

group's income, deductions, gain, loss, basis, or other items.

(3) *Manner of making election.* An Institution or consolidated group makes the election provided by this paragraph (c) by including a written statement as a part of the taxpayer's or consolidated group's first annual federal income tax return filed on or after October 19, 2017. The statement must contain the following legend at the top of the page: "THIS IS AN ELECTION UNDER § 1.597-7(c)," and must contain the name, address, and taxpayer identification number of the taxpayer or agent for the group making the election. The statement must include a declaration that "TAXPAYER AGREES TO EXTEND THE STATUTE OF LIMITATIONS ON ASSESSMENT FOR THREE YEARS FROM THE DATE OF THE FILING OF THIS ELECTION UNDER § 1.597-7(c), IF THE LIMITATIONS PERIOD WOULD EXPIRE EARLIER WITHOUT SUCH EXTENSION, FOR ANY ITEMS AFFECTED IN ANY TAXABLE YEAR BY THE FILING OF THIS ELECTION," and a declaration that either "AMENDED RETURNS WILL BE FILED FOR ALL TAXABLE YEARS AFFECTED BY THE FILING OF THIS ELECTION WITHIN 180 DAYS OF MAKING THIS STATEMENT, UNLESS SUCH REQUIREMENT IS WAIVED IN WRITING BY THE INTERNAL REVENUE SERVICE" or "ALL RETURNS PREVIOUSLY FILED ARE CONSISTENT WITH THE PROVISIONS OF §§ 1.597-1 THROUGH 1.597-6." An election with respect to a consolidated group must be made by the agent for the group, not an Agency, and applies to all members of the group.

**Kirsten Wielobob,**

*Deputy Commissioner for Services and Enforcement.*

Approved: August 22, 2017.

**David J. Kauter,**

*Assistant Secretary for Tax Policy.*

[FR Doc. 2017-21129 Filed 10-18-17; 8:45 am]

BILLING CODE 4830-01-P

## DEPARTMENT OF VETERANS AFFAIRS

### 38 CFR Part 8a

RIN 2900-AP49

### Veterans' Mortgage Life Insurance—Coverage Amendment

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Final rule.

**SUMMARY:** This document amends Department of Veterans Affairs (VA)

regulations governing the Veterans' Mortgage Life Insurance (VMLI) program in order to provide VMLI-eligible individuals the option to lower their premiums by purchasing less than the minimum coverage amount required under current VA regulations. The final rule also amends current VA regulations to reflect that the statutory maximum amount of coverage available under the VMLI program was previously increased to \$200,000, to define the term "eligible individual," and to clarify that eligibility for VMLI coverage has been extended to include servicemembers as well as veterans.

**DATES:** Effective October 19, 2017.

#### FOR FURTHER INFORMATION CONTACT:

Jeanne King, Department of Veterans Affairs Regional Office and Insurance Center (310/290B), 5000 Wissahickon Avenue, P.O. Box 8079, Philadelphia, PA 19101, (215) 842-2000, ext. 4839 (this is not a toll-free number).

**SUPPLEMENTARY INFORMATION:** The Veterans' Mortgage Life Insurance (VMLI) program was established in 1971, to provide mortgage protection insurance to service-disabled veterans who receive Specially Adapted Housing Grants from VA. Section 2106(g) of title 38 of the United States Code mandates that the amount of VMLI in force shall be the amount necessary to pay the covered mortgage indebtedness in full, except as limited by section 2106(b) or "regulations prescribed by the Secretary under this section." Section 2106(b) currently limits the amount of VMLI available to \$200,000. VA has prescribed a regulation to reduce the amount of VMLI coverage required. Until VA exercised this regulatory authority, program participants were required to carry an amount of insurance equal to the lesser of \$200,000 or the unpaid principal of their mortgage. This requirement caused some eligible individuals to forego any VMLI protection. Therefore, VA amended its regulations to permit program participants to carry VMLI in an amount less than both the \$200,000 statutory maximum and the amount necessary to pay the covered mortgage indebtedness in full.

The comment period for the proposed rule ended on December 19, 2016, and VA received one comment. The commenter recommended that VA mandate a minimum amount of coverage that insureds should be required to purchase, in order to decrease the likelihood that the balance of the mortgage still owed after death would be burdensome for the insured's survivors. VA believes that it is preferable for veterans to participate in

the VMLI program to the extent they can financially, rather than potentially foregoing coverage entirely because they cannot afford the mandatory-minimum amount required by VA. If an eligible individual opts out of the program because the cost to carry a mandated minimum amount of coverage was too costly, his or her survivors could ultimately be forced to assume an even greater indebtedness than if the individual carried some VMLI coverage. Therefore, the final rule is being adopted as is without any changes, and provides that VMLI insureds may select a level of coverage that is most appropriate in addressing their own unique financial circumstances.

The final rule amends the regulations to reflect that the maximum coverage amount is currently \$200,000. It also provides a definition for the term "eligible individual" and clarifies that both servicemembers and veterans are entitled to apply for coverage under the program. Additionally, the final rule provides for one technical change to 38 CFR 8a.2(b)(8).

#### Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in an expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This final rule would have no such effect on State, local, and tribal governments or on the private sector.

#### Paperwork Reduction Act

This final rule contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521).

#### Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a "significant regulatory action," which requires

review by the Office of Management and Budget (OMB), unless OMB waives such review, as “any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles set forth in this Executive Order.”

The economic, interagency, budgetary, legal, and policy implications of this regulatory action have been examined, and it has been determined not to be a significant regulatory action under Executive Order 12866. VA’s impact analysis can be found as a supporting document at [www.regulations.gov](http://www.regulations.gov), usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA’s Web site at [www.va.gov/orpm/](http://www.va.gov/orpm/), by following the link for “VA Regulations Published From FY 2004 Through Fiscal Year to Date.”

### Regulatory Flexibility Act

The Secretary of Veterans Affairs hereby certifies that this final rule would 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. This final rule would directly affect only individuals and would not directly affect any small entities. Therefore, pursuant to 5 U.S.C. 605(b), this rulemaking is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

### Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number and title for the program affected by this document is 64.103, Life Insurance for Veterans.

### List of Subjects in 38 CFR Part 8a

Life insurance, Mortgage insurance, Veterans.

### Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and

submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs, approved this document on August 24, 2017, for publication.

Dated: October 16, 2017.

**Michael Shores,**

*Director, Office of Regulation Policy & Management, Office of the Secretary, Department of Veterans Affairs.*

For the reasons stated in the preamble, VA amends 38 CFR part 8a as set forth below:

## PART 8a—VETERANS MORTGAGE LIFE INSURANCE

■ 1. The authority citation for part 8a continues to read as follows:

**Authority:** 38 U.S.C. 501, and 2101 through 2106, unless otherwise noted.

■ 2. Amend § 8a.1 as follows:

■ a. In paragraph (a), remove “veteran” each place it appears and add in its place “individual”;

■ b. In paragraph (b), remove “veterans” the second time it appears and add in its place “individuals”;

■ c. Revise paragraph (c);

■ d. In paragraph (d) and paragraph (e) introductory text, remove “veteran” and add in its place “individual”;

■ e. Add paragraph (f); and

■ f. Add an authority citation to the end of the section.

The revision and additions read as follows:

### § 8a.1 Definitions.

\* \* \* \* \*

(c) The term *initial amount of insurance* means the amount of insurance selected by the insured, which may be less than the statutory maximum of \$200,000 and less than the amount necessary to pay the mortgage indebtedness in full.

\* \* \* \* \*

(f) The term *eligible individual* means a person who has been determined by the Secretary to be eligible for benefits pursuant to 38 U.S.C. chapter 21.

(Authority: 38 U.S.C. 501, 2101, 2101A, 2106)

■ 3. Amend § 8a.2 as follows:

■ a. In paragraph (a), remove “veteran” each place it appears and add in its place “individual”; add “an initial amount of insurance” between “authorized” and “up”; and remove “\$90,000” and add in its place “\$200,000”.

■ b. Revise paragraph (b)(1);

■ c. In paragraphs (b)(2) through (6), remove “veteran” each place it appears and add in its place “individual”;

■ d. In paragraph (b)(7), remove “veterans” each place it appears and add in its place “individuals”;

■ e. In paragraph (b)(8), remove “veterans” and add in its place “individuals”; remove “(date of final publication)” and add in its place “December 24, 1987”; and remove “veteran” and add in its place “individual”.

■ f. In paragraph (c), remove “veteran” and add in its place “individual”; and

■ g. Revise the authority citation at the end of section.

The revision reads as follows:

### § 8a.2 Maximum amount of insurance.

\* \* \* \* \*

(b) \* \* \*

(1) \$200,000.

\* \* \* \* \*

(Authority: 38 U.S.C. 501, 2101, 2101A, 2106)

■ 4. Amend § 8a.3 as follows:

■ a. In paragraphs (a) and (b), remove “veteran” each place it appears and add in its place “individual”;

■ b. In paragraph (c), remove “a veteran” and add in its place “an individual”, and remove “the veteran” each place it appears and add in its place “the individual”;

■ c. In paragraphs (d) and (e), remove “veteran” each place it appears and add in its place “individual”; and

■ d. Add an authority citation to the end of the section.

The addition reads as follows:

### § 8a.3 Effective date.

\* \* \* \* \*

(Authority: 38 U.S.C. 501, 2101, 2101A, 2106)

■ 5. Amend § 8a.4 as follows:

■ a. In paragraph (b), remove “\$90,000” each place it appears and add in its place “\$200,000”; remove “available to” each place it appears and add in its place “selected by”; and remove “veteran” each place it appears and add in its place “individual”;

■ b. In paragraph (c), remove “\$90,000” and add in its place “\$200,000”; remove “available to” and add in its place “selected by”; remove “eligible veteran” each place it appears and add in its place “eligible individual”; and remove “a veteran” and add in its place “an individual”; and

■ c. Revise the authority citation at the end of section.

The revision reads as follows:

### § 8a.4 Coverage.

\* \* \* \* \*

(Authority: 38 U.S.C. 501, 2101, 2101A, 2106)

[FR Doc. 2017-22667 Filed 10-18-17; 8:45 am]

BILLING CODE 8320-01-P

## POSTAL REGULATORY COMMISSION

### 39 CFR Part 3020

[Docket Nos. MC2010-21 and CP2010-36]

#### Update to Product Lists

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission is updating the product lists. This action reflects a publication policy adopted by Commission order. The referenced policy assumes periodic updates. The updates are identified in the body of this document. The product lists, which are re-published in its entirety, include these updates.

**DATES:** *Effective date:* October 19, 2017.

For applicability dates, see **SUPPLEMENTARY INFORMATION.**

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6800.

#### SUPPLEMENTARY INFORMATION:

##### Applicability Dates

July 13, 2017, Priority Mail & First-Class Package Service Contract 47 (MC2017-154 and CP2017-218); July 17, 2017, Parcel Select Contract 22 (MC2017-155 and CP2017-219); July 19, 2017, Priority Mail Contract 332 (MC2017-156 and CP2017-220); July 20, 2017, Priority Mail Contract 333 (MC2017-157 and CP2017-221); July 20, 2017, Transferring First-Class Mail Parcels to the Competitive Product List (MC2015-7); July 24, 2017, Priority Mail Contract 334 (MC2017-158 and CP2017-222); July 31, 2017, Priority Mail Express, Priority Mail & First-Class Package Service Contract 20 (MC2017-159 and CP2017-223); August 7, 2017, Priority Mail Contract 335 (MC2017-161 and CP2017-226); August 7, 2017, Priority Mail & First-Class Package Service Contract 48 (MC2017-160 and CP2017-225); August 8, 2017, Priority Mail Contract 337 (MC2017-163 and CP2017-228); August 8, 2017, Priority Mail & First-Class Package Service Contract 49 (MC2017-164 and CP2017-229); August 14, 2017, Priority Mail Contract 338 (MC2017-166 and CP2017-246); August 14, 2017, Priority Mail & First-Class Package Service Contract 50 (MC2017-165 and CP2017-245); August 15, 2017, Priority Mail Contract 336 (MC2017-162 and CP2017-227); August 17, 2017, Priority

Mail Contract 339 (MC2017-167 and CP2017-260); August 17, 2017, Priority Mail Express, Priority Mail & First-Class Package Service Contract 21 (MC2017-168 and CP2017-261); August 18, 2017, Priority Mail Contract 340 (MC2017-169 and CP2017-262); August 29, 2017, Priority Mail Contract 341 (MC2017-171 and CP2017-272); August 29, 2017, First-Class Package Service Contract 78 (MC2017-172 and CP2017-273); August 29, 2017, Priority Mail & First-Class Package Service Contract 51 (MC2017-173 and CP2017-274); August 30, 2017, Priority Mail Express, Priority Mail & First-Class Package Service Contract 22 (MC2017-177 and CP2017-278); August 30, 2017, Priority Mail & First-Class Package Service Contract 52 (MC2017-174 and CP2017-275); August 30, 2017, Priority Mail & First-Class Package Service Contract 53 (MC2017-175 and CP2017-276); August 30, 2017, Priority Mail Contract 342 (MC2017-176 and CP2017-277); August 31, 2017, Priority Mail Contract 343 (MC2017-178 and CP2017-279); August 31, 2017, Priority Mail Contract 344 (MC2017-179 and CP2017-280); September 8, 2017, Priority Mail Contract 345 (MC2017-180 and CP2017-281); September 8, 2017, Priority Mail Contract 346 (MC2017-181 and CP2017-282); September 8, 2017, Priority Mail Contract 347 (MC2017-182 and CP2017-283); September 19, 2017, Priority Mail Contract 348 (MC2017-184 and CP2017-285); September 19, 2017, Priority Mail Contract 349 (MC2017-185 and CP2017-286); September 19, 2017, Priority Mail Contract 350 (MC2017-186 and CP2017-287); September 19, 2017, Priority Mail Contract 351 (MC2017-187 and CP2017-288); September 19, 2017, Priority Mail Contract 352 (MC2017-188 and CP2017-289); September 20, 2017, Priority Mail & First-Class Package Service Contract 54 (MC2017-192 and CP2017-293); September 20, 2017, First-Class Package Service Contract 79 (MC2017-193 and CP2017-294); September 20, 2017, Priority Mail Contract 353 (MC2017-189 and CP2017-290); September 20, 2017, Priority Mail Express Contract 50 (MC2017-190 and CP2017-291); September 20, 2017, Priority Mail Express & Priority Mail Contract 50 (MC2017-191 and CP2017-292); September 21, 2017, First-Class Package Service Contract 80 (MC2017-194 and CP2017-295); September 21, 2017, Priority Mail & First-Class Package Service Contract 55 (MC2017-195 and CP2017-296); September 21, 2017, Priority Mail Contract 354 (MC2017-196 and CP2017-297); September 21, 2017, Priority Mail Contract 355 (MC2017-197 and CP2017-298); September 21, 2017,

Priority Mail & First-Class Package Service Contract 56 (MC2017-198 and CP2017-299); September 22, 2017, Priority Mail Contract 356 (MC2017-199 and CP2017-302); September 22, 2017, Priority Mail Contract 357 (MC2017-200 and CP2017-303); September 22, 2017, Priority Mail & First-Class Package Service Contract 57 (MC2017-201 and CP2017-304); September 22, 2017, Priority Mail Express & Priority Mail Contract 51 (MC2017-202 and CP2017-305); September 26, 2017, First-Class Package Service Contract 81 (MC2017-203 and CP2017-310); September 27, 2017, Global Expedited Package Services 8 (MC2017-183 and CP2017-284).

This document identifies updates to the market dominant and the competitive product lists, which appear as 39 CFR Appendix A to Subpart A of Part 3020—Market Dominant Product List and 39 CFR Appendix B to Subpart A of Part 3020—Competitive Product List, respectively. Publication of the updated product lists in the **Federal Register** is addressed in the Postal Accountability and Enhancement Act (PAEA) of 2006.

**Authorization.** The Commission process for periodic publication of updates was established in Docket Nos. MC2010-21 and CP2010-36, Order No. 445, April 22, 2010, at 8.

**Changes.** The product lists are being updated by publishing replacements in their entirety of 39 CFR Appendix A to Subpart A of Part 3020—Market Dominant Product List and 39 CFR Appendix B to Subpart A of Part 3020—Competitive Product List. The following products are being added, removed, or moved within the product lists:

##### Market Dominant Product List

1. Transferring First-Class Mail Parcels to the Competitive Product List (MC2015-7) (Order No. 4009), moved July 20, 2017.

##### Competitive Product List

1. Priority Mail & First-Class Package Service Contract 47 (MC2017-154 and CP2017-218) (Order No. 3998), added July 13, 2017.

2. Parcel Select Contract 22 (MC2017-155 and CP2017-219) (Order No. 4004), added July 17, 2017.

3. Priority Mail Contract 332 (MC2017-156 and CP2017-220) (Order No. 4007), added July 19, 2017.

4. Priority Mail Contract 333 (MC2017-157 and CP2017-221) (Order No. 4008), added July 20, 2017.

5. Transferring First-Class Mail Parcels to the Competitive Product List (MC2015-7) (Order No. 4009), moved July 20, 2017.