

Employers may not request proof of Somali citizenship. Employers should not ask for additional Form I-9 documentation if presented with a new valid EAD pursuant to this **Federal Register** notice, and the EAD reasonably appears on its face to be genuine and to relate to the employee. Employees also may present any other legally acceptable document or combination of documents listed on the Form I-9 as proof of identity and employment eligibility.

#### Note to Employers

Employers are reminded that the laws requiring employment eligibility verification and prohibiting unfair immigration-related employment practices remain in full force. This Notice does not supersede or in any way limit applicable employment verification rules and policy guidance, including those rules setting forth re-verification requirements. For questions, employers may call the USCIS Customer Assistance Office at 1-800-357-2099. Employers may also call the U.S. Department of Justice Office of Special Counsel for Immigration Related Unfair Employment Practices (OSC) Employer Hotline at 1-800-255-8155.

#### Note to Employees

Employees or applicants may call the OSC Employee Hotline at 1-800-255-7688 for information regarding the automatic extension. Additional information is available on the OSC Web site at <http://www.justice.gov/crt/osc/>.

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## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

[Docket No. USCG-2010-0947]

#### Policy for Banning of Foreign Vessels From Entry into United States Ports

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of policy.

**SUMMARY:** The U.S. Coast Guard announces release of policy letter 10-03, Banning of Foreign Vessels. This policy letter outlines U.S. Coast Guard procedures for denying entry of certain foreign flagged commercial vessels into any port or place in the United States as a result of the vessel's history of operating in a continuous substandard condition in waters subject to United States jurisdiction.

**DATES:** This policy became effective on September 1, 2010.

**ADDRESSES:** This notice and the policy letter described within it are available in the docket and can be viewed by going to <http://www.regulations.gov>, inserting USCG-2010-0947 in the "Keyword" box, and then clicking "Search." This policy letter is also available at <http://www.homeport.uscg.mil> under the Port State Control tab; Foreign Vessel Safety; Banning of Foreign Vessels.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this notice or the policy, call or e-mail Lieutenant Commander Charles Fluke, Foreign and Offshore Vessels Division (CG-5432), U.S. Coast Guard, telephone 202-372-1235. If you have questions on viewing material in the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

#### SUPPLEMENTARY INFORMATION:

##### Background and Purpose

The U.S. Coast Guard Port State Control (PSC) program began in the United States when Congress, through the 1994 Department of Transportation Appropriations Bill, required the U.S. Coast Guard to change its approach to foreign vessel examinations. The bill required the U.S. Coast Guard to hold those most responsible for substandard ships accountable, including owners, classification societies, and flag States.

Title 33 of the United States Code provides tools and authority for the U.S. Coast Guard to meet this mandate. 33 U.S.C. 1228 prohibits vessels from operating in the navigable waters of the United States or transferring cargo or residue in any port or place under the jurisdiction of the United States if such vessels: Have a history of accidents, pollution incidents, or serious repair problems; fail to comply with applicable regulations, laws, or treaties; discharges oil or hazardous material in violation of law or treaty; or fails to comply with vessel traffic service, manning, and language requirements.

In addition, 33 U.S.C. 1223(b) grants the authority to order any vessel in a port or place subject to the jurisdiction of the United States or in the navigable waters of the United States to operate or anchor as directed if: such vessel does not comply with applicable regulations, law, or treaty; the vessel does not satisfy the conditions for port entry as set out in 33 U.S.C. 1228; or in the interest of safety.

In 1997, the U.S. Coast Guard published regulations to enforce International Maritime Organization (IMO) Resolution A.741 (18), titled "International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safe

Management [ISM] Code)". The U.S. Coast Guard also published the Navigation and Vessel Inspection Circular (NVIC) 04-05, titled, "Port State Control Guidelines for the Enforcement of Management for the Safe Operation of Ships (ISM) Code," to provide guidance to both Coast Guard and industry personnel concerning compliance with the requirements of the International Convention for the Safety of Life at Sea (SOLAS), 1974, Chapter IX and the ISM Code.

The cornerstone for ensuring a vessel is compliant with international standards, laws, and regulations is a well written and properly implemented Safety Management System (SMS). Commitment by top level company management and continuous improvement are two fundamental objectives of an effective SMS. Companies that do not embrace a safety culture and that repeatedly operate vessels in a substandard condition have failed to recognize the importance of complying with international conventions and standards and put their crews, vessels, and the marine environment at risk.

Occasionally, the U.S. Coast Guard intercepts vessels arriving into United States waters that consistently demonstrate a substandard condition and, thus, fail to comply with the requirements found in international conventions and domestic regulations. Previously, there was no mechanism in place to effectively and consistently respond to repeat offenders. The U.S. Coast Guard's Banning of Foreign Vessels policy should provide a systematic approach to addressing these vessels. This policy aligns the U.S. Coast Guard with other SOLAS signatory flag States who currently have policies and procedures in place for processing vessels that repeatedly operate in a substandard condition.

##### Policy Implementation

The U.S. Coast Guard will continue to screen, prioritize, and coordinate all foreign vessel exams in accordance with existing policies. When a vessel has been repeatedly detained (meaning *three* or more detentions within *twelve* months) and it is determined by the U.S. Coast Guard's Foreign and Offshore Vessels Division (CG-5432) that failure to effectively implement the SMS was a contributing factor for the substandard condition(s) that led to the detentions, the vessel will be denied entry into any port or place in the United States in compliance with 33 U.S.C. 1228 and 1223(b) until specified actions are completed to the satisfaction of the Coast Guard.

**Authority:** This notice is issued under authority of 5 U.S.C. 552, 33 U.S.C. 1223(b), and 33 U.S.C. 1228.

Dated: October 25, 2010.

**Kevin S. Cook,**

*Rear Admiral, U.S. Coast Guard, Director of Prevention Policy.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4211-N-05]

### Credit Watch Termination Initiative Termination of Origination Approval Agreements

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

**ACTION:** Notice.

**SUMMARY:** This notice advises of the cause and effect of termination of Origination Approval Agreements taken by HUD's Federal Housing Administration (FHA) against HUD-approved mortgagees through the FHA Credit Watch Termination Initiative. This notice includes a list of mortgagees which have had their Origination Approval Agreements terminated.

**FOR FURTHER INFORMATION CONTACT:** The Quality Assurance Division, Office of Housing, Department of Housing and Urban Development, 451 Seventh Street, SW., Room B133-P3214, Washington, DC 20410-8000; telephone (202) 708-2830 (this is not a toll-free number). Persons with hearing or speech impairments may access that number through TTY by calling the Federal Information Relay Service at (800) 877-8339.

**SUPPLEMENTARY INFORMATION:** HUD has the authority to address deficiencies in the performance of lenders' loans as provided in HUD's mortgagee approval regulations at 24 CFR 202.3. On May 17, 1999 HUD published a notice (64 FR 26769), on its procedures for terminating Origination Approval Agreements with FHA lenders and placement of FHA lenders on Credit Watch status (an evaluation period). In the May 17, 1999 notice, HUD advised

that it would publish in the **Federal Register** a list of mortgagees, which have had their Origination Approval Agreements terminated.

**Termination of Origination Approval Agreement:** Approval of a mortgagee by HUD/FHA to participate in FHA mortgage insurance programs includes an Origination Approval Agreement (Agreement) between HUD and the mortgagee. Under the Agreement, the mortgagee is authorized to originate single-family mortgage loans and submit them to FHA for insurance endorsement. The Agreement may be terminated on the basis of poor performance of FHA-insured mortgage loans originated by the mortgagee. The termination of a mortgagee's Agreement is separate and apart from any action taken by HUD's Mortgagee Review Board under HUD's regulations at 24 CFR part 25.

**Cause:** HUD's regulations permit HUD to terminate the Agreement with any mortgagee having a default and claim rate for loans endorsed within the preceding 24 months that exceeds 200 percent of the default and claim rate within the geographic area served by a HUD field office, and also exceeds the national default and claim rate. For the 44th review period, HUD is terminating the Agreement of mortgagees whose default and claim rate exceeds both the national rate and 200 percent of the field office rate.

**Effect:** Termination of the Agreement precludes that branch(es) of the mortgagee from originating FHA-insured single-family mortgages within the area of the HUD field office(s) listed in this notice. Mortgagees authorized to purchase, hold, or service FHA insured mortgages may continue to do so.

Loans that closed or were approved before the termination became effective may be submitted for insurance endorsement. Approved loans are those already underwritten and approved by a DE underwriter, and cases covered by a firm commitment issued by HUD. Cases at earlier stages of processing cannot be submitted for insurance by the terminated branch; however, they may be transferred for completion of processing and underwriting to another FHA insured mortgagee with direct endorsement approval for the area

covered by the termination. Mortgagees are obligated to continue to pay existing insurance premiums and meet all other obligations associated with insured mortgages.

A terminated mortgagee may apply for reinstatement of the Origination Approval Agreement if the Approval for the affected branch or branches has been terminated for at least six months and the mortgagee continues to be an approved mortgagee meeting the requirements of 24 CFR 202.5, 202.6, 202.7, 202.8 and 202.12. However, Mortgagee Letter 2010-20 and Final Rule 5356-F-02 at 24 CFR 202 eliminates FHA approval for loan correspondents after December 31, 2010. Therefore, HUD will not accept requests for reinstatement from loan correspondents after that date. The mortgagee's application for reinstatement must be in a format prescribed by the Secretary and signed by the mortgagee. In addition, the application must be accompanied by an independent analysis of the terminated office's operations as well as its mortgage production, specifically including the FHA-insured mortgages cited in its termination notice. This independent analysis shall identify the underlying cause for the mortgagee's high default and claim rate. The analysis must be prepared by an independent Certified Public Accountant (CPA) qualified to perform audits under Government Auditing Standards as provided by the Government Accountability Office. The mortgagee must also submit a written corrective action plan to address each of the issues identified in the CPA's report, along with evidence that the plan has been implemented. The application for a new Agreement should be in the form of a letter, accompanied by the CPA's report and corrective action plan. The request should be sent to the Director, Office of Lender Activities and Program Compliance, 451 Seventh Street, SW., Room B133-P3214, Washington, DC 20410-8000 or by courier to 490 L'Enfant Plaza, East, SW., Suite 3214, Washington, DC 20024-8000.

**Action:** The following mortgagees have had their Origination Agreements terminated by HUD:

Mortgagee name	Mortgagee branch address	HUD office jurisdictions	Termination effective date	Homeownership centers
Universal American Mortgage Co..	25 Enterprise, Ste, 100 Aliso Viejo, CA 92656.	Santa Ana .....	10/4/10	Santana.
Capital Financial Mortgage Corp..	215 Kedron Ave., Folsom, PA 19033 .....	Camden .....	9/9/2010	Philadelphia.