



24 CFR Parts 28, 30, 87, 180, and 3282

[Docket No. FR-6513-F-01]

Adjustment of Civil Monetary Penalty Amounts for 2025

AGENCY: Office of the General Counsel, HUD.

ACTION: Final rule.

SUMMARY: This rule provides for 2025 inflation adjustments of civil monetary penalty amounts required by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Act). This rule also removes an obsolete regulation relating to the imposition of civil monetary penalties.

DATES: Effective date for 2025 inflation adjustment: [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Amanda Wahlig, Acting Associate General Counsel for Legislation and Regulations, Office of the General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20024; telephone number 202-402-5138 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as from individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION:

I. Background

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Act) (Pub. L. 114-74, Sec. 701), which further amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410), requires agencies to make annual adjustments to civil monetary penalty (CMP) amounts for inflation “notwithstanding section 553

of title 5, United States Code.” Section 553 refers to the Administrative Procedure Act, which provides for advance notice and public comment during the rulemaking process. Consequently, as explained in Section III of this preamble, HUD has determined that advance notice and public comment on this final rule is unnecessary.

This annual adjustment is for 2025. The annual adjustment is based on the percent change between the U.S. Department of Labor’s Consumer Price Index for All Urban Consumers (“CPI-U”) for the month of October preceding the date of the adjustment, and the CPI-U for October of the prior year (28 U.S.C. 2461 note, section (5)(b)(1)). Based on that formula, the cost-of-living adjustment multiplier for 2025 is 1.02598.¹ Pursuant to the 2015 Act, adjustments are rounded to the nearest dollar.²

Additionally, HUD removes 24 CFR 30.85(e), an obsolete requirement requiring HUD to notify the Attorney General before taking action to impose a civil money penalty under 24 CFR §§ 30.35, 30.36 or 30.50. This provision was promulgated to comply with the then-existing statutory provision requiring the same, codified at 12 U.S.C. 1735f-14(b)(3), which Congress subsequently removed through the Helping Families Save Their Homes Act of 2009, 123 Stat. 1648, Pub. L. 111-22.

II. This Final Rule

This final rule makes the required 2025 inflation adjustment of HUD’s civil money penalty amounts. The 2025 increases apply to penalties assessed³ on or after this rule’s effective date (if the violation occurred after the enactment of the 2015 Act). HUD provides a table showing how, for each component, the penalties are being adjusted for 2025 pursuant to the 2015

¹ Office of Management and Budget, M-25-02, Memorandum for the Heads of Executive Departments and Agencies, Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. (<https://www.whitehouse.gov/wp-content/uploads/2024/12/M-25-02.pdf>). (October 2024 CPI-U (315.664) / October 2023 CPI-U (307.671) = 1.02598)

² 28 U.S.C. 2461 note.

³ For certain programs including Multifamily, Section 202, and Section 811 mortgagors under 24 CFR 30.45 and Section 8 owners under 24 CFR 30.68, penalty amounts provided in a pre-penalty notice to a respondent pursuant to 24 CFR 30.70 is not considered having been assessed under this rule. For these programs, penalty amounts are considered to be assessed once the penalty amounts have been adjudicated as final or agreed upon under a settlement agreement.

Act. In the first column (“Description”), HUD provides a description of the penalty. In the second column (“Statutory Citation”), HUD provides the United States Code statutory citation providing for the penalty. In the third column (“Regulatory Citation”), HUD provides the Code of Federal Regulations citation under Title 24 for the penalty. In the fourth column (“Previous Amount”), HUD provides the amount of the penalty pursuant to the rule implementing the 2024 adjustment (89 FR 13614, February 23, 2024). In the fifth column (“2025 Adjusted Amount”), HUD lists the penalty after applying the 2025 inflation adjustment.

Description	Statutory Citation	Regulatory Citation (24 CFR)	Previous Amount	2025 Adjusted Amount
False Claims	Omnibus Budget Reconciliation Act of 1986 (31 U.S.C. 3802(a)(1))	§ 28.10(a)	\$13,946	\$14,308
False Statements	Omnibus Budget Reconciliation Act of 1986 (31 U.S.C. 3802 (a)(2))	§ 28.10(b)	\$13,946	\$14,308
Advance Disclosure of Funding	Department of Housing and Urban Development Act (42 U.S.C. 3537a(c))	§ 30.20	\$24,496	\$25,132
Disclosure of Subsidy Layering	Department of Housing and Urban Development Act (42 U.S.C. 3545(f))	§ 30.25	\$24,496	\$25,132
FHA Mortgagees and Lenders Violations	HUD Reform Act of 1989 (12 U.S.C. 1735f-14(a)(2))	§ 30.35	Per Violation: \$12,249 Per Year: \$2,449,575	Per Violation: \$12,567 Per Year: \$2,513,215
Other FHA Participants Violations	HUD Reform Act of 1989 (12 U.S.C. 1735f-14(a)(2))	§ 30.36	Per Violation: \$12,249	Per Violation: \$12,567

			Per Year: \$2,449,575	Per Year: \$2,513,215
Indian Home Loan Guarantee Lender or Holder Violations	Housing Community Development Act of 1992 (12 U.S.C. 1715z-13a(g)(2))	§ 30.40	Per Violation: \$12,249 Per Year: \$2,449,575	Per Violation: \$12,567 Per Year: \$2,513,215
Multifamily & Section 202 or 811 Owners Violations	HUD Reform Act of 1989 (12 U.S.C. 1735f-15(c)(2))	§ 30.45	\$61,238	\$62,829
Ginnie Mae Issuers & Custodians Violations	HUD Reform Act of 1989 (12 U.S.C. 1723i(a))	§ 30.50	Per Violation: \$12,249 Per Year: \$2,449,575	Per Violation: \$12,567 Per Year: \$2,513,215
Title I Broker & Dealers Violations	HUD Reform Act of 1989 (12 U.S.C. 1703)	§ 30.60	Per Violation: \$12,249 Per Year: \$2,449,575	Per Violation: \$12,567 Per Year: \$2,513,215
Lead Disclosure Violation	Title X—Residential Lead- Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852d(b)(1))	§ 30.65	\$21,699	\$22,263
Section 8 Owners Violations	Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437z-1(b)(2))	§ 30.68	\$47,596	\$48,833
Lobbying Violation	The Lobbying Disclosure Act of 1995 (31 U.S.C. 1352)	§ 87.400	Min: \$24,496 Max: \$244,958	Min: \$25,132

				Max: \$251,322
Fair Housing Act Civil Penalties	Fair Housing Act (42 U.S.C. 3612(g)(3))	§180.671(a)	No Priors: \$25,597 One Prior: \$63,991 Two or More Priors: \$127,983	No Priors: \$26,262 One Prior: \$65,653 Two or More Priors: \$131,308
Manufactured Housing Regulations Violation	Housing Community Development Act of 1974 (42 U.S.C. 5410)	§ 3282.10	Per Violation: \$3,558 Per Year: \$4,446,755	Per Violation: \$3,650 Per Year: \$4,562,282

III. Final Rulemaking without Notice and Comment

HUD generally publishes regulations for public comment before issuing a final rule in accordance with its own regulations on rulemaking; however, HUD may omit advance notice and public participation for good cause where prior public procedure is “impractical, unnecessary, or contrary to the public interest.” 24 CFR 10.1. Here, good cause exists to omit notice and comment, because, as discussed throughout this rule, HUD is taking an action – adjusting civil money penalties to account for inflation – that is required by the 2015 Act and lacks discretion to decline to adjust civil penalties or to change the amount by which a penalty is adjusted in response to any comments it might receive. Finally, the 2015 Act explicitly states that the annual inflation adjustments are to be taken “notwithstanding” the Administrative Procedure Act’s (APA) rulemaking procedures, providing further support for HUD’s finding that good cause exists to issue this final rule without notice and comment.⁴

⁴ Note further that while Section 7(o) of the Department of Housing and Urban Development Act also requires that any HUD regulation implementing any provision of the Department of Housing and Urban Development Reform Act of 1989 that authorizes the imposition of a civil money penalty may not become effective until after the expiration of a public comment period of not less than 60 days, this rule does not authorize the imposition of a new

Good cause also exists to remove 24 CFR 30.85(e) without notice and comment because the statutory authority for the requirement has been removed rendering this paragraph of HUD's regulations outdated. HUD is taking this action to ensure that its regulations are current for members of the public.

IV. Delayed Effective Date

Notwithstanding the provision of the 2015 Act that permits Federal agencies to publish annual penalty inflation adjustments notwithstanding section 553 of the APA, this final rule shall take effect 30-calendar days after publication in the *Federal Register*. This delayed effective date is necessary to comply with Section 7(o) of the Department of Housing and Urban Development Act⁵, which provides that no rule or regulation may become effective until the expiration of the 30-calendar day period beginning on the day after the day on which such rule is published as final. While HUD's rulemaking regulations allow for the issuance of an immediately effective final rule under certain exceptions, which in this case would be satisfied by the 2015 Act's requirement that agencies make annual inflation adjustments notwithstanding section 553 of the APA, nothing in the 2015 Act exempts HUD from complying with the HUD Act.

V. Findings and Certifications

Regulatory Review—Executive Orders (E.O.) 12866, as amended by E.O. 13563

Under E.O. 12866 (Regulatory Planning and Review) (58 FR 51735), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the order. E.O. 13563 (Improving Regulations and Regulatory Review) (76 FR 3821) directs executive agencies to analyze regulations that are “outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” E.O. 13563 also directs that, where relevant, feasible, and consistent with

civil money penalty; rather, it makes a standard inflation adjustment to penalties that have been previously authorized.

⁵ 42 U.S.C. 3535(o)(3).

regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public.

As discussed above in this preamble, this final rule adjusts existing civil monetary penalties for inflation by a statutorily required amount and removes an obsolete regulation. This rule was determined not to be a “significant regulatory action” as defined in section 3(f) of Executive Order 12866 and is not an economically significant regulatory action.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601 et seq.) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Because HUD has determined that good cause exists to issue this rule without prior public comment, this rule is not subject to the requirement to publish an initial or final regulatory flexibility analysis under the RFA as part of such action.

Unfunded Mandates Reform

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA)⁶ requires that an agency prepare a budgetary impact statement before promulgating a rule that includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year. If a budgetary impact statement is required, section 205 of UMRA also requires an agency to identify and consider a reasonable number of regulatory alternatives before promulgating a rule.⁷ However, the UMRA applies only to rules for which an agency publishes a general notice of proposed rulemaking. As discussed in this preamble, HUD has determined, for good cause, that prior

⁶ 2 U.S.C. 1532.

⁷ 2 U.S.C. 1535.

notice and public comment is not required on this rule and, therefore, the UMRA does not apply to this final rule.

Executive Order 13132, Federalism

Executive Order 13132 (entitled “Federalism”) (64 FR 43255) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on State and local governments and is not required by statute, or the rule preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This rule will not have federalism implications and would not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

Environmental Review

This final rule does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern, or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise, or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this final rule is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

List of Subjects

24 CFR Part 28

Administrative practice and procedure, Claims, Fraud, Penalties.

24 CFR Part 30

Administrative practice and procedure, Grant programs-housing and community development, Loan programs-housing and community development, Mortgage insurance, Mortgages, Penalties.

24 CFR Part 87

Government contracts, Government employees, Grant programs, Loan programs, Lobbying, Penalties, Reporting and recordkeeping requirements.

24 CFR Part 180

Administrative practice and procedure, Aged, Civil rights, Fair housing, Individuals with disabilities, Investigations, Mortgages, Penalties, Reporting and recordkeeping requirements.

24 CFR Part 3282

Administrative practice and procedure, Consumer protection, Intergovernmental relations, Investigations, Manufactured homes, Reporting and recordkeeping requirements, Warranties.

Accordingly, for the reasons described in the preamble, HUD amends 24 CFR parts 28, 30, 87, 180, and 3282 as follows:

PART 28—IMPLEMENTATION OF THE PROGRAM FRAUD CIVIL REMEDIES ACT OF 1986

1. The authority citation for part 28 continues to read as follows:

Authority: 28 U.S.C. 2461 note; 31 U.S.C. 3801-3812; 42 U.S.C. 3535(d).

2. Amend § 28.10 by revising paragraphs (a)(1) introductory text and (b)(1) introductory text, to read as follows:

§ 28.10 Basis for civil penalties and assessments

(a) * * *

(1) A civil penalty of not more than \$14,308 may be imposed upon any person who makes, presents, or submits, or causes to be made, presented, or submitted, a claim that the person knows or has reason to know:

* * * * *

(b) * * *

(1) A civil penalty of not more than \$14,308 may be imposed upon any person who makes, presents, or submits, or causes to be made, presented, or submitted, a written statement that:

* * * * *

PART 30—CIVIL MONEY PENALTIES: CERTAIN PROHIBITED CONDUCT

3. The authority citation for part 30 continues to read as follows:

Authority: 12 U.S.C. 1701q-1, 1703, 1723i, 1735f-14, and 1735f-15; 15 U.S.C. 1717a; 28 U.S.C. 1 note and 2461 note; 42 U.S.C. 1437z-1 and 3535(d).

4. In § 30.20, revise paragraph (b) to read as follows:

§ 30.20 Ethical violations by HUD employees.

* * * * *

(b) *Maximum penalty.* The maximum penalty is \$25,132 for each violation.

5. In § 30.25, revise paragraph (b) to read as follows:

§ 30.25 Violations by applicants for assistance.

* * * * *

(b) *Maximum penalty.* The maximum penalty is \$25,132 for each violation.

6. In § 30.35, revise the first sentence in paragraph (c)(1) to read as follows:

§ 30.35 Mortgagees and lenders.

* * * * *

(c) * * *

(1) *Amount of penalty.* The maximum penalty is \$12,567 for each violation, up to a limit of \$2,513,215 for all violations committed during any one-year period. * * *

* * * * *

7. In § 30.36, revise the first sentence in paragraph (c) to read as follows:

§ 30.36 Other participants in FHA programs.

* * * * *

(c) *Amount of penalty.* The maximum penalty is \$12,567 for each violation, up to a limit of \$2,513,215 for all violations committed during any one-year period. * * *

8. In § 30.40, revise the first sentence in paragraph (c) to read as follows:

§ 30.40 Loan guarantees for Indian housing.

* * * * *

(c) *Amount of penalty.* The maximum penalty is \$12,567 for each violation, up to a limit of \$2,513,215 for all violations committed during any one-year period. * * *

9. In § 30.45, revise paragraph (g) to read as follows:

§ 30.45 Multifamily and section 202 or 811 mortgagors.

* * * * *

(g) *Maximum penalty.* The maximum penalty for each violation under paragraphs (c) and (f) of this section is \$62,829.

* * * * *

10. In § 30.50, revise the first sentence in paragraph (c) to read as follows:

§ 30.50 GNMA issuers and custodians.

* * * * *

(c) *Amount of penalty.* The maximum penalty is \$12,567 for each violation, up to a limit of \$2,513,215 during any one-year period. * * *

11. In § 30.60, revise paragraph (c) to read as follows:

§ 30.60 Dealers or sponsored third-party originators.

* * * * *

(c) *Amount of penalty.* The maximum penalty is \$12,567 for each violation, up to a limit for any particular person of \$2,513,215 during any one-year period.

12. In § 30.65, revise paragraph (b) to read as follows:

§ 30.65 Failure to disclose lead-based paint hazards.

* * * * *

(b) *Amount of penalty.* The maximum penalty is \$22,263 for each violation.

13. In § 30.68, revise paragraph (c) to read as follows:

§ 30.68 Section 8 owners.

* * * * *

(c) *Maximum penalty.* The maximum penalty for each violation under this section is \$48,833.

* * * * *

§ 30.85 [Amended]

14. Revise § 30.85 by removing paragraph (e).

PART 87—NEW RESTRICTIONS ON LOBBYING

15. The authority citation for part 87 continues to read as follows:

AUTHORITY: 28 U.S.C. 1 note; 31 U.S.C. 1352; 42 U.S.C. 3535(d).

16. In § 87.400, revise paragraphs (a), (b), and (e) to read as follows:

§ 87.400 Penalties.

(a) Any person who makes an expenditure prohibited herein shall be subject to a civil penalty of not less than \$25,132 and not more than \$251,322 for each such expenditure.

(b) Any person who fails to file or amend the disclosure form (see appendix B to this part) to be filed or amended if required herein, shall be subject to a civil penalty of not less than \$25,132 and not more than \$251,322 for each such failure.

* * * * *

(e) First offenders under paragraphs (a) or (b) of this section shall be subject to a civil penalty of \$25,132, absent aggravating circumstances. Second and subsequent offenses by persons shall be subject to an appropriate civil penalty between \$25,132 and \$251,322, as determined by the agency head or his or her designee.

* * * * *

PART 180—CONSOLIDATED HUD HEARING PROCEDURES FOR CIVIL RIGHTS MATTERS

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

Authority: 28 U.S.C. 1 note; 29 U.S.C. 794; 42 U.S.C. 2000d-1, 3535(d), 3601-3619, 5301-5320, and 6103.

18. In § 180.671, revise paragraphs (a)(1) through (3) to read as follows:

§ 180.671 Assessing civil penalties for Fair Housing Act cases.

(a) * * *

(1) \$26,262, if the respondent has not been adjudged in any administrative hearing or civil action permitted under the Fair Housing Act or any State or local fair housing law, or in any licensing or regulatory proceeding conducted by a Federal, State, or local governmental agency, to have committed any prior discriminatory housing practice.

(2) \$65,653, if the respondent has been adjudged in any administrative hearing or civil action permitted under the Fair Housing Act, or under any State or local fair housing law, or in any licensing or regulatory proceeding conducted by a Federal, State, or local government agency, to have committed one other discriminatory housing practice and the adjudication was made during the 5-year period preceding the date of filing of the charge.

(3) \$131,308, if the respondent has been adjudged in any administrative hearings or civil actions permitted under the Fair Housing Act, or under any State or local fair housing law, or in any licensing or regulatory proceeding conducted by a Federal, State, or local government agency, to have committed two or more discriminatory housing practices and the adjudications were made during the 7-year period preceding the date of filing of the charge.

* * * * *

PART 3282—MANUFACTURED HOME PROCEDURAL AND ENFORCEMENT REGULATIONS

19. The authority citation for part 3282 continues to read as follows:

Authority: 15 U.S.C. 2697; 28 U.S.C. 2461 note; 42 U.S.C. 3535(d), 5403, and 5424.

20. Revise § 3282.10 to read as follows:

§ 3282.10 Civil and criminal penalties.

Failure to comply with these regulations may subject the party in question to the civil and criminal penalties provided for in section 611 of the Act, 42 U.S.C. 5410. The maximum penalty imposed under section 611 of the Act shall be \$3,650 for each violation, up to a maximum of \$4,562,282 for any related series of violations occurring within one year from the date of the first violation.

Scott Turner,
Secretary.

[BILLING CODE: 4210-67]

[FR Doc. 2025-10519 Filed: 6/11/2025 8:45 am; Publication Date: 6/12/2025]