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. Kautter,
Assistant Secretary for Tax Policy.

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 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)(b).

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

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 8a

RIN 2800–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.


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).

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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)(b).
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 legal or policy issues arising out of legal...

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)

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 the section.

The revision reads as follows:

§8a.4 Coverage.

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


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.


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


Competitive Product List


