single point in time. Taking a snapshot of occupancy at the end of the fiscal year is wrong because vacancies could be unusually high at that time, and cited an example involving families vacating at the end of the fiscal year. The scoring of the occupancy sub-indicator affects Capital Fund allocations, and can reduce small PHAs funding drastically.

HUD Response: HUD disagrees with the commenters. This notice has provided PHAs with additional time to adjust to this measure of performance under the interim PHAS rule. Because PHAs know that under the Capital Fund occupancy sub-indicator, they will be measured using PIC data as of the last day of the PHA's fiscal year. They can plan accordingly starting at the beginning of the fiscal year. With planning, for other than resident elective moves that can occur at any time during the fiscal year, PHAs can control both the timing of their data entries in PIC that is used to calculate the Capital Fund occupancy sub-indicator percentage as well as their modernization work. With modernization planning and timely entry of data in PIC there should be no adverse impact. By itself, the score received for this sub-indicator will not cause a PHA to receive an overall PHAS score of less than 90 and experience a reduction in funding because the PHA is not a high performer. HUD considers the occupancy of units as an integral measure of a high performing PHA.

Issue: Funding issues. Commenters stated that funding shortfalls must be taken into account the scoring system.

Virtually each year the public housing operating fund is funded at less than 100 percent eligibility. The Capital Fund is currently receiving only about half the necessary amount to keep up with the annual accrual, without even considering the $26 billion backlog. As a result, agencies do not receive the funding HUD itself says is necessary for their management. Other HUD programs, subject to some of the same reviews, do receive 100 percent of their eligibility on an annual basis. It is not fair to use the same standard on one program, which receives 100 percent of its funding, and another, which receives far less. HUD must determine a method to take these annual funding shortfalls into account in assessing public housing performance.

HUD Response: With respect to the Capital Fund, which is the subject of this notice, HUD declines to prorate the scoring based on funding. The funding for PHAs is subject to the availability of appropriations, and all PHAs are under the same funding constraints. PHAs that make the most effective and efficient use of their available resources and efficiently manage modernization, will, and should, score the most points under the Capital Fund occupancy sub-indicator.

Issue: Difficulties with the scoring process. A commenter stated that the final scores have been issued for housing authorities well after the close of their fiscal years, making it difficult for housing authorities to learn from the first year and make changes for following years. Many PHAs have had difficulty in obtaining the details of actual indicators or reports of scores–making it very difficult to address scoring issues or prepare for the following year. There have also been unnecessary problems with regard to PIC data submission deadlines. PHAs were unaware that REAC was pulling PIC data on the date of a PHA's fiscal year end, despite the fact that multiple Departmental guidelines and notices allow housing authorities 60 days to enter data into the PIC system. This kind of contradictory action by HUD further convolutes the implementation process and strengthens the argument that scoring under the interim rule should be advisory.

HUD Response: As to advisory scoring, that issue is beyond the scope of this notice. The HUD guidance to which the commenter refers on PIC data entry does provide that PHAs have 60 days to enter the data. That guidance, however, does not prohibit PHAs from entering their data sooner. The 60 day period gives PHAs the time that may be needed for entering all of the required information, including information that may require additional time to verify such as tenant identification issues as well as the resolution of issues regarding certain data entries that require HUD assistance. PHAs are encouraged to submit their data in PIC and other HUD systems at the first opportunity. In light of HUD's continued reliance on PHA submissions and the use of HUD systems, prompt and accurate entry of data is becoming more critical. HUD acknowledges that there are times when data cannot be entered sooner but the majority of information can be done sooner.

B. Issues Outside the Scope of the Interim Capital Fund Notice

Issue: PHAS generally. Many of the commenters had concerns about aspects of PHAS other than the Capital Fund indicator, namely:

The management occupancy sub-indicator standard is unrealistic and unrepresentative, in that a 98 percent occupancy level in order to be given an 'A' is too high, given that HUD accepts a 3 percent vacancy rate as normal because of routine turnovers. Point deductions occur too rapidly, with a 95 percent occupancy rate causing the property to lose half the possible points. 95 percent should never be a failing grade. Since 95 percent is the standard in multi-family, it is not fair essentially to fail a public housing property for having an occupancy rate that is acceptable in the multifamily program;

When HUD does a financial pro forma, it is based on 95 percent occupancy, and rents are set a high enough level to make sure that the development is financially viable at this 95 percent rate. Thus a 95 percent occupancy rate is the norm in the multifamily program. If owners can achieve a higher rate, they are able to earn additional money. Under the management occupancy sub-indicator, however, an public housing property with a 95 percent occupancy rate will only be awarded 8 out of 16 possible points, a 50 percent score or the equivalent of failing;

The order of the waiting list, the need to have current screening and verifications, the fact that the PHA doesn't always get proper notice from families that are vacating, the fact that some applicants cannot move until their current lease ends, the fact that applicants move and do not tell the PHA their new address, and family situations, can all lead to slower turnover. This commenter stated that turnover also depends on the condition of the unit and how long maintenance will take;

To receive maximum points on occupancy under the management indicator, a small PHA might have to keep all but 2 units occupied at all times. Being a small PHA, manpower prevents immediate preparation if more than two apartments are vacant at the same time and it is especially hard to increase manpower, whether by more employees or contractors, when Operating Subsidy cuts require frugality;

For HUD Section 8 New Construction, 94 percent occupancy is considered excellent. Tax Credit developments have an even lower occupancy standard than HUD Section 8 New Construction. The scoring system for occupancy levels needs to be re-evaluated and made more realistic. Each year, 20–30 percent of units turn over for a variety of reasons. Routine turnovers are entirely out of the PHA's control; even where there is no problem getting an apartment ready, getting it filled can be a problem, for instance, with a tenant who decides not to take a unit, or has a criminal record, for example, which delays filling the unit;

Due to frequent turnover, which is common in the rental industry, it is not unusual to have several apartments vacate within a short time of each other. There is always some time needed to prepare the apartment for the next renter and to have the new renter sign their lease. Since this indicator is worth 16 points it is very critical that PHAs have a realistic opportunity to gain the maximum points;

An occupancy rate of equal to or greater than 97 percent is an excellent achievement and should be graded as such. Also, operating subsidy full payment is based on 97 percent occupancy. Point deductions should begin at equal to or less than 96 percent, with 96 percent being a standard rate with minimal points deducted;

The accounts payable sub-indicator should be eliminated as unnecessary, not relevant to evaluating whether properties are fully occupied, in good physical condition and in sound financial health, and a sign of micromanagement. One commenter described specific issues where late court judgments caused problems with the account payable indicator score. Another commenter stated that as long as the PHA is well-managed, in sound financial health, and occupied, the exact arrangements a PHA has with its vendors to pay its bills is not an appropriate subject for HUD review and scoring. An agency's performance on this subindicator only muddies the scoring of its performance on the key indicators of physical status, occupancy and financial condition and thus affects the integrity of the PHAS score as a measurement of PHA performance;

Because of the way billing cycles work, there will always be some accounts payable. The question should be whether the PHA has the ability to pay off the accounts payable;

The physical indicator scoring system needs to be revised as it deducts points for some deficiencies disproportionately to their importance, and the scoring system should have an easily understandable point value for each deficiency based on a logical standard;

The physical inspection system continues to have numerous flaws including deducting points that are disproportionate to the value of the deficiency, failing to take into account differences in the size of properties and buildings consistently, including irrelevant and redundant deficiencies, and utilizing a complicated scoring system that lacks transparency. Deficiencies whose severity is minor can still be worth a lot of points, because they have high weights and criticality values. Instead of this system, HUD should develop one in which each deficiency is assigned an individual point value based upon a logical standard. The Department should also undertake a review to determine which deficiencies are not necessary and which could be consolidated. The scoring standard should account for proportionality. Unrealistic point deductions and unessential deficiencies should be eliminated.

PHAS in its entirely should be advisory as PHAs need more time to adjust and plan accordingly and the current schedule is unfair. Since it is clear that HUD recognizes the deficiencies in the interim rule, including inadequate training and timing, HUD should make all scores advisory for FY 2011 and 2012. The time allotted by HUD to agencies to meet the new PHAS standards was 24 work days for agencies with a fiscal year ending March 31st and 89 work days for agencies with a fiscal year ending June 30th. PHAs should be allowed one full year to prepare for the entire PHAS;

The entire PHAS protocol needs to be revised and simplified. The accounts payable indicator is unnecessary. The financial indicators do not measure what is most important, and the inspection protocol now well over a decade old is cumbersome, expensive to administer and adds little value to management of property. PHAS can be improved and can be supported with fewer resources. The Department should work more closely with local housing agencies and industry groups to arrive at a better system that will be more useful and beneficial to housing agencies, residents, HUD and the public. The number of deficiencies should be reduced and similar ones consolidated;

The presence of brand new, more stringent indicators in the Financial, Management Operations, and Capital Fund subsystems (including the occupancy subindicator within the Capital Fund), in conjunction with the lack of time and training made available to housing authorities to learn about the changes in the system, are all cause for making scores issued under the interim rule advisory. Imposing these new standard puts PHAs' reputations at risk;

Having standards apply retroactively is not fair, and the Department in this notice recognizes that fact. This same logic applies to PHAS generally. Numerous other changes, in addition to the Capital Fund occupancy sub-indicator were made, and agencies had no more time to adjust to these changes than they did to the Capital Fund occupancy sub-indicator. This is particularly true with respect to the management indicator;

The scoring system is arbitrary and frustrating to work with and does not give a fair assessment of the condition of the property as it is intended to do. The system is complex and unwieldy, and can lead to excessive deductions for minor issues;

Health and safety deductions are ''devastating'' because they are worth too many points even if only a small item;

REAC inspectors should not nit-pick minor issues. REAC physical inspectors need to be aware of the cost to a PHA for findings of very little significance. Common sense should be used for the overall evaluation of a property. Major defects and safety issues should be written up—however some inspectors are not giving the property the overall scoring it should receive;

For physical inspections, the REAC inspector should accept all documentation provided by the PHA and then grade according to that. For example, if a PHA has documentation that it does not own a fence that runs along its property line then the inspector should not grade the fence instead of the inspector grading it and then the PHA having to appeal it. This is a waste of everyone's time;

PHAS should emphasize the units, since that is where residents actually live, but the units are only worth 35 percent of the overall score;

There should be ongoing collaboration with the Department in continuing to remedy the major issues in the interim rule;

Since HUD is asking PHAs to act more like private asset managers, the PHAs are asking that HUD do the same with respect to PHAs.

HUD Response: These comments concern matters outside the scope of the notice, which is directed only to a temporary change to the occupancy sub-indicator of the Capital Fund indicator.

Dated: April 5, 2013.

Sandra B. Henriquez,

Assistant Secretary for Public and Indian Housing.

[FR Doc. 2013–08519 Filed 4–10–13; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS–HQ–IA–2013–N086; FXIA16710900000P5–123–FF09A30000]

Endangered Species; Receipt of Applications for Permit

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of receipt of applications for permit.

SUMMARY: We, the U.S. Fish and Wildlife Service, invite the public to comment on the following applications to conduct certain activities with endangered species. With some exceptions, the Endangered Species Act (ESA) prohibits activities with listed species unless Federal authorization is acquired that allows such activities.

DATES: We must receive comments or requests for documents on or before May 13, 2013.

ADDRESSES: Brenda Tapia, Division of Management Authority, U.S. Fish and Wildlife Service, 4401 North Fairfax Drive, Room 212, Arlington, VA 22203; fax (703) 358–2280; or email *DMAFR@fws.gov.*

FOR FURTHER INFORMATION CONTACT: Brenda Tapia, (703) 358–2104 (telephone); (703) 358–2280 (fax); *DMAFR@fws.gov* (email).

SUPPLEMENTARY INFORMATION:

I. Public Comment Procedures

A. How do I request copies of applications or comment on submitted applications?

Send your request for copies of applications or comments and materials concerning any of the applications to the contact listed under **ADDRESSES**. Please include the **Federal Register** notice publication date, the PRT-number, and the name of the applicant in your request or submission. We will