

execute all documents necessary for the management and sale of single-family properties acquired by VA under its housing loan guaranty program. This amendment will provide notice to buyers, lenders, and other real estate professionals of the contractor's authority to sign these documents rather than requiring VA to prepare and record powers of attorney, thereby increasing the efficiency of the loan guaranty program.

DATES: *Effective Date:* March 8, 2004.

FOR FURTHER INFORMATION CONTACT: William W. Lutes, Assistant Director for Property Management and Strategic Development (263), Veterans Benefits Administration, 810 Vermont Ave., Washington, DC 20420, telephone 202-273-7379.

SUPPLEMENTARY INFORMATION: The provisions of 38 U.S.C. chapter 37 authorize the Secretary of Veterans Affairs (VA) to guarantee or make loans to veterans. Following the termination of loans which have been in serious default, the holder of the guaranteed loan may, pursuant to 38 U.S.C. 3732(c), have an election to convey to the Secretary the property which had secured the loan. Upon receipt of these properties, VA sells them to the general public in order to reduce the loss to the Federal Treasury on the guaranteed loan. The sale of such properties is not a benefit to veterans.

VA has contracted with a private entity to handle the management and resale of its inventory of acquired properties. In order to increase the efficiency of this contract, certain officers of the contractor are being delegated authority to execute, on behalf of VA, routine documents necessary for the management and sale of these properties.

Currently, 38 CFR 36.4342 authorizes certain VA officials, such as field station Directors, Loan Guaranty Officers, and Assistant Loan Guaranty Officers, to execute these documents. Regional Offices are required to maintain a cumulative list of all employees of that office who have held the designated positions since May 1, 1980. In addition, 38 CFR 36.4342(e) authorizes certain officers of the private contractor servicing loans made or acquired by VA to execute on behalf of the Secretary all documents necessary for the servicing and termination of those loans. VA also maintains a log of the corporate officers who have been authorized to execute these documents.

This rule adds a new paragraph (f) to 38 CFR 36.4342 which delegates to persons holding the office of Senior Vice President, Vice President, Assistant

Vice President, Assistant Secretary, Director, and Senior Manager of the entity performing property management and sales functions under a contract with VA the authority to execute all documents necessary for the management and sale of residential real property acquired by VA under the housing loan program authorized by 38 U.S.C. chapter 37. Documents authorized to be executed will include sales contracts, deeds, documents relating to removing adverse occupants, and any documents relating to sales closings. The authorization to execute deeds is limited to deeds other than general warranty deeds.

The Director of the VA Loan Guaranty Service, Washington, DC, will maintain a log listing all corporate officers of the contractor who have been authorized to execute documents and the dates during which these persons were authorized to act. VA will also maintain copies of resolutions of the contractor's board of directors authorizing these persons to execute these documents. Those files will be available for public inspection and copying during normal business hours at the Office of the Director of VA Loan Guaranty Service, Washington, DC 20420.

The provisions of 38 CFR 36.4342(f) are published without regard to the notice and comment and delayed effective date provisions of 5 U.S.C. 553 since they relate to agency management and personnel and are not substantive rules.

Unfunded Mandates

The Unfunded Mandates Reform Act requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before developing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of \$100 million or more in any given year. This proposed amendment would have no such effect on State, local, or tribal governments, or the private sector.

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3520).

Regulatory Flexibility Act

The Secretary of Veterans Affairs hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. The final rule relates to agency management and personnel and does not contain substantive provisions affecting small

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 36

RIN 2900-AL85

Delegation of Authority—Property Management Contractor

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: The Department of Veterans Affairs (VA) is amending its delegation of authority regulation with respect to the loan guaranty program. This amendment will permit certain officers of the private contractor performing property management functions to

entities. Accordingly, pursuant to 5 U.S.C. 605(b), this final rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

There is no Catalog of Federal Domestic Assistance number for this program.

List of Subjects in 38 CFR Part 36

Condominiums, Housing, Indians, Individuals with disabilities, Loan programs-housing and community development, Loan programs, Indians, Loan programs-veterans, Manufactured homes, Mortgage insurance, Reporting and recordkeeping requirements, Veterans.

Approved: February 24, 2004.

Anthony J. Principi,

Secretary of Veterans Affairs.

■ For the reasons set out in the preamble, 38 CFR part 36 is amended as set forth below.

PART 36—LOAN GUARANTY

■ 1. The authority citation of part 36 continues to read as follows:

Authority: 38 U.S.C. 501, 3701–3704, 3707, 3710–3714, 3719, 3720, 3729, 3762, unless otherwise noted.

- 2. Section 36.4342 is amended by:
 - a. Adding paragraph (f) immediately after paragraph (e).
 - b. Removing the second authority citation that appears at the end of the section.

The addition reads as follows:

§ 36.4342 Delegation of authority.

* * * * *

(f)(1) Authority is hereby delegated to the officers, designated in paragraph (f)(2) of this section, of the entity performing property management and sales functions under a contract with the Secretary to execute on behalf of the Secretary all documents necessary for the management and sales of residential real property acquired by the Secretary pursuant to 38 U.S.C. chapter 37. Documents executed under this paragraph include but are not limited to: sales contracts, deeds, documents relating to removing adverse occupants, and any documents relating to sales closings. The authorization to execute

deeds is limited to deeds other than general warranty deeds.

(2) The designated officers are: Senior Vice President, Vice President, Assistant Vice President, Assistant Secretary, Director, and Senior Manager.

(3) The Director, Loan Guaranty Service, Washington, DC, shall maintain a log listing all persons authorized to execute documents pursuant to paragraph (f) of this section and the dates such persons held such authority, together with certified copies of resolutions of the board of directors of the entity authorizing such individuals to perform the functions specified in paragraph (f)(1) of this section. These records shall be available for public inspection and copying at the Office of the Director of VA Loan Guaranty Service, Washington, DC 20420.

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(Authority: 38 U.S.C. 501, 3720(a)(5))

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