

(ii) *Multifamily net worth requirements.* Irrespective of size, each applicant for approval and each approved lender or mortgagee for participation solely under the FHA multifamily programs shall have a net worth of not less than \$1 million. For those multifamily approved lenders or mortgagees that also engage in mortgage servicing, an additional net worth of one percent of the total volume, in excess of \$25 million, of FHA multifamily mortgages originated, purchased, or serviced during the prior fiscal year, up to a maximum required net worth of \$2.5 million. For multifamily approved lenders or mortgagees that do not perform mortgage servicing, an additional net worth of one half of one percent of the total volume, in excess of \$25 million, of FHA multifamily mortgages originated during the prior fiscal year, up to a maximum required net worth of \$2.5 million. No less than 20 percent of the applicant's or approved lender's or mortgagee's required net worth must be liquid assets consisting of cash or its equivalent acceptable to the Secretary.

(iii) *Dual participation net worth requirements.* Irrespective of size, each applicant for approval and each approved lender or mortgagee that is a participant in both FHA single family and multifamily programs must meet the net worth requirements as set forth in paragraph (n)(2)(i) of this section.

* * * * *

■ 6. In § 202.9:

- a. Revise the section heading and paragraph (a);
- b. In paragraphs (b) introductory text and (b)(1) and (2), remove the words “investing lender or mortgagee” and add, in their place, the words “investing lender or investing mortgagee”; and
- c. Revise paragraph (b)(3) and add paragraph (b)(4).

The revisions and addition read as follows:

§ 202.9 Investing lenders and investing mortgagees.

(a) *Definition.* An investing lender or investing mortgagee is an organization that is not approved as a supervised lender or mortgagee under § 202.6, a nonsupervised lender or mortgagee under § 202.7, or a governmental or similar institution under § 202.10. An investing lender or investing mortgagee may purchase, hold, or sell Title I loans or Title II mortgages, respectively, but may not originate Title I loans or Title II mortgages in its own name or submit applications for the insurance of mortgages. An investing lender or investing mortgagee may not service

Title I loans or Title II mortgages without prior approval of the Secretary.

(b) * * *

(3) *Fidelity bond.* An investing lender or investing mortgagee shall maintain fidelity bond coverage and errors and omissions insurance acceptable to the Secretary and in an amount required by the Secretary, or alternative insurance coverage approved by the Secretary, that assures the faithful performance of the responsibilities of the mortgagee.

(4) *Audit report.* An investing lender or mortgagee must comply with the financial reporting requirements in 24 CFR part 5, subpart H. Audit reports shall be based on audits performed by a certified public accountant, or by an independent public accountant licensed by a regulatory authority of a State or other political subdivision of the United States on or before December 31, 1970. Audit reports shall include:

(i) A financial statement in a form acceptable to the Secretary, including a balance sheet and a statement of operations and retained earnings, a statement of cash flows, an analysis of the investing lender's or mortgagee's net worth adjusted to reflect only assets acceptable to the Secretary, and an analysis of escrow funds; and

(ii) Such other financial information as the Secretary may require to determine the accuracy and validity of the audit report.

■ 7. In § 202.10:

- a. Revise paragraph (a);
- b. Remove paragraph (c);
- c. Redesignate paragraph (b) as paragraph (c); and
- d. Add new paragraphs (b) and (d).

The revision and additions read as follows:

§ 202.10 Governmental institutions, Government-Sponsored Enterprises, public housing agencies and State housing agencies.

(a) *Federal, state, and municipal governmental agencies and Federal Reserve Banks.* A Federal, State, or municipal government agency or a Federal Reserve Bank may be an approved lender or mortgagee. A mortgagee approved under this paragraph (a) may submit applications for Title II mortgage insurance. A lender or mortgagee approved under this paragraph (a) may originate, purchase, service, or sell Title I loans and insured mortgages, respectively. A mortgagee or lender approved under this paragraph (a) is not required to meet a net worth requirement. A lender or mortgagee shall maintain fidelity bond coverage and errors and omissions insurance acceptable to the Secretary and in an amount required by the Secretary, or

alternative insurance coverage approved by the Secretary, that assures the faithful performance of the responsibilities of the mortgagee. There are no additional requirements beyond the general approval requirements in § 202.5 or as provided under paragraph (c) of this section.

(b) *Government-Sponsored Enterprises.* The Government-Sponsored Enterprises are the Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. A Government-Sponsored Enterprise may be an approved lender or mortgagee. A lender or mortgagee approved under this paragraph (b) may purchase, service, or sell Title I loans and insured mortgages, respectively. A mortgagee or lender approved under this paragraph (b) is not required to meet a net worth requirement. There are no additional requirements beyond the general approval requirements in § 202.5.

* * * * *

(d) *Audit requirements.* The insuring of loans and mortgages under the Act constitutes “Federal financial assistance” (as defined in 2 CFR 200.1) for purposes of audit requirements set out in 2 CFR part 200, subpart F. Non-Federal entities (as defined in 2 CFR 200.1) that receive insurance as lenders and mortgagees shall conduct audits in accordance with 2 CFR part 200, subpart F.

Julia R. Gordon,

Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. 2024-08648 Filed 4-22-24; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[EPA-HQ-OPP-2023-0077; FRL-11855-01-OCSPP]

Cyflaniliprole; Pesticide Tolerance

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This regulation establishes a tolerance for residues of cyflaniliprole in or on Vegetable, cucurbit, group 9. Interregional Research Project Number 4 (IR-4) requested this tolerance under the Federal Food, Drug, and Cosmetic Act (FFDCA).

DATES: This regulation is effective April 23, 2024. Objections and requests for hearings must be received on or before June 24, 2024, and must be filed in

accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the **SUPPLEMENTARY INFORMATION**).

ADDRESSES: The docket for this action, identified by docket identification (ID) number EPA-HQ-OPP-2023-0077, is available at <https://www.regulations.gov> or at the Office of Pesticide Programs Regulatory Public Docket (OPP Docket) in the Environmental Protection Agency Docket Center (EPA/DC), West William Jefferson Clinton Bldg., Rm. 3334, 1301 Constitution Ave. NW, Washington, DC 20460-0001. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room and the OPP Docket is (202) 566-1744. Please review the visitor instructions and additional information about the docket available at <https://www.epa.gov/dockets>.

FOR FURTHER INFORMATION CONTACT: Charles Smith, Director, Registration Division (7505T), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460-0001; main telephone number: (202) 566-1030; email address: RDfrNotices@epa.gov.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this action apply to me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. The following list of North American Industrial Classification System (NAICS) codes is not intended to be exhaustive, but rather provides a guide to help readers determine whether this document applies to them. Potentially affected entities may include:

- Crop production (NAICS code 111).
- Animal production (NAICS code 112).
- Food manufacturing (NAICS code 311).
- Pesticide manufacturing (NAICS code 32532).

B. How can I get electronic access to other related information?

You may access a frequently updated electronic version of EPA's tolerance regulations at 40 CFR part 180 through the Office of the Federal Register's e-CFR site at <https://www.ecfr.gov/current/title-40>.

C. How can I file an objection or hearing request?

Under FFDCA section 408(g), 21 U.S.C. 346a(g), any person may file an objection to any aspect of this regulation

and may also request a hearing on those objections. You must file your objection or request a hearing on this regulation in accordance with the instructions provided in 40 CFR part 178. To ensure proper receipt by EPA, you must identify docket ID number EPA-HQ-OPP-2023-0077 in the subject line on the first page of your submission. All objections and requests for a hearing must be in writing and must be received by the Hearing Clerk on or before June 24, 2024. Addresses for mail and hand delivery of objections and hearing requests are provided in 40 CFR 178.25(b).

In addition to filing an objection or hearing request with the Hearing Clerk as described in 40 CFR part 178, please submit a copy of the filing (excluding any Confidential Business Information (CBI)) for inclusion in the public docket. Information not marked confidential pursuant to 40 CFR part 2 may be disclosed publicly by EPA without prior notice. Submit the non-CBI copy of your objection or hearing request, identified by docket ID number EPA-HQ-OPP-2023-0077, by one of the following methods:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the online instructions for submitting comments. Do not submit electronically any information you consider to be CBI or other information whose disclosure is restricted by statute.

- **Mail:** OPP Docket, Environmental Protection Agency Docket Center (EPA/DC), (28221T), 1200 Pennsylvania Ave. NW, Washington, DC 20460-0001.

- **Hand Delivery:** To make special arrangements for hand delivery or delivery of boxed information, please follow the instructions at <https://www.epa.gov/dockets/where-send-comments-epa-dockets>.

Additional instructions on commenting or visiting the docket, along with more information about dockets generally, is available at <https://www.epa.gov/dockets>.

II. Summary of Petitioned-For Tolerance

In the **Federal Register** of February 9, 2024 (89 FR 9103) (FRL-10579-12-OCSP), EPA issued a document pursuant to FFDCA section 408(d)(3), 21 U.S.C. 346a(d)(3), announcing the filing of a pesticide petition (PP 2E9037) by IR-4, North Carolina State University, 1730 Varsity Drive, Venture IV, Suite 210, Raleigh, NC 27606. The petition requested to establish a tolerance for residues of the insecticide cyclaniliprole, 3-bromo-N-[2-bromo-4-chloro-6-[[[1-(cyclopropylethyl)amino carbonyl]phenyl]-1-(3-chloro-2-

pyridinyl)-1H-pyrazole-5-carboxamide, including its metabolites and degradates, in or on the raw agricultural commodity Vegetable, cucurbit, group 9 at 0.3 parts per million (ppm). Upon the establishment of the tolerance specified above, IR-4 requested to remove the established tolerance for Vegetable, cucurbit, group 9 at 0.15 ppm. The document referenced a summary of the petition, which is available in the docket at <https://www.regulations.gov>. There were no comments received in response to the notice of filing.

III. Aggregate Risk Assessment and Determination of Safety

Section 408(b)(2)(A)(i) of FFDCA allows EPA to establish a tolerance (the legal limit for a pesticide chemical residue in or on a food) only if EPA determines that the tolerance is "safe." Section 408(b)(2)(A)(ii) of FFDCA defines "safe" to mean that "there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information." This includes exposure through drinking water and in residential settings but does not include occupational exposure. Section 408(b)(2)(C) of FFDCA requires EPA to give special consideration to exposure of infants and children to the pesticide chemical residue in establishing a tolerance and to "ensure that there is a reasonable certainty that no harm will result to infants and children from aggregate exposure to the pesticide chemical residue. . . ."

Consistent with FFDCA section 408(b)(2)(D), and the factors specified therein, EPA has reviewed the available scientific data and other relevant information in support of this action. EPA has sufficient data to assess the hazards of and to make a determination on aggregate exposure for cyclaniliprole, including exposure resulting from the tolerance established by this action. EPA's assessment of exposures and risks associated with cyclaniliprole follows.

No single or repeated dose study performed by any route of exposure produced an adverse effect following cyclaniliprole exposure at dose levels below, at, or above the limit dose (1,000 milligrams/kilogram/day (mg/kg/day)). Although the oral toxicity studies in dogs were conducted at approximately a third of the limit dose, no adverse effects were seen. While adaptive liver effects were seen in these studies, it is unlikely that cyclaniliprole would produce adverse liver effects if tested at higher doses in dogs as a structurally related chemical, chlorantraniliprole,

was tested up to the limit dose in dogs and did not demonstrate adverse liver effects. There is no evidence that cyclaniliprole produces increased susceptibility with prenatal or postnatal exposures. Cyclaniliprole is considered not likely to be carcinogenic based on no increase in treatment-related tumor incidence in carcinogenicity studies in rats and mice and no genotoxicity.

Specific information on the studies received for cyclaniliprole as well as the no-observed-adverse-effect-level (NOAEL) from the toxicity studies can be found at <https://www.regulations.gov> in document, "Cyclaniliprole: Human Health Risk Assessment for New Greenhouse Uses on Lettuce and Cucumber and Amendment of Permanent Tolerances on Cucurbit Vegetables Crop Group 9", in docket ID number EPA-HQ-OPP-2023-0077.

Based on the review of the available cyclaniliprole toxicological studies, no toxicity endpoints or points of departure were selected for risk assessment. Based on the toxicological profile of cyclaniliprole, EPA has concluded that the FFDCA requirements to retain an additional safety factor for protection of infants and children and to consider cumulative effects do not apply. Section 408(b)(2)(C) requires an additional tenfold margin of safety in the case of threshold risks, which cyclaniliprole does not present. Section 408(b)(2)(D)(v) requires consideration of information concerning cumulative effects of substances that have a common mechanism of toxicity. Unlike other pesticides for which EPA has followed a cumulative risk approach based on a common mechanism of toxicity, EPA has not made a common mechanism of toxicity finding as to cyclaniliprole and any other substances, and cyclaniliprole does not appear to produce a toxic metabolite produced by other substances. For the purposes of this action, therefore, EPA has not assumed that cyclaniliprole has a common mechanism of toxicity with other substances.

Cyclaniliprole has been grouped with the pyridyl pyrazoles. As part of the ongoing process to review registered pesticides, the Agency intends to apply this framework to determine if the available toxicological data for cyclaniliprole suggests a candidate common mechanism group (CMG) may be established with other pesticides. If a CMG is established, a screening-level toxicology and exposure analysis may be conducted to provide an initial screen for multiple pesticide exposure.

There is a potential for exposure to cyclaniliprole residues via food and drinking water based on existing uses

and the proposed uses for cyclaniliprole application directly to growing crops. These applications can also result in cyclaniliprole reaching surface and ground water, both of which can serve as sources of drinking water. There are no proposed uses in residential settings and therefore no anticipated residential exposures, although exposures resulting from spray drift from agricultural applications onto residential areas may occur. However, no quantitative risk assessment was conducted because no toxicity endpoints or points of departure were selected for risk assessment.

Determination of safety. Based on the available data indicating a lack of adverse effects from exposure to cyclaniliprole, EPA concludes that there is a reasonable certainty that no harm will result to the general population, or to infants and children, from aggregate exposure to cyclaniliprole residues.

IV. Other Considerations

A. Analytical Enforcement Methodology

Adequate enforcement methodology (liquid chromatography with tandem mass spectrometry (LC-MS/MS)) is available to enforce the tolerance expression for plant and livestock commodities. The method may be requested from: Chief, Analytical Chemistry Branch, Environmental Science Center, 701 Mapes Rd., Ft. Mead, MD 20755-5350; telephone number: (410) 305-2905; email address: residuemethods@epa.gov.

B. International Residue Limits

In making its tolerance decisions, EPA seeks to harmonize U.S. tolerances with international standards whenever possible, consistent with U.S. food safety standards and agricultural practices. EPA considers the international maximum residue limits (MRLs) established by the Codex Alimentarius Commission (Codex), as required by FFDCA section 408(b)(4).

There are Codex MRLs established for residues of cyclaniliprole on cucumber and squash (summer) at 0.05 ppm; and melons, pumpkin, squash (winter) at 0.1 ppm which are different than the U.S. tolerance for the cucurbit vegetable group 9 established in this action (0.3 ppm). For cucurbit vegetable group 9, no harmonization is possible for these commodities because decreasing the tolerance level to harmonize with the Codex MRL could put U.S. growers at risk of violative residues despite legal use of cyclaniliprole.

V. Conclusion

Although the lack of toxicity supports a safety finding for an exemption from

the requirement of tolerance for all crops, EPA is revising the tolerance for residues resulting from direct applications to the cucurbit vegetable group 9 because the petitioner requested it for international trade purposes. Therefore, the tolerance for residues of cyclaniliprole in or on Vegetable, cucurbit, group 9 is revised from 0.15 ppm to 0.3 ppm.

VI. Statutory and Executive Order Reviews

This action establishes a tolerance under FFDCA section 408(d) in response to a petition submitted to the Agency. The Office of Management and Budget (OMB) has exempted these types of actions from review under Executive Order 12866, entitled "Regulatory Planning and Review" (58 FR 51735, October 4, 1993). Because this action has been exempted from review under Executive Order 12866, this action is not subject to Executive Order 13211, entitled "Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use" (66 FR 28355, May 22, 2001), or to Executive Order 13045, entitled "Protection of Children from Environmental Health Risks and Safety Risks" (62 FR 19885, April 23, 1997). This action does not contain any information collections subject to OMB approval under the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*), nor does it require any special considerations under Executive Order 12898, entitled "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations" (59 FR 7629, February 16, 1994).

Since tolerances and exemptions that are established on the basis of a petition under FFDCA section 408(d), such as the tolerance in this final rule, do not require the issuance of a proposed rule, the requirements of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), do not apply.

This action directly regulates growers, food processors, food handlers, and food retailers, not States or Tribes, nor does this action alter the relationships or distribution of power and responsibilities established by Congress in the preemption provisions of FFDCA section 408(n)(4). As such, the Agency has determined that this action will not have a substantial direct effect on States or Tribal Governments, on the relationship between the National Government and the States or Tribal Governments, or on the distribution of power and responsibilities among the various levels of government or between the Federal Government and Indian

Tribes. Thus, the Agency has determined that Executive Order 13132, entitled “Federalism” (64 FR 43255, August 10, 1999) and Executive Order 13175, entitled “Consultation and Coordination with Indian Tribal Governments” (65 FR 67249, November 9, 2000) do not apply to this action. In addition, this action does not impose any enforceable duty or contain any unfunded mandate as described under Title II of the Unfunded Mandates Reform Act (UMRA) (2 U.S.C. 1501 *et seq.*).

This action does not involve any technical standards that would require Agency consideration of voluntary consensus standards pursuant to section 12(d) of the National Technology Transfer and Advancement Act (NTTAA) (15 U.S.C. 272 note).

VII. Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), EPA will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the **Federal Register**. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

List of Subjects in 40 CFR Part 180

Environmental protection, Administrative practice and procedure, Agricultural commodities, Pesticides, and pests, Reporting and recordkeeping requirements.

Dated: April 11, 2024.

Charles Smith,

Director, Registration Division, Office of Pesticide Programs.

Therefore, for the reasons stated in the preamble, EPA is amending 40 CFR chapter 1 as follows:

PART 180—TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES IN FOOD

■ 1. The authority citation for part 180 continues to read as follows:

Authority: 21 U.S.C. 321(q), 346a and 371.

■ 2. In § 180.694, amend Table 1 to Paragraph (a) by revising the entry for “Vegetable, cucurbit, group 9” to read as follows:

§ 180.694 Cyclanilprole; tolerances for residues.

* * * * *

TABLE 1 TO PARAGRAPH (a)

Commodity	Parts per million
* * * * *	*
Vegetable, cucurbit, group 9	0.3
* * * * *	*

* * * * *

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