

# Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

#### 12 CFR Part 34

[Docket No. OCC–2016–0030]

## FEDERAL RESERVE SYSTEM

#### 12 CFR Part 225

[Docket No. R–1551]

RIN 7100 AE–62

## FEDERAL DEPOSIT INSURANCE CORPORATION

#### 12 CFR Part 323

## NATIONAL CREDIT UNION ADMINISTRATION

#### 12 CFR Part 722

### Temporary Exceptions to FIRREA Appraisal Requirements in Areas Affected by Severe Storms and Flooding in Louisiana

**AGENCY:** Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); and National Credit Union Administration (NCUA), collectively referred to as the Agencies.

**ACTION:** Statement and order; temporary exceptions.

**SUMMARY:** Section 2 of the Depository Institutions Disaster Relief Act of 1992 (DIDRA) authorizes the Agencies to make exceptions to statutory and regulatory appraisal requirements under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The exceptions are available for transactions involving real property located within an area declared

to be a major disaster area by the President if the Agencies determine, and describe by publication of a regulation or order, that the exceptions would facilitate recovery from the disaster and would be consistent with safety and soundness. In this statement and order, the Agencies exercise their authority to grant temporary exceptions to the FIRREA appraisal requirements for real estate related transactions, provided certain criteria are met, in the Louisiana parishes declared a major disaster area by President Obama on August 14, 2016, as a result of the severe storms and flooding in Louisiana. The expiration date for the exceptions is December 31, 2017.

**DATES:** This order is effective on October 31, 2016 and expires for specific areas on December 31, 2017.

#### FOR FURTHER INFORMATION CONTACT:

**OCC:** Robert Parson, Senior Appraisal Policy Advisor, Chief National Bank Examiner's Office, at (202) 649–6423; Kevin Lawton, Appraisal Specialist, Chief National Bank Examiner's Office, at (202) 649–7152; Christopher Manthey, Special Counsel, Chief Counsel's Office, at (202) 649–6203; or Mitchell Plave, Special Counsel, Chief Counsel's Office, at (202) 649–6285 or, for persons who are deaf or hard of hearing, TTY (202) 649–5597.

**Board:** Carmen D. Holly, Senior Supervisory Financial Analyst, Division of Banking Supervision and Regulation at 202–973–6122; Gillian Burgess, Counsel, Legal Division, at (202) 736–5564.

**FDIC:** Beverlea S. Gardner, Senior Examination Specialist, Division of Risk Management and Supervision, at (202) 898–3640; Benjamin K. Gibbs, Counsel, Legal Division, at (202) 898–6726; or Kimberly Stock, Counsel, Legal Division, at (202) 898–3815, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

**NCUA:** D. Scott Neat, Director of Supervision, Office of Examination and Insurance, at (703) 518–6363; John Brolin, Staff Attorney, Office of General Counsel, at (703) 518–6438, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314.

#### SUPPLEMENTARY INFORMATION:

## Statement

Section 2 of DIDRA, which added section 1123 to Title XI of FIRREA,<sup>1</sup> authorizes the Agencies to make exceptions to statutory and regulatory appraisal requirements for certain transactions. These exceptions are available for transactions involving real property located in areas in which the President has determined a major disaster exists, pursuant to 42 U.S.C. 5170, provided that the exception would facilitate recovery from the major disaster and is consistent with safety and soundness.

On August 14, 2016, the President declared that 22 parishes in Louisiana were in a major disaster area (Major Disaster Area) due to extensive damage that occurred as a result of severe storms and subsequent flooding.<sup>2</sup> The Agencies believe that granting relief from the appraisal requirements set forth in Title XI of FIRREA for real estate transactions in the Major Disaster Area is consistent with the provisions of DIDRA.

### *Facilitation of Recovery From the Storms and Flooding Declared as Major Disaster*

The Agencies have determined that the disruption of real estate markets in the Major Disaster Area interferes with the ability of depository institutions to obtain appraisals that comply with all statutory and regulatory requirements. Further, the Agencies have determined that the disruption may impede institutions in making loans and engaging in other transactions that would aid in the reconstruction and rehabilitation of the affected area. Accordingly, the Agencies have determined that recovery from this major disaster would be facilitated by exempting certain transactions involving real estate located in the area directly affected by the severe storms and flooding from the real estate appraisal requirements of Title XI of FIRREA and its implementing regulations.<sup>3</sup>

<sup>1</sup> 12 U.S.C. 3352

<sup>2</sup> Press Release, The White House (Aug. 14, 2016), available at <https://www.whitehouse.gov/the-press-office/2016/08/14/president-obama-signs-louisiana-disaster-declaration>.

<sup>3</sup> 12 U.S.C. 3331–3355; 12 CFR 34.41–34.47 (OCC); 12 CFR part 225, subpart G (Board); 12 CFR part 323, subpart A (FDIC); 12 CFR part 722 (NCUA).

*Consistency With Safety and Soundness*

The Agencies also have determined that the exceptions are consistent with safety and soundness, provided that the depository institution determines and maintains appropriate documentation of the following: (1) The transaction involves real property located in the Major Disaster Area; (2) there is a binding commitment to fund the transaction that was entered into on or after August 14, 2016, but no later than December 31, 2017; and (3) the value of the real property supports the institution's decision to enter into the transaction. In addition, the transaction must continue to be subject to review by management and by the Agencies in the course of examinations of the institution.

**Expiration Date**

Exceptions made under section 1123 of FIRREA may be provided for no more than three years after the President determines that a major disaster exists in the area.<sup>4</sup> The Agencies have determined that the exceptions provided for by this order shall expire on December 31, 2017.

**Order**

In accordance with section 2 of DIDRA, relief is hereby granted from the provisions of Title XI of FIRREA and the Agencies' appraisal regulations for any real estate-related financial transaction that requires the services of an appraiser under those provisions, provided that the institution determines, and maintains documentation made available to the Agencies upon request, of the following:

(1) The transaction involves real property located in one of the 22 parishes declared a major disaster area as a result of severe storms and flooding in Louisiana by the President on August 14, 2016 (identified in the Appendix);

(2) There is a binding commitment to fund a transaction that was entered into on or after August 14, 2016, but no later than December 31, 2017; and

(3) The value of the real property supports the institution's decision to enter into the transaction.

**Appendix (Major Disaster Area)**

*Designated Parishes:* Acadia, Ascension, Avoyelles, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Helena, St. James, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermilion, Washington, West Baton Rouge and West Feliciana.

Dated: October 19, 2016.

**Thomas J. Curry,**  
*Comptroller of the Currency.*

By order of the Board of Governors of the Federal Reserve System, October 21, 2016.

**Margaret McCloskey Shanks,**  
*Deputy Secretary of the Board.*

Dated at Washington, DC, October 19, 2016.

By order of the Board of Directors.  
Federal Deposit Insurance Corporation.

**Robert E. Feldman,**  
*Executive Secretary.*

Dated at Alexandria, VA, October 27, 2016.  
By order of the Board of Directors.

National Credit Union Administration.

**Gerard Poliquin,**  
*Secretary of the Board.*

[FR Doc. 2016-26234 Filed 10-28-16; 8:45 am]

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**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Part 54**

[TD 9791]

RIN 1545-BN44

**DEPARTMENT OF LABOR****Employee Benefits Security Administration****29 CFR Part 2590**

RIN 1210-AB75

**DEPARTMENT OF HEALTH AND HUMAN SERVICES****45 CFR Parts 144, 146, 147, and 148**

[CMS-9932-F]

RIN 0938-AS93

**Excepted Benefits; Lifetime and Annual Limits; and Short-Term, Limited-Duration Insurance**

**AGENCY:** Internal Revenue Service, Department of the Treasury; Employee Benefits Security Administration, Department of Labor; Centers for Medicare & Medicaid Services, Department of Health and Human Services.

**ACTION:** Final rules.

**SUMMARY:** This document contains final regulations regarding the definition of short-term, limited-duration insurance for purposes of the exclusion from the definition of individual health insurance coverage, and standards for

travel insurance and supplemental health insurance coverage to be considered excepted benefits. This document also amends a reference in the final regulations relating to the prohibition on lifetime and annual dollar limits.

**DATES:**

*Effective date.* These final regulations are effective on December 30, 2016.

*Applicability date.* These final regulations apply to group health plans and health insurance issuers beginning on the first day of the first plan year (or, in the individual market, the first day of the first policy year) beginning on or after January 1, 2017.

**FOR FURTHER INFORMATION CONTACT:**

Elizabeth Schumacher or Matthew Litton of the Department of Labor, at 202-693-8335, Karen Levin, Internal Revenue Service, Department of the Treasury, at (202) 317-5500, David Mlawsky or Cam Clemmons, Centers for Medicare & Medicaid Services, Department of Health and Human Services, at 410-786-1565.

*Customer Service Information:*

Individuals interested in obtaining information from the Department of Labor concerning employment-based health coverage laws may call the Employee Benefits Security Administration (EBSA) Toll-Free Hotline, at 1-866-444-EBSA (3272) or visit the Department of Labor's Web site (<http://www.dol.gov/ebsa>). In addition, information from the Department of Health and Human Services (HHS) on private health insurance for consumers can be found on the Centers for Medicare & Medicaid Services (CMS) Web site ([www.cms.gov/ccio](http://www.cms.gov/ccio)) and information on health reform can be found at [www.HealthCare.gov](http://www.HealthCare.gov).

**SUPPLEMENTARY INFORMATION:****I. Background**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 (110 Stat. 1936), added title XXVII of the Public Health Service Act (PHS Act), part 7 of the Employee Retirement Income Security Act of 1974 (ERISA), and Chapter 100 of the Internal Revenue Code (the Code), providing portability and nondiscrimination rules with respect to health coverage. These provisions of the PHS Act, ERISA, and the Code were later augmented by other consumer protection laws, including the Mental Health Parity Act of 1996,<sup>1</sup> the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act

<sup>1</sup> Public Law 104-204, 110 Stat. 2944 (September 26, 1996).

<sup>4</sup> 12 U.S.C. 3352(b).