Secondary Road 1215 in a southwesterly direction to Secondary Road 1253; thence, following Secondary Road 1253 in a southeasterly direction to Secondary Road 1058; thence, following Secondary Road 1058 in a southeasterly direction to Secondary Road 1252; thence, following Secondary Road 1252 in a southeasterly direction to Secondary Road 1211; thence, following Secondary Road 1211 in a southeasterly direction to Secondary Road 1210; thence, following Secondary Road 1210 in a southwesterly direction to Secondary Road 1207; thence, following Secondary Road 1207 in a southeasterly direction to Secondary Road 1205; thence, following Secondary Road 1205 in a southeasterly direction to Secondary Road 1204; thence, following Secondary Road 1204 in a northeasterly direction to Secondary Road 1202; thence, following Secondary Road 1202 in a southeasterly direction to U.S. Highway 13; thence, following U.S. Highway 13 in a northeasterly direction to State Highway 58; thence, following State Highway 58 in a southeasterly direction to its junction with State Highway 91 in the town of Snow Hill.

3. In § 76.2, paragraph (e) (3) relating to the State of Massachusetts is amended to read:

(3) *Massachusetts.* That portion of Bristol County comprised of Norton, Seekonk, and Rehoboth towns.

(Secs. 4–7, 23 Stat. 32, as amended, secs. 1, and 2, 32 Stat. 791–792, as amended, secs. 1–4, 33 Stat. 1264, 1265, as amended, sec. 1, 75 Stat. 481, secs. 3 and 11, 76 Stat. 130, 132; 21 U.S.C. 111, 112, 113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f; 29 F.R. 16210, as amended)

Effective date. The foregoing amendments shall become effective upon issuance.

The amendments quarantine Galveston County, Tex., a portion of Greene County, N.C., and portions of Bristol County, Mass., because of the existence of hog cholera. This action is deemed necessary to prevent further spread of the disease. The restrictions pertaining to the interstate movement of swine and swine products from or through quarantined areas as contained in 9 CFR Part 76, as amended, will apply to Galveston County, Tex., and the quarantined portions of Greene County, N.C., and Bristol County, Mass.

The amendments impose certain further restrictions necessary to prevent the interstate spread of hog cholera and must be made effective immediately to accomplish their purpose in the public interest. Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendments are impracticable and contrary to the public interest, and good cause is found for making them effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 8th day of April 1971.

GEORGE W. IRVING, JR.,
Administrator,
Agricultural Research Service.

[FR Doc.71-5087 Filed 4-12-71;8:47 am]

[Docket No. 71-540]

PART 76—HOG CHOLERA AND OTHER COMMUNICABLE SWINE DISEASES

Areas Quarantined

Pursuant to provisions of the Act of May 29, 1884, as amended, the Act of February 2, 1903, as amended, the Act of March 3, 1905, as amended, the Act of September 6, 1961, and the Act of July 2, 1962 (21 U.S.C. 111–113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f), Part 76, Title 9, Code of Federal Regulations, restricting the interstate movement of swine and certain products because of hog cholera and other communicable swine diseases, is hereby amended in the following respects:

In § 76.2, paragraph (e) (8) relating to the State of Ohio is amended to read:

(8) *Ohio.* That portion of Mercer County bounded by a line beginning at the junction of State Highway 49 and Philothea Road; thence, following State Highway 49 in a northerly direction to State Highway 29; thence, following State Highway 29 in an easterly direction to Gause Road; thence, following Gause Road in a southerly direction to Philothea Road; thence, following Philothea Road in a westerly direction to its junction with State Highway 49.

(Secs. 4–7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, secs. 1–4, 33 Stat. 1264, 1265, as amended, sec. 1, 75 Stat. 481, secs. 3 and 11, 76 Stat. 130, 132; 21 U.S.C. 111, 112, 113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f; 29 F.R. 16210, as amended)

Effective date. The foregoing amendment shall become effective upon issuance.

The amendment quarantines a portion of Mercer County, Ohio, because of the existence of hog cholera. This action is deemed necessary to prevent further spread of the disease. The restrictions pertaining to the interstate movement of swine and swine products from or through quarantined areas as contained in 9 CFR Part 76, as amended, will apply to the quarantined portion of such county.

The amendment imposes certain further restrictions necessary to prevent the interstate spread of hog cholera and must be made effective immediately to accomplish its purpose in the public interest. Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with repsect to the amendment are impracticable and contrary to the public interest, and good cause is found for making it effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 8th day of April 1971.

GEORGE W. IRVING, Jr.,
Administrator,
Agricultural Research Service.

[FR Doc.71-5088 Filed 4-12-71;8:47 am]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Regs. G and U]

PART 207—SECURITIES CREDIT BY PERSONS OTHER THAN BANKS, BROKERS, OR DEALERS

PART 221—CREDIT BY BANKS FOR THE PURPOSE OF PURCHASING OR CARRYING MARGIN STOCKS

Authority To Approve Certain Loans Under Appropriate Circumstances

1. Effective immediately § 207.1(f) is amended by adding a new subparagraph (3) as follows:

§ 207.1 General rule.

* * * * *

(f) *Credit extended to person subject to Regulation T.* * * *

(3) The Board of Governors of the Federal Reserve System may by order exempt from the prohibitions of this paragraph (f) and the requirements of this part, either unconditionally or upon specified terms and conditions or for stated periods, any loan for the purpose of making a loan or providing capital to a person who is subject to Part 220 of this chapter (Regulation T), upon a finding that the granting of such an exemption is necessary or appropriate, in the public interest or for the protection of investors: *Provided,* That the Securities Investor Protection Corp. shall have certified to the Board that such action is appropriate under the circumstances.

* * * * *

2. Effective immediately, § 221.2 is amended by deleting the period at the end of paragraph (k) and inserting in its place "; and", and by adding a new paragraph (l) as follows:

§ 221.2 Exceptions to general rule.

Notwithstanding the provisions of § 221.1, a bank may extend and may maintain any credit for the purpose specified in § 221.1, without regard to the limitations prescribed therein, or in § 221.3(t), if the credit comes within any of the following descriptions.

* * * * *

(l) Any loan for the purpose of making a loan or providing capital to a person who is subject to Part 220 of this chapter (Regulation T), which loan has been exempted by the Board of Governors of the Federal Reserve System, by order, from the requirements of this part, either unconditionally or upon specified terms and conditions or for stated periods, upon a finding that the granting of such an exemption is necessary or appropriate, in the public interest or for the protection of investors: *Provided* That the Securities Investor Protection Corp. shall have certified to the Board that such action is appropriate under the circumstances.

3a. These amendments are issued pursuant to section 7(d)(E) of the Securities Exchange Act of 1934 (15 U.S.C. 78g (d)(E). The changes are to authorize the Board, upon certification by the Securities Investor Protection Corp. that circumstances exist which warrant such action, to exempt a loan for the purpose of making a loan or providing capital to a broker or dealer subject to Part 220 (Reg. T) from the restrictions imposed by Parts 207 and 221 (Regs. G and U).

b. The requirements of section 553(b) of title 5, United States Code, with respect to notice, public participation, and deferred effective date were not followed in connection with these amendments because following such requirements would have prevented the Board's action from becoming effective as promptly as necessary in the public interest.

By order of the Board of Governors, March 30, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-5067 Filed 4-12-71;8:45 am]

Chapter VII—National Credit Union Administration

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

Minimum Bond Coverage Schedule

On page 3829 of the FEDERAL REGISTER of February 27, 1971, there was published a notice of proposed revision of the minimum bond coverage schedule contained in 12 CFR 701.20. Interested persons were given 30 days in which to submit written comments, suggestions, or objections regarding the proposed revision.

No objections have been received and the proposed revisions are hereby adopted without change and are set forth below.

Effective date. These revisions shall be effective as of May 1, 1971.

HERMAN NICKERSON, Jr.,
Administrator.

APRIL 2, 1971.

§ 701.20 Surety bond coverage for Federal credit unions.

(a) The board of directors of each Federal credit union shall at least semiannually carefully review the bond coverage in force in order to ascertain its adequacy in relation to the exposure and to the minimum requirements fixed from time to time by the Administrator.

(b) All surety bonds must provide for faithful-performance-of-duty coverage for any officer or employee while performing any of the duties of the treasurer as prescribed in the Act, the bylaws, or rules and regulations of the Administration.

(c) No form of surety bond shall be used except as is approved by the Administrator. Credit Union Blanket Bond, Standard Form No. 23 of the Surety Association of America (revised to May 1950), plus Faithful Performance Rider (for use with this form to broaden Clause (A)) (revised to May 1950) shall be considered as the minimum coverage required and is hereby approved. Credit Union Blanket Bonds—NCUA Optional Forms 576, 577, and 578—are also approved. No other bond form may be used unless specifically approved in writing by the Administrator. No form of surety bond is approved for use by a Federal credit union having its office outside of the continental United States unless by the terms of the bond or by an appropriate rider attached thereto the provisions of the bond are made applicable within the jurisdiction in which the office of such Federal credit union is located.

(d) All sureties writing Federal credit union bonds must hold a certificate of authority from the Secretary of the Treasury under the act of Congress approved July 30, 1947 (6 U.S.C., secs. 6–13), as an acceptable surety on Federal Bonds in the State or jurisdiction concerned.

(e) The schedule of coverage set forth in paragraph (f) of this section shall not be deemed to cover cash funds of $1,000 or more. When the cash fund is $1,000 or more, additional coverage—to the full amount of the fund—will be required up to total surety bond coverage of $5 million.

(f) The following schedule shall be deemed as the minimum requirements only:

Assets:	*Minimum coverage*
$0,000 to $5,000	$1,000.
$5,001 to $10,000	$2,000.
$10,001 to $20,000	$4,000.
$20,001 to $30,000	$6,000.
$30,001 to $40,000	$8,000.
$40,001 to $50,000	$10,000.
$50,001 to $75,000	$15,000.
$75,001 to $100,000	$20,000.
$100,001 to $150,000	$30,000.
$150,001 to $200,000	$40,000.
$200,001 to $300,000	$50,000.
$30,001 to $400,000	$60,000.
$400,001 to $500,000	$70,000.
$500,001 to $750,000	$85,000.
$750,001 to $1,000,000.	$100,000.
$1,000,001 to $50,000,000.	$100,000 plus $50,000 for each million or fraction thereof of assets over $1,000,000.
$50,000,001 to $150,000,000.	$2,500,000 plus $25,000 for each million or fraction thereof of assets over $50,000,000.
Over $150,000,000	$5,000,000.

It shall be the duty of the board of directors of each Federal credit union to provide proper protection to meet any circumstances by obtaining adequate bond (and insurance) coverage in excess of the above minimum schedule.

(g) The Administrator may require additional coverage for any Federal credit union when, in his opinion, the surety bonds in force are insufficient to provide adequate surety coverage and it shall be the duty of the board of directors of the Federal credit union to obtain such additional coverage within 30 days after the date of written notice.

[FR Doc.71-5090 Filed 4-12-71;8:47 am]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAXES

[T.D. 7105]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Definition of Pooled Income Fund; Correction

On April 6, 1971, T.D. 7105 was published in the FEDERAL REGISTER (36 F.R. 6477). The corrections listed below are made to the Income Tax Regulations (26 CFR Part 1), as prescribed by T.D. 7105:

1. The word "indentify" appearing on the 37th line in paragraph (b)(3) of § 1.642(c)-5 should be corrected to read "identify".

2. The words "which are ordinarily exercised by a" appearing on the 29th line in paragraph (b)(5) of § 1.642(c)-5 should be deleted and inserted after the words "responsibilities with respect to the fund" appearing on the 13th line in paragraph (b)(6) of § 1.642(c)-5.

3. The sentence "Such adjustments may be made * * *" commencing on the 16th line in paragraph (c)(2)(iii) of § 1.642(c)-5 should be revised to read "Such adjustments may be made by any reasonable method, including the use of a method whereby the fair market value of the property in the fund at the time of the transfer is deemed to be the average of the fair market values of the property in the fund on the determination dates immediately preceding and succeeding the date of transfer."

4. Immediately after the revised sentence referred to in paragraph 3, the following sentence should be added to paragraph (c)(2)(iii) of § 1.642(c)-5: "For purposes of determining such average any property transferred to the fund between such preceding and succeeding dates, or on such succeeding date, shall be excluded."

5. In the example in paragraph (c)(2)(iii) of § 1.642(c)-5, the sentence "No other property is transferred to the fund after April 1, 1971." should be added after the sentence "On April 15, 1971, B transfers property with a fair market value of $50,000 to the fund, retaining for himself for life an income interest in such property." In addition, the last sentence "Accordingly, the fair market value * * *" in the example should be revised to read "Accordingly, the fair market value of a unit of participation in the fund on April 15, 1971, at the time of B's transfer may be deemed to be $105 ($105,000/1,000 units), and B is assigned 476.19 units of participation in the fund ($50,000/$105)."

6. The words "to be distributed currently to X University." should be inserted after the words "the end of each quarter of the fiscal year is" appearing on the 18th line of example (3) in paragraph (c)(4) of § 1.642(c)-5.

7. A comma should be added after the year "1971" on the 3d line in paragraph (a)(2) of § 1.642(c)-7.

8. The sentence "A fund which is established as a separate fund * * *" commencing on the 12th line in paragraph (a)(2) of § 1.642(c)-7 should be revised to read "A separate fund which is established pursuant to this subparagraph shall be treated as provided in paragraph (d) of this section for the period beginning on the day of the first transfer of property which becomes part of the separate fund and ending the day before the day on which the separate fund meets the requirements of section 642(c)(5) and § 1.642(c)-5."

9. The word "begun" appearing on the 12th line in paragraph (c)(1) of § 1.642(c)-7 should be changed to read "commenced".

JAMES F. DRING,
Director, Legislation and Regulations Division.

[FR Doc.71-5130 Filed 4-12-71;8:50 am]

[T.D. 7108]

PART 13—TEMPORARY INCOME TAX REGULATIONS UNDER THE TAX REFORM ACT OF 1969

Period for Termination of Private Foundation Status by Transfer to, or Operation as, Public Charity

The following regulations relate to the application of section 507(b)(1) of the Internal Revenue Code of 1954, as added by section 101(a) of the Tax Reform Act of 1969 (83 Stat. 492) to the requirements for termination of private foundation status by transfer to, or operation as, a public charity.

The regulations set forth herein are temporary and are designed to amend Temporary Treasury Regulation § 13.12, added by T.D. 7063, 35 F.R. 15913 (1970), as modified by T.D. 7085, 36 F.R. 150 (1971), in order to provide certain organizations which have not terminated their private foundation status under section 507(b)(1)(A) or (B) by May 15, 1971, certain alternatives with respect to the payment of the tax imposed under section 4940.

In order to provide such temporary regulations under section 507(b)(1) of the Internal Revenue Code of 1954, the regulations are amended as follows:

Temporary Treasury Regulation § 13.12 is amended by revising paragraph (a)(4)(iii) and adding a new paragraph (k), as follows:

§ 13.12 Termination of private foundation status by transfer to, or operation as, public charity.

(a) * * *

(4) * * *

(iii) If the period described in subdivision (ii) of this subparagraph has not expired prior to the due date for the organization's Form 990 (determined with regard to any extension of time for filing the return) for its first taxable year which begins after December 31, 1969, and if the organization has not terminated its private foundation status under section 507(b)(1)(A) by such date, then notwithstanding the provisions of subdivision (ii) of this subparagraph, the organization must take either of the following courses of action:

(*a*) Complete and file its Form 990, including the line entitled "Tax on investment income from Part III", by such date, and pay the tax on investment income imposed under section 4940 at the time it files its Form 990. If such organization subsequently terminates its private foundation status under section 507(b)(1)(A) within the period specified in subdivision (ii) of this subparagraph, it may file a claim for refund of the tax paid under section 4940; or

(*b*) Complete and file its Form 990, except for the line entitled "Tax on investment income from Part III", by such date, and, in lieu of paying the tax on investment income imposed under section 4940, file a statement with its Form 990 which establishes to the satisfaction of the Commissioner that the organization has taken affirmative action by such date to terminate its private foundation status under section 507(b)(1)(A). Such statement must indicate the type of affirmative action taken and explain how such action will result in the termination of its private foundation status under section 507(b)(1)(A). Such affirmative action may include making application to the appropriate State court for approval of the distribution of all net assets pursuant to section 507(b)(1)(A) in the case of a charitable trust, or the passage of a resolution by the organization's governing body directing the distribution of all net assets pursuant to section 507(b)(1)(A) in the case of a not-for-profit corporation. A written commitment or letter of agreement by the trustees or governing body to one or more section 509(a)(1) distributees indicating an intent to distribute all of the organization's net assets to such distributees will also constitute appropriate affirmative action for purposes of this subdivision. An organization may take such affirmative action and may terminate its private foundation status under section 507(b)(1)(A) in reliance upon Temporary Treasury Regulation § 13.12 and upon the provisions of the notices of proposed rule making under sections 170(b)(1)(A), 507(b)(1), and 509. Thus, if a distributee organization meets the requirements of the provisions of the notices of proposed rule making under sections 170(b)(1)(A), 507, or 509 as a distributee under section 507(b)(1)(A), the distributor organization may terminate its private foundation status under section 507(b)(1)(A) in reliance upon such provisions prior to the expiration of the period described in subdivision (ii) of this subparagraph. If such organization, however, fails to terminate its private foundation status under section 507(b)(1)(A) within the period specified in subdivision (ii) of this subparagraph, pursuant either to the provisions of the notices of proposed rule making under section 170(b)(1)(A), 507(b)(1), or 509 or to the final regulations published under these code sections, the tax imposed under section 4940 shall be treated as if due from the due date for its Form 990 (determined without regard to any extension of time for filing its return).

The provisions of this subdivision are applicable only to an organization terminating its private foundation status under section 507(b)(1)(A) and may not be relied upon by any other organization with respect to its own classification under section 509(a)(1) (except as to its status as a distributee under section 507(b)(1)(A)).

* * * * *

(k) *Special transitional rules for organizations operating as public charities.* In the case of an organization seeking to terminate its private foundation status under section 507(b)(1)(B), if the period described in paragraph (j)(1) of this section has not expired prior to the due date for the organization's Form 990 (determined with regard to any extension of time for filing the return) for its first taxable year which begins after December 31, 1969, and if the organization has not terminated its private foundation status under section 507(b)(1)(B) by such date, then notwithstanding the provisions of paragraph (j) of this section, the organization must take either of the following courses of action:

(1) Complete its Form 990, including the line entitled "Tax on investment income from Part III", by such date, and pay the tax on investment income imposed under section 4940 at the time it files its Form 990. If such organization subsequently terminates its private foundation status under section 507(b)(1)(B) within the period specified in paragraph (j) of this section, it may file a claim for refund of the tax paid under section 4940; or

(2) Complete and file its Form 990, except for the line entitled "Tax on investment income from Part III", by such date, and, in lieu of paying the tax on investment income imposed under section 4940, file a statement with its Form 990 which establishes to the satisfaction of the Commissioner that the organization has taken affirmative action by such date to terminate its private foundation status under section 507(b)(1)(B). Such statement must indicate the type of affirmative action taken and explain how such action will result in the termination of its private foundation status under section 507(b)(1)(B). Such affirmative action may include making application to the appropriate State court for approval to amend the provisions of the organization's trust instrument to limit payments to specified section 509(a)(1)