

Rules and Regulations

Title 7—AGRICULTURE

Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

PART 407—TUNG NUT CROP INSURANCE

Subpart—Regulations for the 1965 and Succeeding Crop Years

APPENDIX—COUNTY DESIGNATED FOR TUNG NUT CROP INSURANCE, 1968 CROP

Pursuant to authority contained in § 407.1 of the above-identified regulations, the following county has been designated for tung nut crop insurance for the 1968 crop year.

FLORIDA

Jackson.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JACK H. MORRISON,
Acting Manager,
Federal Crop Insurance Corporation.

[F.R. Doc. 67-9609; Filed, Aug. 15, 1967; 8:50 a.m.]

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER B—FARM MARKETING QUOTAS AND-ACREAGE ALLOTMENTS

[Amdt. 1]

PART 718—DETERMINATION OF ACREAGE AND COMPLIANCE

Disposition Dates

Basis and purpose. This amendment is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.), for the purpose of amending disposition dates for (1) cotton, corn, and grain sorghums in Alabama, (2) cotton in Tennessee, and (3) grain sorghums in Texas. These amended dates are as recommended by the State committees and approved by the Deputy Administrator.

In each case, the disposition date as amended is later than the superseded date, thus giving farmers additional time in which to accomplish any required crop disposition. Since farmers need to know the revised disposition dates as soon as possible, it is hereby found and determined that compliance with the notice, public procedure and 30-day effective date requirements of 5 U.S.C. 553 (80 Stat. 383) is unnecessary. Accordingly, this amendment shall become effective upon publication in the FEDERAL REGISTER.

Paragraph (b) of § 718.27 of the Regulations Governing Determination of

Acres and Compliance (32 F.R. 9069) is amended by adding or revising subparagraphs for the following States to read as follows:

§ 718.27 Crop disposition dates.

(b) Crop disposition dates.

ALABAMA

(2) Cotton, corn, and grain sorghums—
(1) July 10. Counties listed in (1) (1) above.

TENNESSEE

(3) Cotton—(1) August 15. Benton, Bledsoe, Bradley, Carroll, Chester, Coffee, Crockett, Davidson, Decatur, Dickson, Dyer, Fayette, Franklin, Gibson, Grundy, Hamilton, Hardeman, Hardin, Haywood, Henderson, Henry, Hickman, Humphreys, Lake, Lauderdale, Lewis, McNairy, Madison, Marion, Marshall, Obion, Perry, Polk, Rhea, Rutherford, Sequatchie, Shelby, Tipton, Trousdale, Van Buren, Warren, and Weakley.
(2) July 31. All other counties.

TEXAS

(2) Corn and spring-seeded grain sorghums. . . .

(2a) Summer-seeded grain sorghums—(1) September 1. Anderson, Andrews, Angelina, Bastrop, Bell, Blanco, Borden, Bosque, Bowie, Brazos, Brewster, Brown, Burleson, Burnet, Caldwell, Callahan, Camp, Cass, Cherokee, Cooke, Coleman, Collin, Comal, Comanche, Concho, Cooke, Coryell, Crane, Crockett, Culberson, Dallas, Dawson, Delta, Denton, Eastland, Ector, Edwards, Ellis, El Paso, Erath, Falls, Fannin, Fayette, Fisher, Franklin, Freestone, Gaines, Garza, Gillespie, Glascock, Grayson, Gregg, Grimes, Hamilton, Hardin, Harrison, Hays, Henderson, Hill, Hood, Hopkins, Houston, Howard, Hudspeth, Hunt, Irion, Jack, Jasper, Jeff Davis, Johnson, Jones, Kaufman, Kendall, Kerr, Kimble, Kinney, Lamar, Lampasas, Lee, Leon, Limestone, Llano, Loving, Lynn, McCulloch, McLennan, Madison, Marion, Martin, Mason, Menard, Midland, Milam, Mills, Mitchell, Montague, Montgomery, Morris, Nacogdoches, Navarro, Newton, Nolan, Palo Pinto, Panola, Parker, Pecos, Polk, Presidio, Rains, Reagan, Real, Red River, Reeves, Robertson, Rockwall, Runnels, Rusk, Sabine, San Augustine, San Jacinto, San Saba, Schleicher, Scurry, Shackelford, Shelby, Smith, Somervell, Stephens, Sterling, Sutton, Tarrant, Taylor, Terrell, Terry, Throckmorton, Titus, Tom Green, Travis, Trinity, Tyler, Upshur, Upton, Val Verde, Van Zandt, Walker, Ward, Washington, Williamson, Winkler, Wise, Wood, Yoakum, and Young.

(2) September 15. Aransas, Atascosa, Austin, Bandera, Bee, Bexar, Brazoria, Brooks, Calhoun, Cameron, Chambers, Colorado, De Witt, Dimmit, Duval, Fort Bend, Frio, Galveston, Goliad, Gonzales, Guadalupe, Harris, Hidalgo, Jackson, Jefferson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kleberg, La Salle, Lavaca, Liberty, Live Oak, McMullen, Matagorda, Maverick, Medina, Nueces, Orange, Refugio, San Patricio, Starr, Uvalde, Victoria,

Waller, Webb, Wharton, Willacy, Wilson, Zapata, and Zavala.

(Secs. 373, 374, 375, 52 Stat. 65, as amended, 66, as amended; 7 U.S.C. 1373, 1374, 1375)

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on August 9, 1967.

E. A. JAENKE,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 67-9583; Filed, Aug. 15, 1967; 8:48 a.m.]

[Amdt. 11]

PART 728—WHEAT

Subpart—Regulations Pertaining to Acreage Allotments, Yields, Wheat Diversion and Wheat Certificate Programs for the Crop Years 1966 Through 1969

SPECIAL NATIONAL ACREAGE RESERVE

§ 728.309 [Amended]

1. Section 728.309(b) (3) is amended by deleting the figure "1967" from the first sentence.

2. Section 728.325(b) is amended in its entirety to read as follows:

§ 728.325 Special national acreage reserve.

(b) For 1968, the following counties shall be considered eligible for participation in the special national acreage reserve.

COLORADO

Adams.	Larimer.
Arapahoe.	Las Animas.
Archuleta.	Lincoln.
Baca.	Logan.
Bent.	Moffat.
Boulder.	Montezuma.
Cheyenne.	Morgan.
Crowley.	Phillips.
Dolores.	Prowers.
Douglas.	Pueblo.
Elbert.	Rio Blanco.
El Paso.	Routt.
Huerfano.	San Miguel.
Jefferson.	Sedgwick.
Kiowa.	Washington.
Kit Carson.	Weld.
La Plata.	Yuma.

IDAH0

Bannock.	Kootenai.
Bear Lake.	Latah.
Benewah.	Lewis.
Camas.	Madison.
Caribou.	Nez Perce.
Clearwater.	Oneida.
Franklin.	Power.
Fremont.	Teton.
Idaho.	

KANSAS

All Counties.

MINNESOTA

Kittson.
Marshall.
West Polk.

Norman.
Clay.
Wilkin.

MONTANA

Big Horn.
Blaine.
Broadwater.
Carbon.
Carter.
Cascade.
Chouteau.
Custer.
Daniels.
Dawson.
Fallon.
Fergus.
Flathead.
Gallatin.
Garfield.
Glacier.
Golden Valley.
Hill.
Jefferson.
Judith Basin.
Lake.
Lewis and Clark.
Liberty.
McCone.
Madison.

Meagher.
Mineral.
Missoula.
Musselshell.
Park.
Petroleum.
Phillips.
Pondera.
Powder River.
Prairie.
Ravalli.
Richland.
Roosevelt.
Rosebud.
Sanders.
Sheridan.
Stillwater.
Sweet Grass.
Teton.
Toole.
Treasure.
Valley.
Wheatland.
Wibaux.
Yellowstone.

NEBRASKA

Adams.
Banner.
Box Butte.
Chase.
Cheyenne.
Clay.
Dawes.
Deuel.
Dundy.
Fillmore.
Franklin.
Frontier.
Furnas.
Garden.
Gosper.
Harlan.

Hayes.
Hitchcock.
Jefferson.
Kearney.
Keith.
Kimball.
Morrill.
Nuckolls.
Perkins.
Phelps.
Red Willow.
Saline.
Sheridan.
Sioux.
Thayer.
Webster.

NEW MEXICO

Curry.
Harding.
Quay.

Roosevelt.
Union.

NORTH DAKOTA

All Counties.

OREGON

Baker.
Gilliam.
Jefferson.
Lake.
Morrow.
Sherman.

Umatilla.
Union.
Wallowa.
Wheeler.
Wasco.

OKLAHOMA

Alfalfa.
Beaver.
Beckham.
Blaine.
Caddo.
Canadian.
Cimarron.
Comanche.
Cotton.
Craig.
Custer.
Delaware.
Dewey.
Ellis.
Garfield.
Grady.
Grant.
Greer.
Harmon.
Harper.
Jackson.

Kay.
Kingfisher.
Kloma.
Logan.
Major.
Mayes.
Noble.
Nowata.
Oklahoma.
Osage.
Ottawa.
Pawnee.
Payne.
Roger Mills.
Rogers.
Texas.
Tillman.
Washington.
Washita.
Woods.
Woodward.

SOUTH DAKOTA

Beadle.
Bennett.
Brown.
Brule.
Buffalo.
Butte.
Campbell.
Corson.
Custer.
Dewey.
Edmunds.
Fall River.
Faulk.
Haakon.
Hand.
Harding.
Hughes.
Hyde.
Jackson.

Jones.
Lawrence.
Lyman.
McPherson.
Meade.
Mellette.
Pennington.
Perkins.
Potter.
Shannon.
Spink.
Stanley.
Sully.
Todd.
Tripp.
Waltham.
Washabaugh.
Ziebach.

UTAH

Box Elder.
Cache.
Juab.
Rich.

Salt Lake.
San Juan.
Tooele.

WASHINGTON

Adams.
Asotin.
Benton.
Columbia.
Douglas.
Franklin.
Garfield.
Grant.

Klickitat.
Lincoln.
Spokane.
Stevens.
Walla Walla.
Whitman.
Yakima.

WYOMING

Campbell.
Carbon.
Crook.
Laramie.

Niobrara.
Platte.
Sheridan.
Weston.

(Secs. 334, 375, 52 Stat. 53, as amended, 66, as amended; 7 U.S.C. 1334, 1375)

Effective date: Date of filing this document with the Director, Office of the Federal Register.

Signed at Washington, D.C., on August 9, 1967.

E. A. JAENKE,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 67-9584; Filed, Aug. 15, 1967; 8:48 a.m.]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

[Valencia Orange Reg. 214, Amdt. 1]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendation and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby

found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 553 (1966)), because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, and this amendment relieves restriction on the handling of Valencia oranges grown in Arizona and designated part of California.

Order, as amended. The provisions in paragraph (b) (1) (i) and (ii) of § 908.514 (Valencia Orange Reg. 214, 32 F.R. 11375) are hereby amended to read as follows:

§ 908.514 Valencia Orange Regulation 214.

- (b) Order. (1) * * *
(i) District 1: 172,500 cartons;
(ii) District 2: 577,500 cartons.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: August 11, 1967.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 67-9585; Filed, Aug. 15, 1967; 8:48 a.m.]

[Avocado Reg. 15, Amdt. 3]

PART 944—FRUIT; IMPORT REGULATIONS

Avocados

Pursuant to the provisions of section 8e of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), the provisions of paragraph (a) of § 944.7 (Avocado Regulation 15; 32 F.R. 7245, 10052, 10641) are hereby amended as follows:

§ 944.7 Avocado Regulation 15.

(a) On and after the effective time of this section, the importation into the United States of any avocados is prohibited unless such avocados are inspected and meet the following requirements:

(1) All avocados imported during the period May 20, 1967, through April 30, 1968, shall grade not less than U.S. No. 3.

(4) Avocados of the Trapp variety shall not be imported (i) prior to August 14, 1967; (ii) from August 14, 1967, through August 20, 1967, unless the individual fruit in each lot of such avocados weighs at least 12 ounces or measures at least 3 $\frac{3}{16}$ inches in diameter; (iii)

from August 21, 1967, through August 27, 1967, unless the individual fruit in each lot of such avocados weighs at least 14 ounces or measures at least $3\frac{1}{16}$ inches in diameter; and (iv) from August 28, 1967, through September 10, 1967, unless the individual fruit in each lot of such avocados weighs at least 12 ounces or measures at least $3\frac{1}{16}$ inches in diameter.

It is hereby found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective time of this regulation beyond that hereinafter specified (5 U.S.C. 553) in that (a) the requirements of this amended import regulation are imposed pursuant to section 8e of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), which makes such regulation mandatory; (b) such regulation imposes the same grade and comparable maturity requirements on imports of avocados as are being made applicable to the shipment of avocados grown in Florida under Avocado Regulation 9, as amended, which becomes effective August 14, 1967; (c) compliance with this import regulation will not require any special preparation which cannot be completed by the effective time hereof; (d) notice hereof in excess of three days, the minimum prescribed by said section 8e, is given with respect to this import regulation, insofar as it imposes added restrictions; and (e) such notice is hereby determined, under the circumstances, to be reasonable.

Dated August 11, 1967, to become effective August 21, 1967.

PAUL A. NICHOLSON,
Deputy Director, Fruit and
Vegetable Division, Consumer
and Marketing Service.

[F.R. Doc. 67-9591; Filed, Aug. 15, 1967;
8:49 a.m.]

Chapter XVIII—Farmers Home Administration, Department of Agriculture

SUBCHAPTER B—LOANS AND GRANTS PRIMARILY FOR REAL ESTATE PURPOSES

[FHA Instruction 444.5]

PART 1822—RURAL HOUSING LOANS AND GRANTS

Subpart D—Rural Rental Housing Loans

Subpart D, Part 1822, Title 7, Code of Federal Regulations (31 F.R. 14153), is amended to read as follows:

Subpart D—Rural Rental Housing Loans

- Sec.
- 1822.81 General.
 - 1822.82 Definitions.
 - 1822.83 Eligibility requirements.
 - 1822.84 Loan purposes.
 - 1822.85 Limitations.
 - 1822.86 Rates and terms.
 - 1822.87 Special conditions.
 - 1822.88 Security.
 - 1822.89 Technical, legal, and other services.

- Sec.
- 1822.90 Maximum income limit for eligible occupants.
 - 1822.91 Processing applications.
 - 1822.92 Preparation of completed loan docket.
 - 1822.93 Loan approval.
 - 1822.94 Actions subsequent to loan approval.
 - 1822.95 Loan closing.
 - 1822.96 Subsequent loans.
 - 1822.97 Complaints regarding discrimination in use and occupancy of housing in projects of more than two rental units.

AUTHORITY: The provisions of this Subpart D issued under sec. 510, 63 Stat. 437, 42 U.S.C. 1480; Orders of Secretary of Agriculture, 29 F.R. 16210, 32 F.R. 6850.

§ 1822.81 General.

This subpart sets forth the policies and procedures, and delegates authority for making direct and insured Rural Rental Housing loans under section 515 of the Housing Act of 1949. The basic objective of Rural Rental Housing loans is to provide for rural residents economically designed and constructed rental housing and related facilities suited to their living requirements.

§ 1822.82 Definitions.

(a) "Rural resident" means a person whose permanent residence is or was until recently in a rural area.

(b) "Senior citizen" means a rural resident who is 62 years of age or over. In case of a married couple, "senior citizen" includes the wife or husband.

(c) "Eligible occupant" means:

(1) For the purpose of a direct loan—
(i) A senior citizen with a low or moderate income; or

(ii) Any rural resident with a low income.

(2) For the purpose of an insured loan—

(i) A senior citizen; or

(ii) Any rural resident with a low or moderate income.

(3) For the purpose of a direct or insured loan—

(i) A person younger than 62 who resides with, and is considered a member of, the family of the senior citizen occupant.

(ii) A person younger than 62 if it can be shown that the younger person's occupancy is necessary for the well-being of the senior citizen occupant.

(d) "Housing" means structures in a rural area which are or will be suitable for and available to eligible occupants for dwelling use to provide independent living on a rental basis, and may include "related facilities" where appropriate.

(e) "Related facilities" means community rooms or buildings, cafeterias, dining halls, appropriate recreation facilities, small garden plots, infirmaries, assembly halls, and other essential service facilities such as central heating, sewerage, light systems, ranges and refrigerators, clothes washing machines and dryers for the common use of the tenants, and a safe domestic water supply.

(f) "Development cost" means the costs of constructing, purchasing, improving, altering, or repairing housing,

and purchasing and improving the necessary land. It includes necessary architectural, engineering, legal, and official fees and charges and other appropriate technical and professional fees and charges. It does not include other fees, charges, or commissions such as payments to brokers, negotiators, or other persons for the referral of prospective applicants or solicitation of loans.

(g) "Rural areas" means open country or places of 5,500 persons or less which are not parts of or associated with urban areas and are further defined in § 1822.3 (c).

(h) "Individual" means a natural person.

(i) "Organization" means:

(1) For the purpose of a direct Rural Rental Housing loan, a private nonprofit corporation or consumer cooperative.

(2) For the purpose of an insured Rural Rental Housing loan, any profit or nonprofit corporation, association, trust, or partnership, including a municipal corporation or other corporate agency of a State or local government.

(j) "Private nonprofit corporation" means a corporation which is controlled by private persons or interests, is organized and operated for purposes other than making gains or profits for the corporation or its members, and is legally precluded from distributing to its members any gains or profits during its existence.

(k) "Consumer cooperative" means a corporation which is organized as a cooperative, will operate the housing on a nonprofit basis solely for the benefit of the occupants, and is legally precluded from distributing during the life of the loan any gains or profits from operation of the housing. For this purpose any patronage refunds to occupants of the housing would not be considered gains or profits. A consumer cooperative may accept nonmembers as well as members for occupancy of the housing.

(l) "Gains or profits" for the purpose of paragraphs (j) and (k) of this section do not include dividends payable on stock which is nonvoting, limited as to the amount of dividends that can be paid thereon, and limited as to liquidation value in the event of corporate dissolution.

(m) "Members" and "membership" includes stockholders and stock where appropriate.

(n) "Board" and "directors" include the governing body and members of the governing body of an organization.

(o) "Note" may include bond or other form of obligation.

(p) "Mortgage" may include any appropriate form of security instrument.

§ 1822.83 Eligibility requirements.

(a) *Eligibility of applicant.* To be eligible for a Rural Rental Housing loan the applicant must:

(1) For an insured loan, be either an individual who is a citizen of the United States, or an organization which will provide housing for eligible occupants.

(2) For a direct loan, be an organization which will provide housing for eligible occupants.

(3) Be unable to provide the housing from the applicant's own resources and unable to obtain the necessary credit from private or cooperative sources upon terms and conditions the applicant could reasonably be expected to fulfill.

(4) Have the ability and intention to maintain and operate the housing for the purpose for which the loan is made.

(5) Own or become the owner, when the loan is closed, of the housing and related land.

(6) Have initial operating capital and other assets needed for a sound loan, and have after the loan is made, income sufficient to meet the applicant's operating expenses, necessary capital replacements, payments on the loan and any other authorized debts, other reasonable and necessary expenses, and the accumulation of reasonable reserves as required.

(i) Initial operating capital should be sufficient to pay for such costs as property and liability insurance premiums, fidelity bond premiums if an organization, utility hook-up charges, maintenance equipment, movable furnishings and equipment, printing lease forms, and other initial expenses. Usually, the initial operating capital required should amount to at least 2 percent of the total cost of the project to cover these costs.

(ii) If, in addition, the applicant is to provide other movable equipment and furnishings, the initial capital will need to be increased sufficiently to cover the cost of these items.

(7) Possess the legal capacity to incur, and the legal capacity, character, ability, and experience to carry out, the undertakings and obligations required for the loan.

(8) Agree to comply with all requirements of the Farmers Home Administration (FHA) including those set forth in the FHA regulations, the loan resolution or loan agreement of the applicant, the forms of note and mortgage, and elsewhere.

(9) In case of an insured loan:

(i) Be an individual residing in, or an organization whose members owning a majority of the voting interests reside in the community where the housing will be located.

(ii) Be an individual who resides close enough to the project to provide general supervision or an organization which will provide a manager or caretaker. Such individual, manager, or caretaker must either reside on the housing project or be readily accessible to the tenants and near enough to reach the housing within a few minutes.

(iii) In case of an organization, or an individual who is required to execute a loan agreement, legally obligate itself not to divert income from the housing to any other business, enterprise, or purpose except as specifically permitted under the prescribed form of loan resolution or loan agreement.

(10) In case of a direct loan, be an organization—

(i) Each of whose members is limited to one vote in the affairs of the organization and a majority of whose members

reside in the community where the housing will be located.

(ii) Which will provide a manager or caretaker who will reside on the housing projects or be readily accessible to the tenants and near enough to be able to reach the housing within a few minutes.

(iii) Whose board of directors numbers not less than five.

(iv) Whose directors must be members of the organization.

(v) Which requires that not less than five of its directors shall be among the leaders of the community where the housing will be located.

(vi) Which has and will maintain a broadly based membership representing or reflecting a variety of interests in the community. For a loan of less than \$100,000, the organization should have at least 25 members. The minimum number of members should be increased for larger projects. The purpose of this requirement is to afford reasonable assurance of success of the housing project, assure community support, protect the Government's financial interest as mortgagee, and provide reasonable assurance that the purposes of the loan will be carried out. In direct Rural Rental Housing loans there is no profit incentive. The terms of the loan may extend for as long as 50 years and eligible transferees could be found only among qualified private nonprofit corporations and consumer cooperatives. Therefore, factors such as the prospect for competent management and supervision and adequate community support of the housing project over the expected life of the loan are vitally important. The "broadly based membership" requirement may vary depending upon whether the applicant is a well established or new corporation, the applicant's financial condition, the present and future effective demand for the housing by persons who will be eligible for occupancy, and the ratio of loan to the appraised value of the security.

(vii) Which legally obligates itself not to divert income from the housing to any other business, enterprise, or purpose.

(viii) Which has articles of incorporation and bylaws substantially conforming to the model articles and bylaws set forth in the State Instruction. The State Director will provide for use by applicants a model set of articles of incorporation and bylaws for his State which will be consistent with this instruction and the State law.

(b) *Authorized representative of applicant.* The FHA will deal only with the applicant or a bona fide representative of the applicant and his technical advisers. An authorized representative of the applicant must be a person who has no pecuniary interest in the award of the architectural or construction contracts, the purchase of equipment, or the purchase of the land for the housing site.

§ 1822.84 Loan purposes.

Rural Rental Housing loans may be made to qualified applicants for:

(a) Construction, purchase, improvement, alteration, or repair of housing which:

(1) Is economical in construction and not of elaborate or extravagant design or materials;

(2) Consists of apartments, duplex houses, or detached dwellings, and any appropriate related facilities;

(3) Is residential in character and designed to meet the needs of eligible occupants who are capable of caring for themselves;

(4) Has consideration given to safety, convenience, and comfort;

(5) If to be occupied by senior citizens, is readily accessible to stores, service facilities, and social activities;

(6) Based upon the demand shown by a market analysis, may include "efficiency" type units, or one-, two-, or three-bedroom units;

(7) Contains a bathroom and kitchen facilities in each unit; or

(8) In case of insured loans, may include the addition of rooms to a dwelling owned by the applicant, in order to provide rental housing suitable for and publicly available to eligible occupants on a continuing basis.

(b) Purchase or improvement of the necessary land on which the housing will be located.

(1) The cost of land purchased with loan funds may not exceed its present market value in its present condition. Present market value will be determined by a current appraisal. Loan funds will not be used to buy land from a member of an applicant-organization, or from another organization in which any member of the applicant-organization has an interest, without the prior consent of the National Office.

(2) Loan funds may be used to acquire land in excess of that needed for the housing, including related facilities, when:

(i) The cost of the excess land bears a reasonable portion of the loan; and

(ii) The applicant:

(a) Cannot acquire only the needed land at a fair price;

(b) Can justify the acquisition;

(c) Agrees to sell the land as soon as practicable and apply the proceeds on the loan; and

(d) Has legal authority to legally acquire and administer the land.

(c) Development and installation of water supply, sewage disposal, heat and light systems necessary in connection with the housing, and other related facilities such as:

(1) Maintenance workshop and equipment storage.

(2) Recreation center, including lounge.

(3) Central cooking and dining facilities when the project is large enough to justify such services to supplement the kitchen facilities in each unit.

(4) Small infirmary for emergency care only, when justified.

(5) Laundry room and storage.

(6) Office and living quarters for the resident manager and other operating personnel. Such facilities may be provided only where:

(i) There are enough rental units (usually not less than 10), to require the

presence of such personnel so as to justify the additional investment; and

(ii) Their cost is proportionate to the need for and benefits to be derived from them.

(7) Appropriate recreational facilities, and other facilities to meet essential needs.

(d) Construction of fallout shelters or similar protective structures.

(e) Purchase and installation of ranges and refrigerators to be installed in the individual rental units or as a part of the central cooking facilities, and clothes washing machines and dryers to be installed in project utility rooms for the common use of the tenants.

(f) Purchase and installation of essential equipment, which upon installation becomes a part of the real estate.

(g) Provision of landscaping, foundation planting, seeding or sodding of lawns, or other necessary facilities related to buildings such as walks, yards, fences, parking areas, and driveways.

(h) Payment of related costs such as fees and charges for legal, architectural, engineering, and other appropriate technical and official services. Ordinarily, the FHA will furnish the needed guidance for the development of a Rural Rental Housing loan docket and project. However, the State Director may authorize the use of loan funds to enable a nonprofit corporation or consumer cooperative to pay a qualified consulting organization or foundation, operating on a nonprofit basis, charges for necessary services, provided the State Director determines that:

(1) Either the applicant, even with available FHA assistance, cannot meet all requirements for a sound loan without the services, or the services would permit significant financial savings to the Government, either directly or by lightening the workload involved in processing applications, and

(2) The charges are reasonable in amount, considering the amount and the purpose of the loan, the payment ability of the borrower, and the cost of similar services in the same or similar rural areas.

(i) In insured loan cases, payment of the interest portion of the first installment when the applicant's income and resources will be insufficient to pay such interest.

§ 1822.85 Limitations.

As used in this subpart, the value of the security means its present market value as determined by the loan approval official less the unpaid principal balance plus past-due interest of any other liens against it. Other liens will include any prior liens and any junior liens likely to be taken at or immediately after loan closing.

(a) *Loan limits for direct loans.* No direct loan or loans to any applicant will exceed \$300,000 less any other liens against the security, including Senior Citizens Housing liens, and no such loan will exceed the development cost or the value of the security, whichever is less.

(b) *Loan limits for insured loans.* No insured loan or loans to any applicant will exceed \$300,000 less any other liens against the security, including Senior Citizens Housing liens, and no such loan will exceed the development cost or the value of the security, whichever is less.

(c) *Limits of controlling interests.* The limitations in paragraphs (a) and (b) of this section also apply to cases in which the same persons hold a majority of the membership interests, or constitute a majority of the directors, of two or more applicants.

(d) *Prior consent.* No loan docket which would result in the applicant's Rural Rental Housing indebtedness, plus any Senior Citizens Housing indebtedness, exceeding \$100,000 will be developed without the prior consent of the National Office. Any request for such consent should include detailed justification for the loan including:

(1) Name and address of the applicant.

(2) A list and description of the applicant's assets, including market value estimates.

(3) A complete list of all debts owed.

(4) Status of each debt.

(5) Information as to the location and description of the proposed project site.

(6) A general description of the housing planned, including the number and kind of units.

(7) A realistic estimate of the need and demand for the size project proposed.

(8) Explanation of the applicant's financial contribution to the project.

(9) Any other factors having a bearing on the need and financial soundness of the proposed housing.

(e) *Limitations on use of loan funds.* Loans will not be made for:

(1) Housing or related facilities which are elaborate or extravagant in design or materials.

(2) Nursing or medical facilities, other than a small emergency-care infirmary when justified by the size of the project and the fact that facilities for the emergency care expected to be needed for the occupants, are not readily accessible elsewhere.

(3) Any commercial facilities except essential service-type facilities for use by the tenants when such facilities are not otherwise conveniently available in the area.

(4) Housing to be used for any transient or hotel purposes. No rental term will be for less than 30 days.

(5) Nursing, special care, or institutional-type homes.

(6) Any facility not essential to the needs of the tenants.

(7) Refinancing debts of the applicant.

(8) Housing which the applicant intends to sell or lease to another operator.

(9) Payment of any fee, charge, or commission to any broker, negotiator, or other person for the referral of a prospective applicant or solicitation of a loan.

(10) Payment of any fee, salary, commission, profit, or compensation to an applicant, or to any officer, director, trustee, stockholder, member, or agent of an

applicant, except as provided in § 1822.84 (h). No contract or agreement for services to be paid for with loan funds should be executed by the applicant without prior approval by the State Director.

(f) *Obligations incurred before loan closing.* When an applicant files an application for a loan, the County Supervisor will advise the applicant that construction must not be started and obligations for work, materials, or land purchase must not be incurred before the loan is closed. If, nevertheless, the applicant incurs debts for work materials, or land purchase before the loan is closed, the State Director may authorize the use of loan funds to pay such debts only when he finds that all of the following conditions exist:

(1) The debts were incurred after the applicant filed a written application for a loan.

(2) The applicant is unable to pay such debts from his own resources or to obtain credit from other sources, and failure to authorize the use of loan funds to pay such debts would impair the applicant's financial position.

(3) The debts were incurred for authorized loan purposes.

(4) Contracts, materials, construction, and any land purchase must meet FHA standards and requirements.

(5) Payment of the debts will remove any liens which have attached and any basis for liens that may attach, to the property on account of such debts or such work, material, or land purchase.

§ 1822.86 Rates and terms.

(a) *Interest.* On direct loans the interest rate will be 3 percent per annum on the unpaid principal balance. On insured loans the interest rate will be determined in accordance with Part 1810 of this chapter. Interest will begin from the date of the note. When a direct loan is made in multiple advances, interest on the first advance will begin on the date of the note and interest on each subsequent advance will begin on the date of the check.

(b) *Amortization period.* Each loan will be scheduled for payment within such a period as may be necessary to assure that the loan will be adequately secured, taking into account the probable depreciation of the security; however:

(1) For a direct loan, the payment period will not exceed 50 years from the date of the note.

(2) For an insured loan, the payment period will not exceed 40 years from the date of the note.

§ 1822.87 Special conditions.

(a) *Deferred payments on direct loans.* In case of direct loans, when necessary because of deficiency in the applicant's income or resources, smaller than regular payments or no payments may be provided for the first and second January 1 dates after loan closing.

(b) *Deferred principal payments on insured loans.* In case of insured loans, when necessary because of deficiency in the applicant's income or resources, smaller than regular payments of principal or no payments of principal may be

provided for the first and second installment dates after loan closing. However, the first installment may not be less than interest accruing to the first February 1 following the date of the first installment, and the second installment may not be less than interest accruing for one year.

(c) *Refinancing Rural Rental Housing loans.* Each borrower must agree to refinance the unpaid balance of his Rural Rental Housing loan at the request of the FHA whenever it appears to the FHA that the borrower is able to obtain a loan from responsible cooperative or private credit sources at reasonable rates and terms.

(d) *Loan resolution or loan agreement.* For an organization applicant, a loan resolution will be adopted by the applicant's board of directors. For an individual applicant, a loan agreement will be executed by the applicant when the loan exceeds \$50,000 or when required by the State Director if the loan is for less. The FHA has copies of loan resolutions and loan agreements which shall be used as guides by applicants in drafting their required resolutions or agreements. The loan resolution or loan agreement provides for the maintenance of certain accounts and the pledge of housing income as security and contains regulatory provisions governing, and giving the FHA power to impose requirements regarding the housing and related operations of the applicant. The form of loan resolution or loan agreement contains provisions of policy and procedure which should be read and fully understood by the applicant. If any provisions in the sample guides provided by FHA are not appropriate to a particular case, proposed substitute language should be submitted to the National Office with the recommendations of the State Director.

(e) *Multiple advances.* A direct loan may be disbursed in not more than three advances over a period not to exceed two years from the date of the first advance. Insured loans may be disbursed in only one advance.

(f) *Nondiscrimination in use and occupancy.* When the loan is to finance housing of more than two rental units, the borrower will not discriminate, or permit discrimination by any agent, lessee, or other operator, in the use or occupancy of the housing or related facilities because of race, color, creed, or natural origin.

(g) *Eligibility for occupancy.* Loans will be made on the basis of the housing being occupied by eligible occupants; however, if in connection with future servicing of the loan it becomes necessary to permit ineligible persons to occupy the housing for temporary periods in order to protect the financial interest of the Government, this may be permitted with the written prior approval of the National Office.

(h) *Supervisory assistance.* Supervision will be provided borrowers to the extent necessary to achieve the objective of the loan and to protect the interests of the Government.

§ 1822.88 Security.

Each loan will be secured in a manner that adequately protects the financial interest of the Government. A first mortgage, if obtainable, will be taken on the property purchased or improved with the loan. If a first mortgage is not obtainable, a junior mortgage may be taken in compliance with the requirements of Subpart A of this part regarding junior mortgage loans. When the real property as improved will not provide adequate security for the loan, a mortgage may also be taken on other property of the applicant. Also, other additional security may be taken when necessary, such as a pledge or assignment of, or other security interest in, income from the housing, and (in case of an organization) assessment agreements, promissory notes, stock or membership subscription agreements, personal liability agreements, and mortgages or pledges of property of individual members or stockholders.

(a) As a general policy, personal liability will be required from the members or stockholders of a corporation whose members or stockholders are few in number, in order to provide adequate security and adequate assurance of carrying out the purpose of the loan.

(b) If it is impossible or inadvisable for an applicant which is a public or quasi-public organization to give a real estate mortgage, the security to be taken will be determined by the National Office upon the recommendation of the State Director.

§ 1822.89 Technical, legal, and other services.

(a) *Appraisals.* When real estate is taken as security, the property will be appraised by an FHA employee authorized to make real estate appraisals. The property will be appraised in accordance with the policies outlined in Part 1809 of this chapter. Form FHA 426-1, "Valuation of Buildings," will be completed to show the depreciated replacement value of all the buildings existing or to be constructed on the property to be taken as security.

(b) *Title clearance and legal services.* When the applicant is an organization, or an individual with special title on loan closing problems, title clearance and legal services will be obtained in accordance with instructions from the Office of General Counsel. In other cases, the provisions of Subpart A of this part regarding title clearance and legal services will apply.

(c) *Architectural and engineering services.* Housing and related facilities will be planned and performed and a written contract obtained in accordance with Part 1804, Subpart A of this chapter. The housing will be designed to meet the needs of the types of occupants who will likely occupy it.

(d) *Construction and development policies.* Construction and development will be performed in accordance with Part 1804, Subpart A of this chapter.

(e) *Compliance with local codes and regulations.* Planning, construction, zoning, and operation of housing financed with Rural Rental Housing loan will con-

form with any applicable laws, ordinances, codes, and regulations governing such matters as construction, heating, plumbing, electrical installation, fire prevention, health, and sanitation.

(f) *Contracts for legal services.* On projects requiring extensive legal services, the applicant will be required to have a written contract when loan funds will be used for these services. All such contracts will be subject to review and approval by the FHA and, therefore, should be submitted to the FHA before execution by the applicant. Contracts will provide for the types of service to be performed, the amount of the fees to be paid, either in lump sum on the completion of all services or in installments as services are performed.

(g) *Optioning of land.* If a loan includes funds to purchase real estate, the applicable provisions of § 1821.15 of this chapter regarding options will be followed. After the loan is approved, the County Supervisor will have Form FHA 443-9, "Acceptance of Option," or other appropriate form of acceptance, completed, signed, and mailed to the seller.

(h) *Use of and accountability for loan funds.* Loan funds and any funds furnished by the borrower will be deposited and handled in accordance with Part 1803 of this chapter. Collateral for deposit of funds will be pledged when the amount of funds in the supervised bank account exceeds \$15,000. Funds furnished by the borrower for the purchase of special equipment and furnishings for which loan funds could not be used, should not be deposited in the supervised bank account with loan funds. Withdrawals of funds from the supervised bank account may be made only for legally eligible loan purposes.

(i) *Insurance.* The State Director will determine the minimum amounts and types of insurance the applicant will carry.

(1) Fire and extended coverage will be required on all buildings included in the security for the loan in accordance with Part 1806 of this chapter.

(2) Suitable Workman's Compensation Insurance will be carried by the applicant for all its employees.

(3) The applicant will be advised of the possibility of incurring liability and encouraged, or may be required when appropriate, to obtain liability insurance.

(j) *Bonding.* (1) The provisions of Subpart A, Part 1804, of this chapter pertaining to surety bonds are applicable to Rural Rental Housing loans, except that approved corporate surety bonds will be required in all cases involving a construction contract in excess of \$20,000 unless an exception is made by the National Office.

(2) If the applicant is an organization, the applicant will provide fidelity bond coverage for the official entrusted with the receipt, custody, and disbursement of its funds and the custody of any other negotiable or readily salable personal property. The amount of the bond will be at least equal to the maximum amount of money that the applicant will have on hand at any one time exclusive of loan funds deposited in a supervised

bank account. If permitted by State law, the United States will be named coobligee in the bond. Form FHA 440-24, "Position Fidelity Schedule Bond," may be used if permitted by State law.

§ 1822.90 Maximum income limit for eligible occupants.

(a) *Rural Rental Housing.* The maximum income level for eligible occupants will be established for each housing project as follows, and will not exceed the limits shown in subparagraphs (4) and (5) of this paragraph unless approved by the Administrator after proper justification:

(1) The County Supervisor, after making a preliminary determination that a loan might be made, will assemble appropriate information concerning income levels and living costs in the area, including the cost of renting suitable housing that permits independent living.

(2) The County Supervisor, with the advice of the County Committee, will recommend the income which, in their judgment, is needed by eligible occupants in the locality to meet reasonable living expenses, rent modest but satisfactory housing in the area, and otherwise live comfortably but not extravagantly. "Family income" means gross income received by the family, as defined by the Internal Revenue Service for income tax purposes, plus any retirement, Social Security, pension, or similar payments, and any interest received on State or municipal bonds.

(3) The County Supervisor will submit his recommendation and supporting information to the State Director with the preliminary loan docket. The State Director will review this information together with other information available on income for the area, such as census data, living standards, and other income studies, establish the maximum income level for occupancy of the housing, and notify the County Supervisor. The State Director's determination and the basis for establishing the maximum income level for occupancy will be documented as part of the completed loan docket.

(4) For direct loans, the maximum income level will not exceed \$6,000 a year per family for senior citizens. The maximum income level will not exceed \$4,500 per year for a nonsenior citizen family of two. Graduated maximum income levels for larger sized nonsenior citizen families (such as a family of three or four, five or six, or seven or more) should be recommended by the County Committee; however, the maximum income level for these families will not exceed \$6,000 regardless of size.

(5) For insured loans, the maximum income level for nonsenior citizen families of two will not exceed \$6,000. Graduated maximum income levels for larger sized nonsenior citizen families (such as families of three or four, five or six, or seven or more) should be recommended by the County Committee; however, the maximum income for these families will not exceed \$8,000 per year regardless of size. There is no maximum income limit for occupancy by senior citizens.

(6) Maximum income levels for eligible occupants will not be adjusted from year to year. However, the maximum income level may be adjusted when justified by a substantial change in living costs in the area and other pertinent factors. To justify such an adjustment, the same procedure will be followed as when establishing the maximum income level initially.

§ 1822.91 Processing applications.

(a) *Application and preliminary docket.* The preliminary docket will consist of the application with the information required by §§ 1822.90 and 1822.92 to be included in or attached to the application. An application will be in the form of a letter to the local County Supervisor. The letter should include a statement about the purpose for which the loan is requested, an estimate of the amount of the loan needed, any previous experience in operating rental housing, and the proposed manner of securing and repaying the loan. Included in or attached to the letter should be:

(1) A currently dated financial statement showing assets and liabilities, together with information on the repayment schedule and status of each debt. If the applicant is a closely held corporation, a current financial statement will be required from each director and from each member who holds a substantial interest in the corporation.

(2) Evidence of inability to obtain credit from other sources.

(3) A preliminary market survey of the area showing the need and estimate of the demand for the planned rental housing. The preliminary market survey at this stage may vary, as determined by the State Director, from ascertainment of the number of eligible occupants living in the area who are willing and able to pay the required rental to a complete market analysis.

(4) Two proposed operating budgets showing anticipated income and expenses, one for a typical year of operation, and the other for the first year's operation.

(i) The budgets in estimating rental income will allow for vacancies, nonpayment of rent, and contingencies. A 10 percent allowance is recommended.

(ii) The budgets should provide for accumulating a reserve at the rate of one percent per annum of the cash cost of the project until a reserve equal to 10 percent of this cost is reached.

(iii) All applicable taxes, including Federal and any State income taxes, should be included in the budgets and separately identified. If the applicant considers itself exempt, evidence of exemption must be obtained before the loan is closed. Information as to Federal income tax exemption may be obtained from the district office of the Internal Revenue Service. A nonprofit organization qualifying for a direct Rural Rental Housing loan should ordinarily be able to qualify for Federal income tax exemption under section 501(c)(4) of the Internal Revenue Code.

(5) Plot plan with information about adjacent property and preliminary

plans and specifications for the proposed housing, including the building layout, type of construction, number and type of living units, special design features for use of senior citizens, if needed, and the estimate of cost.

(6) Information on neighborhood and existing facilities, such as distance to shopping area, neighborhood churches, available transportation, drainage, sanitation facilities, water supply, and access to essential services such as doctors, dentists, and hospitals.

(7) For an organization applicant, a copy of, or an accurate citation to, the specific provisions of State law under which the applicant is organized; a copy of the applicant's charter, articles of incorporation, bylaws, and other basic authorizing documents; the names and addresses of the applicant's principal members and its directors and officers; and, if a principal member is another organization, its name, address, and principal business.

(b) *County Supervisor's review.* The preliminary docket will be reviewed by the County Supervisor. If it appears that the applicant is probably eligible and a sound loan likely can be made, the preliminary docket, including the comments and recommendations of the County Supervisor and any additional material, will be forwarded to the State Director. The comments of the County Supervisor will include his views on the financial position, income, occupation, and background of the members, directors, and officers together with verification of the accuracy of materials furnished by the applicant indicating the need for the housing. At any time the County Supervisor considers it necessary, the preliminary docket may be sent to the State Director for his evaluation and instructions.

(c) *State Office action.* The State Director will review the preliminary docket and, in case of an organization, submit the docket to the Office of General Counsel for a preliminary opinion as to whether the applicant and the proposed loan meet or can meet the requirements of State law and this subpart. He will determine whether the applicant is eligible and return the preliminary docket to the County Supervisor with further instructions.

§ 1822.92 Preparation of completed loan docket.

(a) *Information needed.* If the State Director authorizes further processing of the application, the County Supervisor will notify the applicant of the additional information the applicant must furnish for the complete docket. In addition to all the items required in § 1822.91, such information will include:

(1) Detailed plans, specifications, and cost estimates prepared in accordance with FHA construction guides. The complete docket will contain a detailed cost breakdown of the project for such items as land and rights-of-way, building construction, equipment, utility connections, on-site improvements, architectural and engineering services, and legal services. The cost breakdown also should show

separately the items not included in the loan, such as furnishings and equipment.

(2) Satisfactory evidence of review and approval of the proposed housing by applicable State and local officials whose approval is required by State or local laws, ordinances, or regulations.

(3) A market survey report showing the need and effective demand for the housing and related facilities and the number of eligible occupants.

(b) *County Supervisor's responsibility.* As the information for the loan docket is being developed, the County Supervisor will work closely with the applicant. The County Supervisor will review and verify the information furnished for correctness, adequacy, and completeness. He will determine that the market survey is adequate and that the market survey report is accurate. The County Supervisor will inspect the proposed site and consider its desirability. He will evaluate the manner in which the applicant plans to conduct its business and financial affairs and comment on the adequacy of the management. The completed docket, including the County Supervisor's comments, will be submitted to the County Committee for its consideration.

(c) *County Committee certification.* Before a loan is approved, the County Committee will make the necessary certification on Form FHA 440-2, "County Committee Certification or Recommendation." Before executing Form FHA 440-2, the County Committee will consider all pertinent information concerning the applicant and the proposed project, and will be given an opportunity to talk with the applicant or its representative if the Committee desires to do so.

(d) *Note forms.* (1) Form FHA 440-23, "Promissory Note (Direct Loan to Association or Organization)," will be used for direct loans.

(2) Form FHA 440-22, "Promissory Note (Insured Loan to Non-Tax Exempt Association or Organization)," will be used for insured loans to associations or organizations whose obligations bear interest which is not exempt from Federal income taxation. Form FHA 440-33, "Promissory Note (Insured Loan to Tax Exempt Public Body)," will be used for insured loans to public bodies whose obligations bear interest exempt from Federal income taxation, except when legally inappropriate.

(3) Form FHA 440-16, "Promissory Note (Insured Loan)," will be used for insured loans to individuals.

(e) *Loan docket items.* The loan docket will consist of the following properly prepared and executed forms or documents as appropriate:

- FHA 440-3 Record of Actions.
- FHA 440-2 County Committee Certification or Recommendation.
- FHA 444-5 BRH-ROH-LH Fund Analysis.
- FHA 440-1 Payment Authorization.
- Application Letter and attachments.
- FHA 400-4 Discrimination Agreement.
- Evidence of Legal Authority (copies or citation of specific provisions of State constitution and statutory authority).
- Proof of Organization (certificate or certified copy of charter or articles of incorporation).

Certified copies of bylaws or regulations.
List by names and addresses of officers, directors, members, and membership interest held by each.

Certified copy of Loan Resolution.
Loan Agreement, if applicable.
Survey of land given as security, plans, specifications, cost estimates, and proposed manner of construction.

Operating Budget (first year).
Operating Budget (typical year).
Narrative plan and other supporting information.

Appraisal Report with attachments.
FHA 426-1 Valuation of Buildings.
State Director's determination of maximum income level, with supporting information.
FHA 446 or FHA 427-8 Agreement with Prior Lienholder or similar form, if applicable.

FHA 440-9 Supplementary Payment Agreement.
Other items when applicable such as opinion of title, mortgagee title policy or report of lien search, foreclosure notice agreement, option, original or certified copy of deed, purchase contract, or other instrument of ownership, and items of information concerning prior mortgage.

(f) *Submission of docket to State Office.* The complete loan docket together with any comments from the County Committee and the County Supervisor will be submitted to the State Office for review. The State Director will prepare a memorandum to the County Supervisor requesting additional information if the material submitted is inadequate, or setting forth the conditions of approval.

(g) *Submission of docket to National Office.* If the prior consent of the National Office is required for loan approval, and such consent has not previously been given, the State Director will submit to the National Office his recommendation, a copy of his proposed memorandum of approval, and the complete loan docket.

§ 1822.93 Loan approval.

(a) *Authority.* The State Director is authorized to approve or disapprove Rural Rental Housing loans in accordance with this subpart. The State Director may redelegate loan approval in writing to State Office employees other than the District Supervisor and the State Office employee making the appraisal.

(1) Without the prior consent of the National Office no Rural Rental Housing loan may be approved by the State Director if:

- (i) The loan is to an organization; or
- (ii) The amount of the loan plus unpaid principal and past-due interest of any other liens on real estate of the applicant would exceed \$60,000; or
- (iii) The proposed loan together with unpaid principal of any other FHA loans of the applicant would exceed \$60,000.

(2) When prior consent of the National Office is required for loan approval, the complete loan docket, the State Director's proposed memorandum of approval, and the State Director's recommendation will be sent to the National Office.

(b) *Loan approval or disapproval.* The loan approval official is responsible for reviewing the docket to determine that the proposed loan complies with estab-

lished policies and all pertinent regulations.

(1) *Approval.* When a loan is approved, the approval official will sign Form FHA 440-1 and insert his title in the space provided. He also will indicate any conditions that must be met at or before the time the loan is closed.

(2) *Disapproval.* If a loan is disapproved after the docket has been developed, the reason for such action will be shown on the original Form FHA 440-3. Form FHA 440-3 will be initialed and dated. The County Supervisor will notify the applicant of the disapproval of the loan and the reasons therefor.

§ 1822.94 Actions subsequent to loan approval.

(a) *Requesting check.* When loan approval conditions can be met, including any real estate title requirement, and a date for loan closing has been agreed upon, the County Supervisor will order the loan check so that it will be available on or immediately prior to the date set for loan closing.

(b) *Increase or decrease in the amount of the loan.* If it becomes necessary for the amount of the loan to be increased or decreased prior to loan closing, the County Supervisor will request that all distributed docket forms be returned to the County Office. The loan docket will be revised accordingly and reprocessed, except that if the amount of the loan has been decreased and there is no substantial change in the planned improvements, a new Form FHA 440-2 need not be obtained.

(c) *Cancellation of loan.* Loans may be canceled after approval and before loan closing as follows:

(1) The County Supervisor will prepare Form FHA 903 or FHA 440-10, "Request for Cancellation of Loan." The original and copies will be sent to the State Director with the reasons for requesting cancellation. If the State Director approves the request for cancellation, he will forward copies of Form FHA 903 or FHA 440-10 to the County Office.

(2) All interested parties will be notified of the cancellation as provided in Part 1807 of this chapter.

(d) *Handling the loan check.* The loan check will be handled in accordance with Part 1803 of this chapter.

(e) *Property insurance.* Buildings will be insured in accordance with Part 1806 of this chapter.

§ 1822.95 Loan closing.

(a) *Instructions.* Rural Rental Housing loans will be closed in accordance with applicable provisions of Part 1807 of this chapter and any supplemental instructions issued for the loan, or closing instructions of the Office of General Counsel, and with the assistance of the designated attorney, representative of the title insurance company, or local attorney, whichever is appropriate. Loans to organizations and loans to individuals in special cases will be sent to the Office of General Counsel for closing instructions.

(b) *Mortgage.* Unless the Office of General Counsel determines that the form is inappropriate in any case, real

estate mortgage Form FHA 427-2 (State), "Real Estate Mortgage for _____," will be used for a direct loan to an organization, and Form FHA 427-1 (State), "Real Estate Mortgage _____," will be used for an insured loan to an individual or to an organization. For loans to organizations, Form FHA 427-2 and Form FHA 427-1 will be modified with respect to the name, address, and other identification of the borrower, the style of execution, and the acknowledgment.

(1) When the loan is to finance housing of more than two rental units, the mortgage or other security instrument will contain the following covenant:

Borrower covenants and agrees that it will not discriminate, or permit discrimination by any agent, lessee, or other operator, in the use or occupancy of the housing or related facilities financed in whole or in part with the loan in connection with which this instrument is given, because of race, color, creed, or national origin.

(2) When a loan resolution or loan agreement is used, an additional paragraph will be included in the mortgage to read as follows:

This instrument also secures the obligations and covenants of Borrower set forth in Borrower's Loan Resolution (Loan Agreement) of _____, which is hereby incorporated herein by reference.

(3) In case of a loan to an individual where a loan agreement is not used, additional paragraphs will be included in the mortgage to read as follows:

Occupancy of the housing and related facilities on the property will be limited to eligible occupants as defined in the regulations of the Farmers Home Administration, unless the Government gives prior written approval to other occupancy.

As required by the Government: Borrower will permit the Government to inspect and examine the operation of the housing and the books, records, and operations of Borrower; submit regular and special reports pertinent to the purpose of the loan or the Government's financial interests; subject rents and charges and other terms of rental agreements with occupants of the housing, and compensation to employees connected with its operation, to prior approval by the Government, or to adjustment at the direction of the Government when necessary in its judgment to carry out the purpose of the loan or protect its financial interests; and comply with any other requirements which in the discretion of the Government are reasonably appropriate to the purpose of the loan or protection of the Government's interests.

(c) *Promissory note.* (1) The total amount to be shown in the note will be the amount of the loan as shown on Form FHA 440-3. The note or bond will be dated the date of loan closing.

(2) Payments on Rural Rental Housing loans will be scheduled with annual installments due January 1. Form FHA 440-9 will be used to schedule payments on a monthly basis. As provided in paragraphs (a) and (b) of § 1822.87, the first installment or the first and second installments may be less than regular annual installments. If the first installment or first two installments are less than regular annual installments, the regular annual installment will be computed by

multiplying the amount of the loan by the factor for the number of years over which regular installments will be scheduled.

(3) The note will be signed in accordance with Part 1807 of this chapter.

(4) For an insured loan, the note will not be endorsed or the insurance agreement executed until the loan is assigned from the insurance fund to a lender in accordance with Part 1873 of this chapter.

(5) When a loan is closed during December and the first installment is due the next January 1, the first installment will be collected at the time of loan closing if it is a nominal amount or the borrower consents.

(6) When a loan is disbursed in more than one advance, Form FHA 440-1 will be prepared and executed as in the case of an association loan. The actual date of each advance will be entered on the reverse of the note. The date of the first advance will be the date of loan closing, and each subsequent advance the date of the loan check. When each subsequent advance is made, the County Supervisor will enter the amount and date on the copy of the note.

(d) *Recorded mortgage.* When the real estate mortgage is returned by the recording official, the County Supervisor will retain the original in the borrower's case folder. If the original is retained by the recording official for the county records, a conformed copy including the recording data showing the date and place of recordation and book and page number will be prepared and filed in the borrower's case folder. A copy of the mortgage will be delivered to the borrower but will be conformed only if required by State law or if it is the custom of other lenders in the area.

(e) *Date of loan closing.* A Rural Rental Housing loan is considered closed when the mortgage is filed of record or, if there is no mortgage filed of record, when the loan funds are deposited in the supervised bank account or otherwise made available to the borrower after he executes and delivers the note and any other required instruments.

§ 1822.96 Subsequent loans.

A subsequent Rural Rental Housing loan is a Rural Rental Housing loan to an applicant indebted for an initial Rural Rental Housing or Senior Citizens Housing loan of the same type (direct or insured) conditions as an initial loan. This subpart applies to subsequent Rural Rental Housing loans as well as initial Rural Rental Housing loans.

§ 1822.97 Complaints regarding discrimination in use and occupancy of housing in projects of more than two rental units.

Any occupant or applicant for occupancy or use of such Rural Rental Housing housing or related facilities who believes he has been discriminated against because of race, color, creed, or national origin may file a complaint with the County Supervisor or State Director. Any such complaint will be referred

through the State Director to the National Office. The complaint must be in writing and signed by the complainant and contain the following information:

(a) The name and address (including telephone number) of the complainant.

(b) The name and address of the person committing the alleged discrimination.

(c) Date and place of the alleged discrimination.

(d) Any other pertinent information that will assist in the investigation and resolution of the complaint.

Dated: August 9, 1967.

HOWARD BERTSCH,
Administrator,
Farmers Home Administration.

[F.R. Doc. 67-9587; Filed, Aug. 15, 1967;
8:48 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 67-193]

TOBACCO MATERIALS AND TOBACCO PRODUCTS; MISCELLANEOUS STAMP TAXES

In view of the elimination of the internal revenue controls on tobacco materials and the repeal of the tax on tobacco other than cigars and cigarettes, and on playing cards, the Customs Regulations are amended as follows:

PART 8—LIABILITY FOR DUTIES; ENTRY OF IMPORTED MERCHANDISE

The following sections are amended to delete references to tobacco products and tobacco materials, inserting instead references to cigars and cigarettes, and to make certain other conforming or minor changes as follows:

Section 8.3(d)(5) is hereby amended to read:

§ 8.3 Entry required; exceptions.

(d) * * *

(5) No alcoholic beverage, perfume containing alcohol (except where the aggregate fair retail value in the country of shipment of all merchandise contained in the shipment does not exceed \$1), cigars, or cigarettes shall be exempted from the payment of duty and tax under this section.

§ 8.8 [Amended]

The last sentence of § 8.8(a) is amended to read: "Additionally, on each entry of cigars, cigarettes, or cigarette papers and tubes, as those articles are defined in Part 275 of the regulations of the Internal Revenue Service (26 CFR Part 275), and when subject to such regulations the separate statement for tax purposes required by 26 CFR 275.81 as to any such article shall be made on the entry form."

§ 8.27 [Amended]

The next-to-the-last sentence of § 8.27 is amended to read: "An additional legible copy of the entry, marked or stamped 'For Internal Revenue Purposes,' shall be presented for each entry covering cigars, cigarettes, or cigarette papers and tubes when the entry of those articles is subject to Part 275 of the regulations of the Internal Revenue Service (26 CFR Part 275) and tax is payable to customs upon release of such articles."

§ 8.35 [Amended]

The last sentence of § 8.35(a) is amended to read: "An additional legible copy of Form 7519, marked or stamped 'For Internal Revenue Purposes,' shall be presented for each entry covering cigars, cigarettes, or cigarette papers and tubes when the release from customs custody under such combined entry and withdrawal is subject to Part 275 of the regulations of the Internal Revenue Service (26 CFR Part 275) and tax is payable to customs."

§ 8.37 [Amended]

The second and the last sentences of § 8.37(a) are amended to read: "An additional legible copy of Form 7505, marked or stamped 'For Internal Revenue Purposes,' shall be presented for each withdrawal covering cigars, cigarettes, or cigarette papers and tubes when the release from customs custody under such withdrawal is subject to Part 275 of the regulations of the Internal Revenue Service (26 CFR Part 275), and tax is payable to customs. . . . Additionally, on each withdrawal for consumption of cigars, cigarettes, or cigarette papers and tubes subject to internal-revenue tax, the statement for tax purposes required by 26 CFR 275.81 as to any such article shall be made on the withdrawal form."

§ 8.51 [Amended]

The sixth sentence of § 8.51(a) is amended to read: "An additional copy of the entry form, marked or stamped 'For Internal Revenue Purposes,' shall be prepared for each entry covering cigars, cigarettes, or cigarette papers and tubes when the entry of those articles is subject to Part 275 of the regulations of the Internal Revenue Service (26 CFR Part 275) and tax is payable to customs upon release of such articles; and on each such entry on which tax is payable to customs the separate statement for tax purposes required by 26 CFR 275.81 shall be made on the entry form; but no such extra copy or separate statement is required for cigars or cigarettes imported solely for the personal consumption of the importer or for disposition as his bona fide gift."

(80 Stat. 379, R.S. 251, secs. 484, 498(a), 557, 624, 46 Stat. 722, as amended, 728, as amended, 744, as amended, 759; 5 U.S.C. 301, 19 U.S.C. 66, 1494, 1498(a), 1557, 1624)

PART 9—IMPORTATIONS BY MAIL

The heading and paragraph (a) of § 9.8 are amended as follows:

§ 9.8 Cigars, cigarettes, etc.

(a) In the case of mail entries for imported articles subject to tax and to which internal revenue stamps must be affixed before release to the importer (see Internal Revenue Regulations, Part 45 (26 CFR Part 45)), customs officers shall sign and attach to the entries an order for stamps, and customs Form 3473. When the parcel is addressed for delivery at the post office where it is examined and customs Form 3473 is not required to insure the taking of the action described thereon, Form 3473 need not be prepared. The postmaster will furnish the addressee with the order for stamps. The addressee will be required to secure from the office of the district director of internal revenue the necessary stamps and affix them to the immediate packages of the merchandise before the parcels will be delivered to him. The internal-revenue tax on cigars, cigarettes, and cigarette papers and tubes valued not in excess of \$250 in a shipment imported by mail shall be paid on the basis of a return made on the mail entry. An additional legible copy of the entry form, marked or stamped "For Internal Revenue Purposes," shall be prepared for each entry covering such articles subject to Part 275 of the regulations of the Internal Revenue Service (26 CFR Part 275) if tax is payable upon release under such entry. The separate statement required for tax purposes by 26 CFR 275.81 shall be made on the entry form in such case. The duty and any applicable tax will be collected by the postal service for the Customs Service at the time of delivery of the shipment. A copy of the entry (return) will be given to the importer as a receipt for payment. Mail shipments of such articles released for consumption are subject to compliance with the package and notice requirements under 26 CFR 275 unless specifically exempted therefrom as indicated in § 11.3 of this chapter. Such articles may not be released under the mail entry procedure on the basis of a claim for release without payment of tax by a manufacturer specified in 26 CFR 275. If a claim is made at the time of delivery for release without payment of tax based on any of the provisions in 26 CFR Part 275 for a manufacturer of tobacco products or a manufacturer of cigarette papers and tubes to obtain release of any such articles without payment of tax, the shipment shall be returned by the postal service to the port of entry or sent to the nearest customs office at which appropriate release as claimed may be arranged by the addressee.

(80 Stat. 379, R.S. 251, sec. 624, 46 Stat. 759; 5 U.S.C. 301, 19 U.S.C. 66, 1624)

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.**§ 10.21 [Amended]**

The second sentence of § 10.21(i) is amended by deleting the reference to an exemption for manufactured tobacco, so

that the sentence will read: "However, any exemption allowed under section 321(a)(2)(B) shall not be applied to articles subject to internal-revenue tax other than cigarettes not in excess of 50, cigars not in excess of 10, alcoholic beverages not in excess of 4 ounces, or alcoholic perfumery not in excess of 4 ounces, and shall not be applied to any article subject to internal-revenue tax when an exemption is allowed such articles under § 23.4 of the regulations in this chapter."

Section 10.21(i) is hereby amended to read:

(i) The internal-revenue tax on taxable cigars and cigarettes in passengers' baggage shall be paid to customs, using the customs entry form as a return. Any such return shall show the kind, the quantity, and the tax by class on cigars and cigarettes separately from the statement of duty. Unless for the personal consumption of the importer or disposition as his bona fide gift, cigars and cigarettes are subject to compliance with the package and mark requirements in the regulations of the Internal Revenue Service.

Section 10.65 is amended by substituting "Cigars and cigarettes" for "Tobacco products" in the section heading and by deleting "manufactured tobacco," and the comma following "cigars" in paragraph (a) and by deleting the reference to manufactured tobacco and substituting "cigars and cigarettes" for "tobacco products" in subparagraph (2) of paragraph (c) so that the subparagraph will read:

§ 10.65 Tobacco products.

(c)
(2) When a shipping case containing cigars and cigarettes is made up of a number of units, each in a separate package, such units may be withdrawn separately, provided each unit is marked and numbered for identification and contains not less than 250 cigars or 1,000 cigarettes. In the case of imported cigars and cigarettes so packed, only one unit from each shipping case shall be opened for examination, unless the district director of customs shall deem it necessary for the protection of the revenue to examine a greater quantity."

(77A Stat. 14, secs. 317, 498, 624, 46 Stat. 698, as amended, 728, as amended, 759; 19 U.S.C. 1202 (Gen. Hdnote 11), 1317, 1498, 1624)

PART 11—PACKING AND STAMPING; MARKING; TRADE-MARKS AND TRADE NAMES; COPYRIGHTS

Section 11.2 is amended to delete the first sentence in paragraph (a) so that the paragraph will read:

§ 11.2 Manufactured tobacco.

(a) If the invoice and entry presented for manufactured tobacco specify all the information necessary for prompt determination of the estimated duty on the manufactured tobacco covered thereby,

the district director of customs may permit designation of less than the entire importation for examination.

Section 11.2a is hereby amended to read:

§ 11.2a Release from customs custody without payment of tax on cigars, cigarettes and cigarette papers and tubes.

Cigars, cigarettes, and cigarette papers and tubes may be released from customs custody without payment of any applicable internal-revenue tax upon presentation with the customs entry or withdrawal form of Internal Revenue Form 2145 or 3072, in triplicate, certified by the appropriate assistant regional commissioner of internal revenue (alcohol and tobacco tax). Customs shall complete the notice of release, retain one copy, send one copy to the assistant regional commissioner of internal revenue and return one copy to the manufacturer for his retention. Such a release may not be made under a mail entry as stated in § 9.8(a) (2) of this chapter.

Section 11.3 is hereby amended by deleting the reference to the tax exemption of samples and substituting the words "cigars and cigarettes" for "tobacco products," so that the section will read:

§ 11.3 Package and notice requirements for cigars and cigarettes; package requirements for cigarette papers and tubes.

Exemptions from tax on cigars, cigarettes, and cigarette papers and tubes apply in accordance with regulations of the Internal Revenue Service (26 CFR Part 275) upon release from customs custody of such articles imported by consular officers and employees of foreign states. Cigars, cigarettes, and cigarette papers and tubes may also be released without payment of tax as provided in § 11.2a and for exhibition in accordance with Part 32 of this chapter. Additionally, cigars, cigarettes, or cigarette papers and tubes may be admitted free of duty and tax under the provisions of schedule 8, Part 2A, Tariff Schedules of the United States, or section 321, Tariff Act of 1930, as amended, § 10.26a, § 10.29, § 10.30, § 10.30a, § 10.30b, § 10.30c, § 23.4(c), or § 54.3 of this chapter. Except in the foregoing instances and in any instance in which such articles are imported in passengers' baggage or are to be released under a mail entry for the personal consumption of the importer or for disposition as his bona fide gift, the provisions in Part 275 of the regulations of the Internal Revenue Service (26 CFR Part 275) as to packages and notices thereon apply.

§ 11.4 [Deleted]

Section 11.4 is deleted.

§ 11.5 [Amended]

Footnote 2 appended to § 11.5 is amended to read:

* Internal-revenue stamps for imported oleomargarine, adulterated butter, and filled cheese will be sold to the owner or consignee of the merchandise by the district director

of internal revenue for the district in which is located the port of entry where the customs entry is filed upon requisition therefor on the order form duly executed by an authorized customs officer.

(80 Stat. 379, R.S. 251, sec. 624, 46 Stat. 759; 5 U.S.C. 301, 19 U.S.C. 66, 1624)

PART 16—LIQUIDATION OF DUTIES

§ 16.3 [Amended]

The first sentence of § 16.3(d) is hereby amended by deleting the reference to tobacco materials and substituting "cigars and cigarettes" for "tobacco products," so that the sentence will read: "The internal-revenue taxes imposed on imported cigars, cigarettes, and cigarette papers and tubes under 26 U.S.C. 5701 or 7652 are determined in accordance with 26 U.S.C. 5703 at the time of removal; that is, on the quantity removed from customs custody under the entry or withdrawal for consumption."

(80 Stat. 379, R.S. 251, sec. 624, 46 Stat. 759; 5 U.S.C. 301, 19 U.S.C. 66, 1624)

[SEAL] LESTER D. JOHNSON,
Commissioner of Customs.

Approved: August 9, 1967.

MATTHEW J. MARKS,
Acting Assistant Secretary
of the Treasury.

[F.R. Doc. 67-9626; Filed, Aug. 15, 1967;
8:51 a.m.]

Title 15—COMMERCE AND FOREIGN TRADE

Chapter II—National Bureau of Standards, Department of Commerce

SUBCHAPTER B—STANDARD REFERENCE MATERIALS

PART 230—STANDARD REFERENCE MATERIALS

Miscellaneous Amendments

Under the provisions of 15 U.S.C. 275a and 277, the following amendment to

Sample Nos.	Kind	Constituents determined (p.p.m.)	Volume (liters at STP)	Price
1001	Carbon dioxide in nitrogen.....	CO ₂ 308±3.....	68	\$145
1002	do.....	CO ₂ 346±3.....	68	145
1003	do.....	CO ₂ 384±4.....	68	145

Subpart D—Standards of Certified Properties and Purity

§ 230.8-4 Calorimetric Standards.

These standards are issued primarily to check the performance of calorimetric methods for the determination of the heat of combustion and the heat of solution. Standard 217b is certified for density and index of refraction at 20°, 25°, and 30° C., 217b-8S is in a special ampoule with an internal break-off tip, the others are sealed "in vacuum" in a plain glass ampoule. Standard 724 is a homogeneous material for use in interlabora-

Part 230 of Title 15 of the Code of Federal Regulations, relating to standard reference materials issued by the National Bureau of Standards is effective upon publication in the FEDERAL REGISTER.

Subpart C of Part 230 is amended by (1) revising § 230.7-18 *Metallo-organic compounds* to revoke standard reference material 1056a, cupric cyclohexanecarboxylate, (2) adding standard reference material 1080, bis(1-phenyl-1,3-butanedi-ono)copper(II) to replace standard reference material 1056a, and (3) adding a new § 230.7-23 *Analyzed gases*.

Subpart D of Part 230 is amended by (1) revising § 230.8-4 *Calorimetric standards* to add standard reference material 724, (2) amending § 230.8-5 *Radioactivity standards* to renumber standard reference material 4904-B as 4904-C and change the price thereof, and (3) adding a new § 230.8-27. Accordingly, the following amends 15 CFR Part 230:

Subpart C—Standards of Certified Chemical Composition

§ 230.7-18 Metallo-organic compounds.

Sample Nos.	Kind (approximate weight 5 grams)	Constituents determined	Price
...	...	...	...
1056a	Cupric cyclohexanecarboxylate.	Cu—16.1. Revoked.	\$15
1080	bis(1-phenyl-1,3-butanedi-ono)copper (II).	Cu—16.5.....	
...	...	...	...

§ 230.7-23 Analyzed gases.

These standard reference materials are intended for the calibration of apparatus used for the measurement of various components in gas mixtures. Each sample is certified accurately within limits and is primarily intended to monitor and correct for long-term drifts in instruments used.

Sample Nos.	Kind	Constituents determined (p.p.m.)	Volume (liters at STP)	Price
...	...	...	...	...
724	Tris(Hydroxymethyl)amino-methane.		50	\$15

tory correlation and standardization of solution calorimeters. It is not certified for a value for the heat of solution.

Sample Nos.	Kind	Approximate weight in grams	Price
...	...	...	...
724	Tris(Hydroxymethyl)amino-methane.	50	\$15

§ 230.8-5 Radioactivity standards.

(b) * * *

(ii) Sample No. 4904-C consists of a practically weightless deposit of americium-241 on a platinum foil 1.27 cm in diameter, 0.015 cm thick. This foil is cemented onto a monel disk 2.54 cm in diameter and 0.16 cm thick. The activity is restricted to a 0.3 cm-diameter area in the center of the foil. These samples can now be distributed under the general licensing provisions of the Atomic Energy Act of 1954. (Please refer to amendments to Title 10, Code of Federal Regulations, Part 31, § 31.8.)

Sample Nos.	Radio-nuclide	Approximate particle emission in 2 π geometry	Price
***	***	***	***
4904-C	Am-241	20cps	\$76

§ 230.8-27 Density and refractive index standards.

These standard reference materials are certified with respect to values of density, for air-saturated material at 1 atm, at 20°, 25°, and 30° C. ± 0.00002 g/ml, and also with respect to values of refractive index, for each of seven wavelengths (helium 668 and 502, hydrogen 656 (C) and 486 (F), mercury 546 (e) and 436 (g), and sodium 589 (D₁, D₂) at 20°, 25°, and 30° C. to 0.00002). These standards may be used to calibrate refractometers, piconometers, and density balances, as well as spectrometers. A certificate is supplied with each of these samples. 217b-8S is in a special ampoule with an internal break-off tip, the others are sealed "in vacuum" in a plain glass ampoule.

Sample Nos.	Kind	Approximate $n_{D,20}$	Approximate $n_{D,25}$	Amount, ml	Price
217b-5	2,2,4-Trimethylpentane	0.6918	1.3915	6	\$35
217b-8S	do	.6918	1.3915	8	60
217b-25	do	.6918	1.3915	25	175
217b-30	do	.6918	1.3915	30	325

(Sec. 9, 31 Stat. 1450, as amended; 15 U.S.C. 277. Interprets or applies sec. 7, 70 Stat. 959; 15 U.S.C. 275a)

Dated: July 26, 1967.

A. V. ASTIN,
Director.

[P.R. Doc. 67-9540; Filed, Aug. 15, 1967; 8:45 a.m.]

Chapter III—Bureau of International Commerce, Department of Commerce

SUBCHAPTER B—EXPORT REGULATIONS

[10 Gen. Rev. of Export Regs., Amdt. 36]

MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

Parts 370, 372, 373, 379, 385, and 399 of the Code of Federal Regulations are amended as set forth below.

Effective date: August 4, 1967.

RAUER H. MEYER,
Director, Office of Export Control.

PART 370—SCOPE OF EXPORT CONTROL BY DEPARTMENT OF COMMERCE

Section 370.2 is amended to read as follows:

§ 370.2 Prohibited exports.

(a) *General provisions.* States of all commodities and all technical data as defined in § 385.1 is hereby prohibited unless and until a general license authorizing such export shall have been established or a validated license or other authorization for such export shall have been granted by the Office of Export Control, except:

(1) Any export to Canada, other than:

(i) The types of technical data described in § 385.2(c) (5);

(ii) Unpublished technical data, as described in § 385.2(c) (3) (v) relating to maritime (civil) nuclear propulsion plants, their land prototypes, and special facilities for their construction, support, or maintenance, including any machinery, devices, components, or equipment specifically developed or designed for use in such plants or facilities; and

(iii) Commodities and unpublished technical data related to nuclear weapons, nuclear explosive devices, or nuclear testing, as described in §§ 373.7(b) and 385.2(c) (3) (vi).

(2) Exports for the official use of or consumption by the U.S. Armed Forces when shipped by or consigned to any branch thereof under a U.S. Government Bill of Lading or a U.S. Government space charter or by means of a U.S. Government-owned or Government-chartered carrier; and

(3) Exports of commodities and technical data controlled by another U.S. Government agency (see § 370.5).

(b) *Commodities on commodity control list.* The commodities set forth on the Commodity Control List (see § 399.1) may not be exported from the United States to any destination unless and until an application for an export license or other request shall have been submitted to, and an export license or other authorization to export shall have been granted or issued by, the Office of Export Control, except:

¹ See § 370.3 for shipments to Canada, not intended for consumption in Canada, and regarding the requirement of a Shipper's Export Declaration for certain exports to Canada.

(1) Where export of such commodities is authorized by the provisions of an established general license as set forth in Part 371; or

(2) Where authorized with respect to certain commodities by the provisions of a footnote on the Commodity Control List; or

(3) Where export of such commodities is authorized by paragraph (a) of this section.

(c) *Revocation of licenses and other authorizations.* All export licenses and other authorizations to export or reexport are subject to revision, suspension, or revocation without notice.

PART 372—PROVISIONS FOR INDIVIDUAL AND OTHER VALIDATED LICENSES

Section 372.12 *Reexport* is amended by adding a new paragraph (e) which reads as follows:

§ 372.12 Reexport.

(e) *Revocation of authorizations to reexport.* All export licenses and other authorizations to reexport are subject to revision, suspension, or revocation without notice.

PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

1. Section 373.18 is added to read:

§ 373.18 Nickel bearing scrap.

(a) *Requirement of export order.* An application for a license to export any of the following commodities shall be accompanied by a copy of the export order placed, or the contract entered into, by the foreign consignee or purchaser with the U.S. exporter or with his order party (see § 373.4(a) (2) regarding order party provisions):

Export Control Commodity Number and Commodity Description

- 28200 Alloy steel scrap containing 5 percent or more nickel by weight.
- 28401 Nickel bearing residues and dross.
- 28403 Other nickel or nickel alloy waste and scrap.

(b) *Validity period.* Any outstanding license to export the commodities listed in paragraph (a) of this section that was issued on or before June 9, 1967, shall expire on September 6, 1967, unless the license bears an earlier termination date. This limitation applies regardless of any later termination date that may be shown on the license. All licenses to export these commodities issued after June 9, 1967, will bear an expiration date ending 90 days after the date of issuance.

(c) *Export clearance.* An extra copy of the Shipper's Export Declaration shall be filed with the Customs Office for each shipment under a validated license to export any of the commodities listed in paragraph (a) of this section. The Declaration shall bear in the upper right corner the notation "862."

2. Section 373.42 is added to read:

§ 373.42 Nickel, nickel alloys, and ferro-nickel.

The following commodities are subject to the provisions set forth in § 373.18:

Export Control Commodity Number and Commodity Description

- 67160 Ferronickel containing 90 percent or less nickel.
- 68310 Nickel based magnetic materials, unwrought.
- 68310 Other nickel or nickel alloys, unwrought.
- 68324 Nickel or nickel alloy electroplating anodes.

PART 379—EXPORT CLEARANCE AND DESTINATION CONTROL

Section 379.2(h) (2) (ii) is revised to read as follows:

§ 379.2 Presentation and use of validated license.

- (h) *Shipping tolerance.* . . .
- (2) *Types of licenses covered.* . . .

(i) A shipping tolerance of 5 percent is allowed on the unshipped balance specified on a validated export license for shipments of the following commodities:

Export Control Commodity Number and Commodity Description

- 28200 Alloy steel scrap containing 5 percent or more nickel by weight.
- 28311 Copper ores and concentrates.
- 28312 Copper matte.
- 28401 Copper metalliferous ash and residue.
- 28401 Nickel bearing residues and dross.
- 28402 Copper and copper-base alloy waste and scrap.
- 28403 Other nickel or nickel alloy waste and scrap.
- 51470 Master alloys of copper containing 8 percent or more phosphorus.
- 67160 Ferronickel containing 90 percent or less nickel.
- 68211 Billet copper and other unrefined copper.
- 68212 Refined copper, including remelted, in cathodes, billets, ingots, wire bars, and other crude forms.
- 68212 Copper-base alloy ingots.
- 68213 Master alloys of copper.
- 68221 Bars, rods, angles, shapes, sections, and wire of copper or copper-base alloy.
- 68222 Plates, sheets, and strips of copper or copper-base alloy.
- 68223 Copper foil.
- 68223 Paper backed copper foil.
- 68224 Copper and copper alloy powders and flakes.
- 68225 Tubes, pipes, and blanks therefor, and hollow bars of copper or copper-base alloy.
- 68226 Tube and pipe fittings of copper or copper-base alloy.
- 68310 Nickel based magnetic materials, unwrought.

- 68310 Other nickel or nickel alloys, unwrought.
- 68324 Nickel or nickel alloy electroplating anodes.
- 69892 Copper or copper-base alloy fabricated anodes.
- 69892 Copper or copper-base alloy cores (mold inserts).
- 69892 Copper or copper-base alloys castings and forgings.
- 72310 Wire and cable coated with, or insulated with, fluorocarbon polymers or copolymers.
- 72310 Coaxial-type communications cable as follows: (a) containing fluorocarbon polymers or copolymers, (b) using a mineral insulator dielectric, (c) using a dielectric aired by discs, beads, spiral, screw, or any other means, (d) designed for pressurization or use with a gas dielectric, or (e) intended for submarine laying.
- 72310 Other coaxial cable.
- 72310 Communications cable containing more than one pair of conductors of which any one of the conductors, single or stranded, has a diameter exceeding 0.9 mm. (0.035 inch), as follows: (a) cable in which the nominal mutual capacitance of paired circuits is less than 53 nanofarads/mile (33 nanofarads/KM), except conventional paper and air dielectric types, (b) submarine cable, or (c) cable containing fluorocarbon polymers or copolymers.
- 72310 Other communications cable containing more than one pair of conductors and containing any conductor, single or stranded, exceeding 0.9 mm. in diameter.
- 72310 Other copper or copper-base alloy insulated wire and cable.

(iii) The tolerance provisions of this section shall not apply to the following units of quantity:

- | | |
|---------|---------------|
| Carat. | Pencil gross. |
| Cell. | Piece. |
| Dozen. | Ream. |
| Gross. | Roll. |
| Number. | Round. |
| Pack. | Square. |
| Pair. | Set. |

2. Subdivision (vi) is added to § 379.3 (c) (3), as follows:

§ 379.3 Presentation of Shipper's Export Declaration.

(c) *Number of copies to be presented.* . . .

(3) *Additional copies of declaration.* . . .

(vi) Exports under a validated license of nickel, nickel alloys, and nickel bearing scrap. The additional copy shall bear in the upper right corner the notation "862." (See §§ 373.18 and 373.42.)

PART 385—EXPORTS OF TECHNICAL DATA

In § 385(c), subparagraph (4) (iv) is added and subparagraph (5) (v) is revised, as follows:

§ 385.2 General license.

(c) *General License GTDU; Unpublished technical data.* . . .

(4) *Requirement of written assurance for certain data, services, and materials.* . . .

(iv) The limitations set forth in this paragraph (c) (4) do not apply to the export of:

(a) Technical data included in an application for the foreign filing of a patent provided such foreign filing of a patent application is in accordance with the regulations of the U.S. Patent Office; and

(b) Technical data supporting a price quotation as described in subparagraph (2) (ii) of this paragraph.

(5) *Requirement of written assurance for certain additional products and destinations.* . . .

(v) The limitations set forth in this paragraph (c) (5) do not apply to the export of:

(a) Technical data included in an application for the foreign filing of a patent provided such foreign filing of a patent application is in accordance with the regulations of the U.S. Patent Office; and

(b) Technical data supporting a price quotation as described in subparagraph (c) (2) (ii) of this paragraph.

PART 399—COMMODITY CONTROL LIST AND RELATED MATTERS

Section 399.1 *Commodity Control List* is amended as follows:

A. *Amendments.* The Commodity Control List is amended as set forth below, effective August 4, 1967, unless otherwise specified. Exporters are advised that only the items listed below opposite the specific Export Control Commodity Numbers are affected by these changes. The unnumbered captions serve only to identify the broad categories of commodities within which these items are to be found in Schedule B.

Two different types of explanatory numerical references are used at the end of a commodity description:

(a) A numerical reference enclosed in parentheses to indicate the entry being revised. For example, where a revised entry is followed by "(1)", this indicates that the new entry revises the first entry or only entry presently on the Commodity Control List under the same Export Control Commodity Number; if the entry is followed by a "(2)", it revises the second entry on the Commodity Control List, etc.

(b) A footnote reference referring to the footnote below which explains the effect of the amendment.

¹ A separate entry is established and effective Aug. 11, 1967, a validated license is required for export of these commodities to Country Group W.

² A validated license is no longer required for export to East Germany of commodities included in this entry which previously required a license to this destination.

³ A validated license is no longer required for export of these commodities to East Germany.

⁴ The Processing Number has been changed for some commodities included in this entry.

RULES AND REGULATIONS

¹ An Import Certificate is no longer required in support of an application to export artificial graphite included in this entry, where the total thermal neutron absorption cross section is greater than 5 millibarns per atom to the countries specified in § 373.2.

² A reporting requirement is deleted.

³ A separate entry is established.

⁴ Effective Aug. 11, 1967, a validated license is required for export of these commodities to Country Groups T, V, W, and X.

⁵ The commodity description is revised with no change in controls.

⁶ Effective Sept. 18, 1967, an Import Certificate (or a Hong Kong Import License) will be required in support of a license application covering export of alloys containing 5 percent or more boron to the countries specified in § 373.2.

⁷ Effective Aug. 11, 1967, a validated license is required for export of these commodities to Country Groups T and V.

⁸ Effective Aug. 11, 1967, the GLV Dollar-Value Limit is decreased for Country Group X.

⁹ Effective Aug. 11, 1967, a validated license is required for export of commodities containing 5 percent or more boron, as follows: (a) Tubes, pipes, blanks, and hollow bars to Country Groups T and V, and (b) fittings to Country Groups T, V, W, and X.

¹⁰ Effective Aug. 11, 1967, a validated license is required for export of commodities containing 5 percent or more boron, as follows: (a) Bars, rods, angles, shapes, and sections to Country Groups T, V, and W, and (b) ingots and other unwrought forms and bare wire to Country Groups T, V, W, and X.

¹¹ Effective Aug. 11, 1967, a validated license is required for export of these commodities to Country Groups T, V, W, X, and Y.

¹² Effective Aug. 11, 1967, a validated license is required for export of these commodities to Country Groups T, V, and W.

¹³ Effective Aug. 11, 1967, a validated license is required for export of alloys containing 5 percent or more boron to Country Groups T, V, W, and X.

¹⁴ The commodity description is revised to conform with Schedule B classification of containers.

¹⁵ The PRL Commodity Group Number is changed (see § 376.2).

¹⁶ Effective Aug. 11, 1967, a validated license is required for export to Country Groups T and V of castings and forgings containing 5 percent or more boron which presently do not require a validated license for export to these destinations.

¹⁷ Effective Sept. 18, 1967, an Import Certificate (or a Hong Kong Import License) will be required in support of an application for a license to export to any of the countries specified in § 373.2 castings and forgings of all nonferrous base metals containing 5 percent or more boron not presently subject to this requirement.

¹⁸ Attachments for integral tractor-shovel loaders are transferred from No. 71842 to 71931.

¹⁹ This entry is deleted.

²⁰ This entry is deleted and these commodities are now included in the 13th entry on the Commodity Control List under this Export Control Commodity Number.

²¹ Two entries are substituted for two entries presently on the Commodity Control List under this Export Control Commodity Number.

²² An Import Certificate is no longer required in support of an application for a license to export to the countries specified in § 373.2 instruments which perform functions similar to synchros or resolvers with a rated electrical error from 0.25 to 0.5 percent of maximum output voltage.

Department of Commerce export control commodity number and commodity description	Unit	Process- ing Num- ber	*Validated license required for country groups shown below	*GLV dollar value limits for shipments to country groups				*Special provi- sions list
				S	T	V	X	
<i>Plastic materials, regenerated cellulose, and artificial resins</i>								
58120 Irradiated polyolefin sheeting. (12) ¹	Lb.	228	8WXYZ				100	B.
58132 Other regenerated cellulose and chemical derivatives of cellulose. (2 and 3) ²	Lb.	248	SZ					B.
58191 Hardened proteins. (1) ³	Lb.	248	SZ					B.
58192 Modified natural resins (including ester gum), and chemical derivatives of natural rubber, all in unfinished or semi- finished form. (1) ⁴	Lb.	248	SZ					B.
58199 Ammonium alginate. (2) ⁵	Lb.	248	SZ					B.
<i>Chemical materials and products, n.e.c.</i>								
59020 0,0-dimethyl 0-P-nitro phenyl phos- phorothioate; 0,0-diethyl 0-P-nitro phenyl phosphorothioate; 2,4-dichloropropionam- ide; 2-amino-2,5-dichlorobenzole acid; 2- chloro-4-ethylamino-6-isopropylamino-8- triazine; 3-(3,4-dichlorophenyl)-1-meth- oxy-1-methylurea; 2-chloro-N-isopropyl- acetanilide; alpha-chloro-N,N-diethyl- lactamide; 2-chloro-4,6-bis(ethylamino)- 8-triazine; 2,2,2-trifluoro-2,6-dinitro-N, N-dipropyl-p-toluidine; 2-chloroallyl di- ethylthiocarbamate; 2,3,5,6-tetrachloro- terephthalic acid; 2,3-dichloroallyl diiso- propylthiocarbamate; 2,3,3-trichloroallyl diisopropylthiocarbamate; and 4-chloro- 2-butyryl-N-chlorocarbamate. (1) ⁶	Lb.	248	SZ	500				B.
59052 Gluten and gluten flour. (1) ⁷	Lb.	208	SZ					B.
59058 Casein, albumins and dextrins; glues and adhesives of fish, animal or vegetable origin; and albuminoid substances, in- cluding edible and inedible gelatins. (1, 2 and 3) ⁸	Lb.	208	SZ					B.
59061 Tall oil. (1 and 2) ⁹	Lb.	208	SZ					B.
59063 Pine oil, except pine-needle oil; ter- pene solvents, n.e.c.; gum turpentine; and wood turpentine. (1) ¹⁰	Gal.	208	SZ					B.
59065 Wood tar; wood tar oils; wood creosote; wood naphtha, and acetone oil. (1) ¹¹	Lb.	208	SZ					B.
59066 Vegetable pitch and products based thereon or on resin. (1 and 2) ¹²	Lb.	208	SZ					B.
59072 Other artificial graphite in block, brick, plate, or rod form, smallest dimen- sion 2 inches or over and having a boron content of one part per million or less, the total thermal neutron absorption cross section being less than, or equal to, 5 millibarns per atom. (2) ¹³	Lb.	211	STVWXYZ		500	500		A E-8.
59073 Animal black, except activated. (1 and 2) ¹⁴	Lb.	208	SZ					B.
<i>Nonmetallic mineral manufactures, n.e.c.</i>								
66303 Artificial graphite products, n.e.c., in block, brick, plate, or rod form, small- est dimension 2 inches or over and having a boron content of one part per million or less, the total thermal neutron absorption cross section being less than, or equal to, 5 millibarns per atom. (1) ¹⁵	Lb.	211	STVWXYZ	500	500	500		A E-8.
66370 Artificial graphite refractory prod- ucts, n.e.c., in block, brick, plate, or rod form, smallest dimension 2 inches or over and having a boron content of one part per million or less, the total thermal neu- tron absorption cross section being less than, or equal to, 5 millibarns per atom. (7) ¹⁶	Lb.	211	STVWXYZ	500	500	500		A E-8.
66370 Other artificial graphite refractory products, n.e.c., in block, brick, plate, or rod form, smallest dimension 2 inches or over. (Specify by name, size and boron content in parts per million.) (8) ¹⁷	Lb.	212	STVWXYZ	500	500	500		E-8.
66700 Monocrystals of ferrites and garnets, synthetic; and materials suitable for ap- plication in electromagnetic devices mak- ing use of the gyromagnetic resonance phenomenon. (Specify by name.) (1 and 6) ¹⁸	Lb.	241	STVWXYZ	500	500	500		A E-13.
<i>Nonferrous metals</i>								
68310 Nickel alloys, unwrought, contain- ing 5 percent or more boron. (3) ¹⁹	Lb.	261	STVWXYZ		500	100		A E-7.
68321 Bars, rods, angles, shapes, sections, and wire of nickel alloy containing 5 per- cent or more boron. (5) ²⁰	Lb.	261	STVWXYZ		500	100		A E-8.
68322 Nickel alloy plates, sheets, strips, powders, flakes and foil containing 5 per- cent or more boron. (8) ²¹	Lb.	261	STVWXYZ		500	100		A E-8.
68323 Tubes, pipes, blanks and fittings thereof, and hollow bars, of nickel alloy containing 5 percent or more boron. (6 and 7) ²²	Lb.	261	STVWXYZ		500	100		A E-8.
68324 Nickel alloy electroplating anodes containing 5 percent or more boron. (1) ²³	Lb.	261	STVWXYZ		500	100		A E-8.

Department of Commerce export control commodity number and commodity description	Unit	Processing Number	*Validated license required for country groups shown below	*OLV dollar value limits for shipments to country groups				*Special previ- ous list	Department of Commerce export control commodity number and commodity description	Unit	Processing Number	*Validated license required for country groups shown below	*OLV dollar value limits for shipments to country groups				*Special previ- ous list	
				S	T	V	X						S	T	V	X		
6401 Aluminum alloy ingots and other unwrought forms, and aluminum alloy bars, rods, angles, shapes, sections, and pipe containing 5 percent or more boron. (2 and 3) : 1 : 14	Lb.	261	STVW XYZ		500	100		A E-4.	71150 Outboard motor, over 15 horsepower, and other internal combustion engines, n.e.c., including other diesel engines, and engines for watercraft and automotive vehicles and parts and accessories, n.e.c. [Report internal combustion engines for aircraft in No. 71141.] (5) : 1 : 14	No.	438	SXYZ					100	B.
6412 Aluminum alloy plates and sheets containing 5 percent or more boron. (2) : 1 : 14	Lb.	261	STVW XYZ		500	100		A E-4.	71250 Nonmilitary type tracklaying tractors, 125 horsepower and over, and nonmilitary type contractors' off-highway wheel tractors, 135 horsepower and over. (Specify as nonmilitary and state horsepower.) (2 and 3) :	No.	402	SVW XYZ						E-11
6423 Aluminum alloy rod and bar containing 5 percent or more boron. (1) : 1 : 14	Lb.	261	STVW XYZ		500	100		A E-4.	71250 Nonmilitary type tracklaying tractors, under 125 horsepower, and nonmilitary type contractors' off-highway wheel tractors, under 135 horsepower. (Specify as nonmilitary and state horsepower.) (2 and 3) :	No.	408	SXYZ					100	B.
6424 Aluminum alloy powder and flakes containing 5 percent or more boron. (1) : 1 : 14	Cont. lb.	261	STVW XYZ		500	100		A E-4.	71841 Parts, accessories, and attachments specially designed for construction equipment built to military specifications. (Specify as military.) (4) :	No.	401	STVW XYZ	500					A.
6425 Aluminum alloy tubes, pipes and tube blooms containing 5 percent or more boron. (4) : 1 : 14	Lb.	261	STVW XYZ		500	100		A E-4.	71841 Attachments specially designed for auxiliary type integral tractor-shovel loaders of 125 horsepower and over. [Report integral tractor-shovel loaders in No. 71931.] (5) :	No.	402	SVW XYZ				1,000		E-11
6426 Magnesium base alloys, wrought, containing 0.4 percent or more aluminum, 1 percent or more rare earth metals (other than misch metal), 10 percent or more lithium, or 5 percent or more boron. [Report scrap in No. 28400.] (1 and 2) : 1 : 14	Lb.	261	STVW XYZ		500	100		A E-4.	71931 Military type integral tractor-shovel loaders, and specially designed parts and attachments. (Specify as military.) (5) :	No.	401	STVW XYZ	500					A.
6427 Magnesium base alloys, wrought, containing 0.4 percent or more aluminum, 1 percent or more rare earth metals (other than misch metal), 10 percent or more lithium, or 5 percent or more boron. (Specify by name.) (1 and 2) : 1 : 14	Lb.	261	STVW XYZ		500	100		A E-4.	71931 Nonmilitary type integral tractor-shovel loaders, 125 horsepower and over, and specially designed parts and attachments, except cables and auto guides (except logs). (Specify as nonmilitary, weather-welded or trackway type, and horsepower.) (3) :	No.	402	SVW XYZ				1,000		E-11
6428 Containers, iron or steel, jacketed only, for the storage of liquefied gases at temperatures below minus 274° F. (minus 170° C.), with multi-laminar type insulation under vacuum. (2) : 1 : 14	No.	211	STVW XYZ	100	500	100		A E-4.	71950 Equipment for the production of military explosives and solid propellants (for example, dehydration presses, extrusion presses for the extrusion of small arms, cannon and rocket propellants; cutting machines for the sizing of extruded propellants; rewire barrels (tumbler), 6 feet and over in diameter and having over 500 pounds product capacity; continuous mixers for solid propellants; acid nitration, continuous types) (specify by name); and specially designed parts and accessories, n.e.c. (14, 21, 25, 26, 29 and 30) :	No.	411	STVW XYZ	500	100				A.
6429 Containers and fittings of nonferrous base metals containing 5 percent or more boron. (4, 5, and 21) : 1 : 14	Lb.	261	STVW XYZ	100	500	100		A E-4.	Electrical machinery, apparatus, and appliances	No.	618	SXYZ						B.
Machinery other than electric		61	STVW XYZ		500			A.	72228 Other potentiometers using only switched elements, and parts, n.e.c. (11) :	No.	211	STVW XYZ	500	100				A E-4.
11150 Diesel engines, nonmagnetic, 50 brake horsepower and over, having a magnetic content exceeding 60 percent of total weight or having magnetic parts other than crankshaft, flywheel, piston, covers, and valves, valves, stems, guides, and lock hardware, and other supply lines (specify brake horsepower and rated r.p.m.); and specially designed parts and accessories, n.e.c. (1 and 4) :		61	STVW XYZ		500			A.	72906 Electrical carbon, except carbon brushes, artificial graphite, whether or not containing other material to give improved performance at high temperatures, having an apparent relative density of 1.90 and greater, except nonpyrolytic graphite of density between 1.90 and 1.95 when compared to water at 60° F. (14.3° C.). (1) :	No.	618	SXYZ					100	B.
11150 Diesel engines, 1,000 brake horsepower and over, with rotary speeds of 700 r.p.m. and over, designed for use on submarines (specify brake horsepower as rated r.p.m.); and specially designed parts and accessories, n.e.c. (3 and 4) :		61	STVW XYZ		500			A.		No.	211	STVW XYZ	500	100				A E-4.
11150 Diesel engines, nonmagnetic, 50 brake horsepower and over, having a magnetic content exceeding 60 percent, up to but not exceeding 65 percent of total weight (specify brake horsepower as rated r.p.m.); and specially designed parts and accessories, n.e.c. (3 and 4) :		62	STVW XYZ		500					No.	211	STVW XYZ	500	100				A E-4.

Department of Commerce export control commodity number and commodity description	Unit	Pro- cess- ing Num- ber	*Validated license required for country groups shown below	*GLV dollar value limits for shipments to country groups				*Special provi- sions list
				S	T	V	X	
72906 Electrical carbons, except carbon brushes, artificial graphite, smallest dimension 2 inches or over and having a boron content of one part per million or less, the total thermal neutron absorption cross section being less than, or equal to, 5 millibarns per atom. (2) ¹ ² ³ ⁴ ⁵		211	STVWXYZ		500	500		A E-S.
72906 Other pyrolytic graphite electrical carbons. (3) ⁵		212	STVWXYZ		500	500		E-S.
72906 Other electrical carbons, except carbon brushes, artificial graphite, smallest dimension 2 inches or over. (Specify by size and boron content in parts per mil- lion.) (4) ⁵		212	STVWXYZ		1,000	1,000		E-S.
72909 Other instruments which perform functions similar to synchros or resolvers (for example, Microsyns®, Synchro- tele®, and Inductosyns®), and having any of the following characteristics: (a) a rated electrical error of 10 minutes or less, or of 0.25 percent or less of maximum out- put voltage, (b) a related dynamic ac- curacy for receiver types of 1" or less, ex- cept that for units of size 30 (3 inches in diameter) or larger a related dynamic ac- curacy of less than 1", or (c) designed to operate below minus 55° C. or above plus 125° C. (specify by name and model num- ber); and specially designed parts and accessories, n.e.c. (7 and 8) ⁹		601	STVWXYZ		500			A.
72909 Other servo control units, linear in- duction potentiometers, induction rate generators, synchros and resolvers; and instruments which perform functions similar to synchros or resolvers with a rated electrical error from 0.25 to 0.5 per- cent of maximum output voltage; and specially designed parts and accessories, n.e.c. [Report servo motors in No. 72210.] (7 and 8) ⁹		602	STVWXYZ		500	500		
<i>Professional, scientific, and controlling instruments; photographic and optical goods, watches, and clocks</i>								
86112 Optical elements as follows: (a) spe- cially designed for infrared or ultraviolet communications or detection equipment, or (b) specially designed for equipment providing amplification or oscillation by means of stimulated electromagnetic radia- tion, such as Masers, Lasers, or Irasers. (Specify by name and type.) (4 and 5) ⁹	No.	611	STVWXYZ	50	500	50		A.
86193 Optical measuring and checking in- struments, and parts. (4) ⁹		628	SZ	500				B.
86193 Other measuring and checking in- struments, appliances and machines; and parts. (6) ⁹		418	SZ	500				B.
86195 Vibration testing equipment capable of providing a thrust of 2,000 pounds or less. (10) ⁷ ⁹		412	STVWXYZ	500	500	500		

* For explanation, see § 299.1.

B. Saving clause. Shipments of com-
modities removed from general license
as a result of changes set forth in Part
A above which were on dock for lading,
on lighter, laden aboard an exporting
carrier, or in transit to a port of exit
pursuant to actual orders for export
prior to 12:01 a.m. August 11, 1967, may
be exported under the previous general
license provisions up to and including
September 5, 1967. Any such shipment
not laden aboard the exporting carrier
on or before September 5, 1967, requires
a validated license for export.

(Sec. 3, 63 Stat. 7; 50 U.S.C. App. 2023; E.O.
10945, 26 F.R. 4487, 3 CFR 1959-63 Comp.;
E.O. 11038, 27 F.R. 7003, 3 CFR 1959-63
Comp.)

[F.R. Doc. 67-9483; Filed, Aug. 15, 1967;
8:45 a.m.]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission PART 213—EXCEPTED SERVICE Office of Emergency Planning

Section 213.3326 is amended to show
that the position of Special Assistant
to the Assistant Director is excepted
under Schedule C. Effective on publica-
tion in the FEDERAL REGISTER, subpara-
graph (2) is added to paragraph (d) of
§ 213.3326 as set out below.

§ 213.3326 Office of Emergency Plan- ning.

(d) Office of the Assistant Direc-
tor. * * *

(2) One Special Assistant to the As-
sistant Director.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521,
3 CFR, 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERV-
ICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to
the Commissioners.

[F.R. Doc. 67-9594; Filed, Aug. 15, 1967;
8:49 a.m.]

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter I—Small Business Administration

[Rev. 3]

PART 120—LOAN POLICY

The Loan Policy Regulation of the
Small Business Administration, Part 120
(as published in 28 F.R. 6675, Rev. 2,
and amended in 29 F.R. 2486, 18419; 30
F.R. 9813, 15466), is hereby revised and
republished and as so revised reads as
follows:

Sec.

- 120.1 Introduction.
- 120.2 Business loans and guarantees.
- 120.3 Terms and conditions of financial
assistance.
- 120.4 Disaster loans and guarantees.

AUTHORITY: The provisions of this Part 120
issued under P.L. 85-536, sec. 5, 72 Stat. 385,
15 USC 634.

§ 120.1 Introduction.

(a) This part is established by the
SBA to set forth principles and policies
which will be followed in the granting
and denial of financial assistance to
small business concerns. It is not in-
tended that this general statement of
policy provide answers to all questions
which may arise in connection with spe-
cific applications.

(b) "Financial assistance" as used in
this part shall include direct loans made
by SBA, immediate participation loans,
and guaranteed loans.

(c) "Financial institution" as used in
this part shall include, but not be limited
to, banks and other concerns whose regu-
lar course of business entails the making
of commercial and industrial loans to
the general public.

§ 120.2 Business loans and guarantees.

Basic principles governing the grant-
ing and denial of applications for finan-
cial assistance:

(a) Applications for financial assist-
ance may be considered only when there
is evidence that the desired credit is not
otherwise available on reasonable terms.
The financial assistance applied for shall
be deemed to be otherwise available on
reasonable terms, unless it is satisfac-
torily demonstrated that: