

# 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 AGRICULTURE

### Rural Utilities Service

#### 7 CFR Part 1777

[Docket No RUS–21–WATER–0017]

RIN 0572–AC55

#### Section 306C Water and Waste Disposal (WWD) Loans and Grants

**AGENCY:** Rural Utilities Service, USDA.

**ACTION:** Final rule; confirmation and response to comment.

**SUMMARY:** Rural Development’s Rural Utilities Service (hereinafter “the Agency”), of the United States Department of Agriculture (USDA), published in the **Federal Register** on February 1, 2023, a final rule with request for comments for 7 CFR 1777 Section 306C Water and Waste Disposal (WWD) Loans and Grants Programs. Through this action, RUS is confirming the final rule as it was published and providing a response to the public comment received.

**DATES:** The final rule published February 1, 2023, at 88 FR 6609 is confirmed as of May 2, 2023.

**FOR FURTHER INFORMATION CONTACT:** Steve Polacek, Acting Assistant Administrator, Water and Environmental Programs, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Avenue SW, Washington, DC 20250; telephone (202) 205–9805; email [steve.polacek@usda.gov](mailto:steve.polacek@usda.gov).

**SUPPLEMENTARY INFORMATION:** The Agency published a final rule with request for comments in the **Federal Register** on February 1, 2023, at 88 FR 6609. The final rule made necessary revisions to Section 306C WWD Loans and Grants program regulations to implement changes recommended by Government Accountability Office (GAO) Audit Report GAO 18–309, “Drinking Water and Wastewater Infrastructure Opportunities Exist to

Enhance Federal Agency Needs Assessment and Coordination on Tribal Projects” (Audit Report) issued on May 15, 2018, and available at: <https://www.gao.gov/products/gao-18-309>. The Agency is also implementing other changes to clarify terminology and policies, update scoring criteria, and allow the program to run more efficiently.

The comment period on the final rule closed April 3, 2023. The Agency received one comment that was not responsive to the policy updates being adopted through this rulemaking. Therefore, the Agency confirms the rule without change.

**Andrew Berke,**

*Administrator, Rural Utilities Service.*

[FR Doc. 2023–09916 Filed 5–10–23; 8:45 am]

**BILLING CODE 3410–15–P**

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 201

[Docket No. 1805]

RIN 7100–AG58

#### Regulation A: Extensions of Credit by Federal Reserve Banks

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its Regulation A to reflect the Board’s approval of an increase in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically increased by formula as a result of the Board’s primary credit rate action.

**DATES:**

*Effective date:* This rule (amendments to part 201 (Regulation A)) is effective May 11, 2023.

*Applicability date:* The rate changes for primary and secondary credit were applicable on May 4, 2023.

**FOR FURTHER INFORMATION CONTACT:** M. Benjamin Snodgrass, Senior Counsel (202–263–4877), Legal Division, or Courtney Demartini, Lead Financial Institution & Policy Analyst (202–379–8109), Division of Monetary Affairs; for users of telephone systems via text telephone (TTY) or any TTY-based

Telecommunications Relay Services, please call 711 from any telephone, anywhere in the United States; Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** The Federal Reserve Banks make primary and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to review and determination of the Board.

On May 3, 2023, the Board voted to approve a 0.25 percentage point increase in the primary credit rate, thereby increasing the primary credit rate from 5 percent to 5.25 percent. In addition, the Board had previously approved the renewal of the secondary credit rate formula, the primary credit rate plus 50 basis points. Under the formula, the secondary credit rate increased by 0.25 percentage points as a result of the Board’s primary credit rate action, thereby increasing the secondary credit rate from 5.50 percent to 5.75 percent. The amendments to Regulation A reflect these rate changes.

The 0.25 percentage point increase in the primary credit rate was associated with 0.25 percentage point increase in the target range for the federal funds rate (from a target range of 4¾ percent to 5 percent to a target range of 5 percent to 5¼ percent) announced by the Federal Open Market Committee on May 3, 2023, as described in the Board’s amendment of its Regulation D published elsewhere in this issue of the **Federal Register**.

### Administrative Procedure Act

In general, the Administrative Procedure Act (“APA”)<sup>1</sup> imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to Congressionally-delegated authority): (1) publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment

<sup>1</sup> 5 U.S.C. 551 *et seq.*

on the rule's content; and (3) publication of the final rule not less than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be "unnecessary, impracticable, or contrary to the public interest."<sup>2</sup> Section 553(d) of the APA also provides that publication at least 30 days prior to a rule's effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) a rule for which the agency finds good cause for shortened notice and publishes its reasoning with the rule.<sup>3</sup> The APA further provides that the notice, public comment, and delayed effective date requirements of 5 U.S.C. 553 do not apply "to the extent that there is involved . . . a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts."<sup>4</sup>

Regulation A establishes the interest rates that the twelve Reserve Banks charge for extensions of primary credit and secondary credit. The Board has determined that the notice, public comment, and delayed effective date requirements of the APA do not apply to these final amendments to Regulation A. The amendments involve a matter relating to loans and are therefore exempt under the terms of the APA. Furthermore, because delay would undermine the Board's action in responding to economic data and conditions, the Board has determined that "good cause" exists within the meaning of the APA to dispense with the notice, public comment, and delayed effective date procedures of the APA with respect to the final amendments to Regulation A.

### Regulatory Flexibility Analysis

The Regulatory Flexibility Act ("RFA") does not apply to a rulemaking where a general notice of proposed rulemaking is not required.<sup>5</sup> As noted previously, a general notice of proposed rulemaking is not required if the final rule involves a matter relating to loans. Furthermore, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and

final regulatory flexibility analysis do not apply.

### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act ("PRA") of 1995,<sup>6</sup> the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. The final rule contains no requirements subject to the PRA.

### List of Subjects in 12 CFR Part 201

Banks, Banking, Federal Reserve System, Reporting and recordkeeping.

For the reasons set forth in the preamble, the Board is amending 12 CFR chapter II as follows:

### PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

■ 1. The authority citation for part 201 continues to read as follows:

**Authority:** 12 U.S.C. 248(i)–(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

#### § 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.<sup>3</sup>

(a) *Primary credit.* The interest rate at each Federal Reserve Bank for primary credit provided to depository institutions under § 201.4(a) is 5.25 percent.

(b) *Secondary credit.* The interest rate at each Federal Reserve Bank for secondary credit provided to depository institutions under § 201.4(b) is 5.75 percent.

\* \* \* \* \*

<sup>3</sup>The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

By order of the Board of Governors of the Federal Reserve System.

**Margaret McCloskey Shanks,**

*Deputy Secretary of the Board.*

[FR Doc. 2023–10021 Filed 5–10–23; 8:45 am]

**BILLING CODE 6210–02–P**

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 204

[Docket No. R–1806]

RIN 7100–AG59

### Regulation D: Reserve Requirements of Depository Institutions

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System ("Board") has adopted final amendments to its Regulation D to revise the rate of interest paid on balances ("IORB") maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORB is 5.15 percent, a 0.25 percentage point increase from its prior level. The amendment is intended to enhance the role of IORB in maintaining the federal funds rate in the target range established by the Federal Open Market Committee ("FOMC" or "Committee").

#### DATES:

*Effective date:* This rule (amendments to part 204 (Regulation D)) is effective May 11, 2023.

*Applicability date:* The IORB rate change was applicable on May 4, 2023.

**FOR FURTHER INFORMATION CONTACT:** M. Benjamin Snodgrass, Senior Counsel (202–263–4877), Legal Division, or Courtney Demartini, Lead Financial Institution & Policy Analyst (202–379–8109); for users of telephone systems via text telephone (TTY) or any TTY-based Telecommunications Relay Services, please call 711 from any telephone, anywhere in the United States; Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

#### SUPPLEMENTARY INFORMATION:

### I. Statutory and Regulatory Background

For monetary policy purposes, section 19 of the Federal Reserve Act ("Act") imposes reserve requirements on certain types of deposits and other liabilities of depository institutions.<sup>1</sup> Regulation D, which implements section 19 of the Act, requires that a depository institution meet reserve requirements by holding cash in its vault, or if vault cash is insufficient, by maintaining a balance in an account at a Federal Reserve Bank ("Reserve Bank").<sup>2</sup> Section 19 also provides that balances maintained by or

<sup>1</sup> 12 U.S.C. 461(b). In March 2020, the Board set all reserve requirement ratios to zero percent. See Interim Final Rule, 85 FR 16525 (Mar. 24, 2020); Final Rule, 86 FR 8853 (Feb. 10, 2021).

<sup>2</sup> 12 CFR 204.5(a)(1).

<sup>2</sup> 5 U.S.C. 553(b)(3)(A).

<sup>3</sup> 5 U.S.C. 553(d).

<sup>4</sup> 5 U.S.C. 553(a)(2).

<sup>5</sup> 5 U.S.C. 603, 604.

<sup>6</sup> 44 U.S.C. 3506; see 5 CFR part 1320, appendix A.1.