

	Number of re- spondents	×	Frequency of response	×	Hours per response	=	Burden hours
Reporting Burden	3,300		1		1		3,300

Total Estimated Burden Hours: 3,300.
Status: Reinstatement, with change.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. 35, as amended.

Dated: July 17, 2001.

Wayne Eddins,

*Departmental Reports Management Officer,
Office of the Chief Information Officer.*

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BILLING CODE 4210-72-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4451-N-08]

Notice Terminating Funding Availability for Public Housing Drug Elimination Program Gun Buyback Violence Reduction Initiative

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice terminating funding availability for public housing drug elimination program gun buyback violence reduction initiative.

SUMMARY: On November 3, 1999, the Department of Housing and Urban Development (HUD) published in the **Federal Register** a Notice of Funding Availability (NOFA) announcing funding for its Gun Buyback Violence Reduction Initiative. On February 3, 2000, HUD amended and republished this NOFA. The purpose of the notice published today is to announce that HUD is terminating funding under its Gun Buyback Violence Reduction Initiative NOFA. HUD is also announcing that it will recapture and reprogram any PHDEP matching gun buyback funds that are not expended by Public Housing Authorities (PHAs) by the termination date of their grant agreements.

DATES: Termination of funding for the PHDEP Gun Buyback Violence Reduction Initiative is effective immediately.

FOR FURTHER INFORMATION CONTACT:

Sonia Burgos, Director, Community Safety and Conservation Division, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 4206, Washington, DC 20410, telephone (202) 708-1197 ext. 4227.

Hearing or speech-impaired individuals may access this number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION: On November 3, 1999, HUD published in the **Federal Register** (at 64 FR 60080) a Notice of Funding Availability (NOFA) for the Public Housing Drug Elimination Program Gun Buyback Violence Reduction Initiative. The NOFA provided funding information and program guidelines for gun buyback initiatives. The NOFA stated that Public Housing Agencies (PHAs) may reprogram a portion of their FY 1999 PHDEP grant dollars in order to devote such resources to gun buyback violence reduction initiatives. The Department through the NOFA also made an additional \$4.5 million available for gun buyback initiatives to PHAs that reprogrammed PHDEP funds for gun buyback violence reduction initiatives. This \$4.5 million was to be awarded on a basis of \$43 for every \$100 of FY 1999 PHDEP funds reprogrammed for gun buyback violence reduction initiatives.

On February 3, 2000, HUD published in the **Federal Register** (at 65 FR 5400) a Notice of Amendment and Republication of the NOFA for the PHDEP Gun Buyback Violence Reduction Initiative. The amendment made clear that while HUD's matching funds are to be drawn only from the FY 1999 PHDEP set-aside, PHA's expenditures were not restricted to FY 1999 grant funds, but may come from PHDEP grant funds regardless of fiscal year.

The notice published in today's **Federal Register**, announces that HUD is terminating funding under its Gun Buyback Violence Reduction Initiative NOFA and, consequently, will no longer accept applications for funding. HUD is also announcing that it will recapture and reprogram any PHDEP matching gun buyback funds that are not expended by Public Housing Authorities by the termination date of their Grant Agreements.

Basis for Termination

Despite their good intentions, gun buyback initiatives are limited in their effectiveness as a strategy to combat violent and gun-related crimes, particularly in public and assisted housing communities. Buyback initiatives are likely to have more

impact on reducing the number of gun-related accidents and deaths in homes than gun violence in public and assisted housing communities. There are several reasons why buyback projects are ineffective in reducing gun-related violent crimes in these neighborhoods.

First, the most effective strategies to combat gun violence are locally developed solutions initiated by PHAs working in partnership with state and local law enforcement agencies. In light of the top-down nature of this gun buyback initiative, PHAs across the nation have shown little interest in applying for or reprogramming PHDEP funding for gun buyback activities. This is underscored by the fact that only 100 PHAs out of 1,000 have reprogrammed and used \$2,256,029 in PHDEP funding set-aside for gun buyback purposes out of \$10.5 million that was available. Additionally, only \$970,192 of the \$4.5 in PHDEP technical assistance funding was used for gun buybacks.

Second, as an effort targeted at public and assisted housing, the results of gun buybacks are minimal. The buyback initiatives that are open to the general public have no guarantee of decreasing the supply of guns available to criminals who commit gun violence and related crimes that adversely impact residents living in public and assisted housing communities. At best, these buybacks may marginally be effective in reducing the at-large supply of guns held by the public. However, in light of the sheer volume of guns available in the United States and the tactics criminal use to acquire firearms, buybacks remove generally no more than 1 or 2 percent of the guns estimated to be in the hands of citizens across the nation.

Moreover, studies show that lawbreakers rarely surrender their weapons to buyback programs and many people who sell their guns have other firearms at home, or soon purchase new ones. In general, the age and type of guns turned in as a part of buyback programs are older guns. For example, in 1999, more than half the 2,912 weapons bought by the District of Columbia police for \$100 apiece were 15 years old. These are not the same firearms as those used by youth or adult offenders to commit violent or drug-related criminal activity. The guns of choice for young offenders are fast, firing 9 millimeter or .380 caliber semiautomatic pistols that more often show up in crime records than at sites

where buyback programs take place. According to the Bureau of Alcohol, Tobacco and Firearms, more than one-third, and it is estimated that possibly as many as one-half, of all guns seized from young adults nation-wide are new guns purchased legally within the previous 3 years.

Conclusion

HUD acknowledges the importance of raising awareness regarding gun safety and supporting law enforcement efforts to decrease gun-related violent crimes that impact the general public and, more particularly, public and assisted housing communities across the nation. However, the Department strongly believes other State and local resources and federally-supported gun control and crime-prevention efforts should be targeted toward getting guns out of the hands of criminals. Equally important, HUD believes the Department's limited appropriations should be targeted to more conventional drug elimination and crime prevention activities that are consistent with the core HUD mission and are more effective in reducing gun violence in neighborhoods surrounding public and assisted housing communities. As a result, HUD has decided to terminate the gun buyback initiative as a special set-aside under PHDEP.

Dated: June 29, 2001.

Paula O. Blunt,

Acting General Deputy Assistant, Secretary for Public and Indian Housing.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4558-N-05]

Mortgagee Review Board; Administrative Actions

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

ACTION: Notice.

SUMMARY: In compliance with Section 202(c) of the National Housing Act, notice is hereby given of the cause and description of administrative actions taken by HUD's Mortgagee Review Board against HUD-approved mortgagees.

FOR FURTHER INFORMATION CONTACT: D. Jackson Kinkaid, Secretary to the Mortgagee Review Board, 451 7th Street, SW., Washington, DC 20410, telephone: (202) 708-3041 extension 3574 (this is not a toll-free number). A

Telecommunications Device for Hearing and Speech-Impaired Individuals (TTY) is available at 1 (800) 877-8339 (Federal Information Relay Service).

SUPPLEMENTARY INFORMATION: Section 202(c)(5) of the National Housing Act (added by Section 142 of the Department of Housing and Urban Development Reform Act of 1989, Public Law 101-235, approved December 15, 1989), requires that HUD "publish a description of and the cause for administrative action against a HUD-approved mortgagee" by the Department's Mortgagee Review Board. In compliance with the requirements of Section 202(c)(5), notice is hereby given of administrative actions that have been taken by the Mortgagee Review Board from June 1, 2000 through April 13, 2001.

1. 1st Republic Mortgage Bankers, Inc., Floral Park, NY

Action: Settlement Agreement signed 12/21/2000. Without admitting fault or liability, 1st Republic Mortgage Bankers, Inc. ("1st Republic") agreed to an administrative payment to HUD of \$50,000. 1st Republic also agreed to indemnify HUD for any losses incurred on 19 loans.

Cause: HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: 1st Republic failed to identify and resolve falsified or conflicting documentation prior to approving HUD/FHA mortgagees; 1st Republic failed to reconcile incongruities within the Uniform Residential Appraisal report prepared by the appraiser; 1st Republic failed to adequately document the mortgagee's source of funds used for the down payment and/or closing costs; and 1st Republic submitted HUD-1 settlement statements to the Department that contained false or inaccurate information.

2. American City Mortgage Corporation, Carson, CA

Action: Settlement Agreement signed April 6, 2001. Without admitting fault or liability, American City Mortgage Corporation ("ACMC") agreed to voluntarily withdraw from participation in all HUD programs and not to reapply for FHA mortgagee approval for three years. ACMC also agreed to pay a \$50,000 civil money penalty.

Cause: HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: ACMC failed to provide quality control review reports during an on-site review; ACMC permitted false information to be used in originating four loans and obtaining HUD/FHA mortgage

insurance; ACMC permitted loans to be submitted for HUD/FHA (single family) insurance on properties with more than four living units; ACMC permitted loan officers to originate loans on properties they owned either directly or indirectly and submit them for HUD/FHA mortgage insurance; ACMC failed to ensure that the borrower met the three percent minimum cash investment; and ACMC permitted loans to be approved without adequately analyzing the mortgagees' ability to make the mortgage payments.

3. American Investment Mortgage, Inc., Dallas, TX

Action: In a letter dated October 24, 2000, the Board withdrew American Investment Mortgage, Inc.' ("AIM") HUD/FHA approval for five years.

Cause: HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: AIM was operating Branch Offices as "doing business as" companies—"d/b/a companies"—under the net arrangement and/or was allowing a Branch Office to submit loans for underwriting prior to being approved to originate FHA insured loans; AIM accepted and processed loan applications from people not employed exclusively by AIM; AIM failed to implement a quality control plan prior to November 1998 and the one it did put in place failed to meet HUD/FHA requirements; AIM failed to timely submit Mortgage Insurance Premiums for 103 loans; AIM submitted 20 loans for endorsement more than 60 days after closing and failed to comply with the requirements for late endorsement; AIM used false information in originating FHA loans; AIM used inaccurate income to qualify the mortgagees or failed to properly verify employment for the mortgagees; AIM omitted mortgagee liabilities and/or the liabilities of the non-purchasing spouse were not considered in loan qualification; AIM failed to verify the source of funds, had insufficient documentation and submitted incomplete gift letters; AIM failed to perform underwriting within HUD/FHA established guidelines; AIM used non-traditional credit documentation to qualify mortgagees that did not meet HUD/FHA guidelines; AIM failed to provide dollar for dollar reduction to the sales price for inducement to purchase and/or make revisions to the maximum mortgage amount based on the actual closing costs paid by the mortgagee; AIM charged borrowers' fees that were not disclosed and/or were unallowable; AIM failed to clarify or document important file discrepancies;