



BILLING CODE 3410-01-P

DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 761

Revision of Delegation of Authority for the State Executive Director (SED) for the Farm Loan Programs

AGENCY: Farm Service Agency, Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: This document amends the delegations of authority from the Farm Service Agency (FSA) Deputy Administrator of Farm Loan Programs (FLP). The change will specify that the Deputy Administrator redelegates certain authority to the State Executive Directors (SED). The change will also specify that SEDs may redelegate the authority to a Farm Loan Chief, Farm Loan Specialist, District Director, Farm Loan Manager, Senior Farm Loan Officer, Farm Loan Officer, Loan Analyst, Loan Resolution Specialist, or Program Technician to perform loan activities. This will ensure that certain loan documents can be signed off locally instead of requiring the FLP Deputy Administrator to have to sign off on certain loan documents.

DATES: *Effective:* **[Insert date of publication in the FEDERAL REGISTER].**

FOR FURTHER INFORMATION CONTACT: Bruce Mair; telephone: (202) 720-1645. Persons with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720-2600.

SUPPLEMENTARY INFORMATION:

Background

FSA makes and services a variety of direct and guaranteed loans to the nation's farmers and ranchers who are unable to obtain private commercial credit at reasonable rates and terms. FSA also provides direct loan customers with credit counseling and supervision to enhance their opportunity for success. FSA direct and guaranteed loan applicants are often beginning farmers and socially disadvantaged farmers who do not qualify for conventional loans because of insufficient net worth or established farmers who have suffered financial setbacks due to natural disasters or economic downturns. FSA tailors direct and guaranteed loans to a customer's needs and may be used to buy farmland and to finance agricultural production.

The Consolidated Farm and Rural Development Act of 1972, as amended, (CONACT) (7 USC 1921 - 2009dd-7)) authorizes FSA's Direct and Guaranteed Farm Loan Programs.

Redelegation to and by SEDs

As part of loan servicing, various real estate documents must be signed by FSA and the files must be on public record in certain states. Some of the real estate documents that FSA signs include, but are not limited to, lien satisfactions, partial releases, and subordinations. FSA's intent has always been for the real estate documents to be signed by FSA officials at the local level. In the past, the regulations in 7 CFR part 1900 included specific wording concerning which employees were delegated with signature

authority. In 2007, when FSA streamlined the FLP regulations, 7 CFR 761.1 broadened the regulatory text concerning FLP delegations, but the original intent as to who would have the authority to sign the real estate documents did not change. FSA recently determined that more specificity in 7 CFR 761.1 regarding the delegation of authority would be helpful and is therefore revising the regulation.

FSA is amending the regulation in 7 CFR part 761 regarding the delegation of authority for the Deputy of Administrator of FLP to specify that the Deputy Administrator of FLP redelegates certain loan making and servicing authority to SEDs and when there is no loss to FSA, the SEDs may redelegate the authority to the Farm Loan Chief, Farm Loan Specialist, District Director, Farm Loan Manager, Senior Farm Loan Officer, Farm Loan Officer, Loan Analyst, Loan Resolution Specialist, or Program Technician. The revised delegation will clarify the authority for the Acting SED and other authorized officials to sign certain loan documents and to perform other loan activities for SEDs.

Notice and Comment

In general, the Administrative Procedure Act (5 U.S.C. 553) requires that a notice of proposed rulemaking be published in the *Federal Register* and interested persons be given an opportunity to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation, except that when the rule involves a matter relating to public property, loans, grants, benefits, or contracts

section 553 does not apply. This rule involves matters relating to loans and is therefore being published as a final rule without the prior opportunity for comments.

Effective Date

The Administrative Procedure Act (5 U.S.C. 553) provides generally that before rules are issued by Government agencies, the rule is required to be published in the *Federal Register*, and the required publication of a substantive rule is to be not less than 30 days before its effective date. However, as noted above, one of the exceptions is that section 553 does not apply to rulemaking that involves a matter relating to loans. Therefore, because this rule relates to loans, the 30-day effective period requirement in section 553 does not apply. This final rule is effective when published in the *Federal Register*.

Executive Orders 12866, 13563, 13771, and 13777

Executive Order 12866, “Regulatory Planning and Review,” and Executive Order 13563, “Improving Regulation and Regulatory Review,” direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive

Order 13777, “Enforcing the Regulatory Reform Agenda,” established a federal policy to alleviate unnecessary regulatory burdens on the American people.

In section 3(d), Executive Order 12866 defines “regulation” or “rule.” In the definition, it specifically does not include regulations or rules that are limited to agency organization, management, or personnel matters. This rule relates to internal agency management; therefore, it is exempt from the provisions of Executive Order 12866.

Executive Order 13771, “Reducing Regulation and Controlling Regulatory Costs,” requires that in order to manage the private costs required to comply with Federal regulations that for every new significant or economically significant regulation issued, the new costs must be offset by the elimination of at least two prior regulations. This rule does not rise to the level required to comply with Executive Order 13771.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601-612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub. L. 104-121), generally requires an agency to prepare a regulatory flexibility analysis of any rule whenever an agency is required by the Administrative Procedure Act or any other law to publish a proposed rule, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule is not subject to the Regulatory Flexibility Act because FSA is not required by the Administrative Procedure Act or any other law to publish a proposed rule for this rulemaking.

Environmental Review

The environmental impacts of this final rule have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321-4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508), and the FSA regulations for compliance with NEPA (7 CFR part 799). FSA has determined that the provisions identified in this final rule are administrative in nature, solely relating to internal agency management, and do not constitute a major Federal action that would significantly affect the quality of the human environment, individually or cumulatively. Provisions for signature authorities are purely administrative and would not alter any environmental impacts associated with any loans. Therefore, as this rule presents administrative clarifications only, FSA will not prepare an environmental assessment or environmental impact statement for this regulatory action.

Executive Order 12372

Executive Order 12372, “Intergovernmental Review of Federal Programs,” requires consultation with State and local officials that would be directly affected by proposed Federal financial assistance. The objectives of Executive Order 12372 are to foster an intergovernmental partnership and a strengthened Federalism, by relying on State and local processes for State and local government coordination and review of proposed Federal Financial assistance and direct Federal development. For reasons specified in the final rule related notice regarding 7 CFR part 3015, subpart V (48 FR

29115, June 24, 1983), the programs and activities within this rule are excluded from the scope of Executive Order 12372, which requires intergovernmental consultation with State and local officials.

Executive Order 12988

This rule has been reviewed under Executive Order 12988, “Civil Justice Reform.” This rule will not preempt State or local laws, regulations, or policies unless they represent an irreconcilable conflict with this rule. The rule will not have a retroactive effect. Before any judicial action may be brought regarding the provisions of this rule, the administrative appeal provisions of 7 CFR parts 11 and 780 are to be exhausted.

Executive Order 13132

This rule has been reviewed under Executive Order 13132, “Federalism.” The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the Federal government and the States, or the distribution of power and responsibilities among the various levels of government, except as required by law. Nor will this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

Executive Order 13175

This rule has been reviewed in accordance with the requirements of Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments.” Executive Order 13175 requires Federal agencies to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal government and Indian tribes or on the distribution of power and responsibilities between the Federal government and Indian tribes.

FSA has assessed the impact of this rule on Indian tribes and determined that this rule does not, to our knowledge, have tribal implications that require tribal consultation under Executive Order 13175. If a Tribe requests consultation, FSA will work with the USDA Office of Tribal Relations to ensure meaningful consultation is provided.

Unfunded Mandates

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104-4) requires Federal agencies to assess the effects of their regulatory actions on State, local, or Tribal governments, or the private sector. Agencies generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of \$100 million or more in any 1 year for State, local, or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least

burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local, and Tribal governments or private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), the rule does not change the approved information collection approved under OMB control number 0560– 0238, General Program Administration.

E-Government Act Compliance

FSA is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services and other purposes.

List of Subjects in 7 CFR Part 761

Accounting, Loan programs-agriculture, Rural areas.

For reasons discussed above, FSA amends 7 CFR chapter VII as follows:

PART 761 – FARM LOAN PROGRAMS; GENERAL PROGRAM ADMINISTRATION

1. The authority citation for part 761 continues to read as follows:

Authority: 5 U.S.C. 301 and 7 U.S.C. 1989.

2. Revise § 761.1(b) to read as follows:

§ 761.1 Introduction.

* * * * *

(b) The Deputy Administrator:

(1) Delegates to each State Executive Director within the State Executive Director's jurisdiction the authority, and in the absence of the State Executive Director, the person acting in that position, to act for, on behalf of, and in the name of the United States of America or the Farm Service Agency to do and perform acts necessary in connection with making and guaranteeing loans, such as, but not limited to, making advances, servicing loans and other indebtedness, and obtaining, servicing, and enforcing or releasing security and other instruments related to the loan. For actions that do not result in a loss to the Farm Service Agency, a State Executive Director may redelegate authorities received under this paragraph to a Farm Loan Chief, Farm Loan Specialist, District Director, Farm Loan Manager, or Senior Farm Loan Officer, Farm Loan Officer, Loan Analyst, Loan Resolution Specialist, or Program Technician.

(2) May establish procedures for further redelegation or limitation of authority.

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Steven J. Peterson,
Acting Administrator,
Farm Service Agency.
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