DEPARTMENT OF THE TREASURY

Internal Revenue Service

[T.D. 7624]

26 CFR Part 1

Income Tax; Time for Filing Interest or Dividend Information Returns

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document provides final regulations relating to the time requirements for furnishing certain dividend or interest information statements. The regulations would provide the public with the guidance needed for compliance with the law relating to the furnishing of information statements and would affect persons who are required to furnish such statements.

EFFECTIVE DATE: The regulations will be effective for statements filed after April 30, 1979.

FOR FURTHER INFORMATION CONTACT: Annie R. Alexander of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, D.C. 20224, Attention: CC:LR:T, 202-566-3671, not a toll-free call.

SUPPLEMENTARY INFORMATION:

Background

On February 20, 1979, the Federal Register published proposed amendments to the Income Tax Regulations (26 CFR Part 1) under sections 6042 and 6049 of the Internal Revenue Code of 1954 (44 FR 10396). There were no public comments regarding the proposed amendments. There was no public hearing. Therefore, the regulations as proposed in the notice of proposed rulemaking are adopted, without change, by this Treasury decision. The preamble to the notice of proposed rulemaking summarizes and explains the proposed amendments.

Drafting Information

The principal author of this regulation is Annie R. Alexander of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulation, both on matter of substance and style.

Adoption of amendments to the regulations

Accordingly, 26 CFR Part 1 is amended by adopting without change the regulations proposed in the notice of proposed rulemaking published in the Federal Register on February 20, 1979 (44 FR 10396).

This Treasury decision is issued under the authority contained in sections 6042, 6049, and 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

Jerome Kurtz,
Commissioner of Internal Revenue.

Approved: May 17, 1979.

Donald C. Lubick,
Assistant Secretary of the Treasury.

§ 1.6042-4 [Amended]

Paragraph 1. Paragraph (c)(1) of § 1.6042-4 is amended by substituting "April 30" for "September 30" in the last sentence.

§ 1.6042-3 [Amended]

Par. 2. Paragraph (c)(1)(i) of § 1.6049-3 is amended by substituting "April 30" for "September 30" in the last sentence.

[FR Doc. 79-16725 Filed 5-29-79; 8:45 am]

BILLING CODE 4830-01-M

[T.D. 7625]

26 CFR Part 1

Income Tax; Involuntary Conversion of Real Property

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document provides final regulations relating to the involuntary conversion of real property. Changes in the applicable tax law were made by the Tax Reform Act of 1976. These regulations provide necessary guidance to the public for compliance with that Act.

EFFECTIVE DATES: The regulations are effective for certain dispositions occurring after December 31, 1974.

FOR FURTHER INFORMATION CONTACT: David B. Cubeta of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, D.C. 20224 (Attention: CC:LR:T) 202-566-3926.

SUPPLEMENTARY INFORMATION:

Background

On October 17, 1978, the Federal Register published proposed amendments to the Income Tax Regulations (26 CFR Part 1) under section 1033 of the Internal Revenue Code of 1954. The amendments were proposed to conform the regulations to sections 2140 and 1901 (a) (128) of the Tax Reform Act of 1976 (Pub. L. 94-455, 90 Stat. 1932, 1785). Neither the proposed amendments nor this Treasury decision reflect the amendments made to section 1033 by section 542 of the Revenue Act of 1978 (P.L. 95-600, 92 Stat. 2888). No written comments were received, and no public hearing was requested or held. The proposed amendments are adopted by this Treasury decision with two clarifying changes as explained below.

Explanation of Provisions

These regulations contain the special rule of section 1033 (f)(4) relating to the time within which involuntarily converted real property held for productive use in trade or business or for investment must be replaced in order to qualify for nonrecognition of gain. This rule provides that the period shall commence with the date of the property's disposition as a result of its seizure, requisition, or condemnation (or, if earlier, the date of the threat or imminence thereof) and end 3 years (rather than 2 years as under prior law) after the close of the first taxable year in which any part of the gain is realized. This Treasury decision clarifies that the special rule applies to a disposition occurring after December 31, 1974, unless a condemnation proceeding with respect to the property was begun before October 4, 1976. The Treasury decision also provides that State or Federal procedural law determines when a condemnation proceeding has begun. The regulations are also conformed to the statute as amended by the deletion of various obsolete provisions.

Drafting Information

The principal author of this regulation is David B. Cubeta of the Legislation and Regulations Division of the Office of Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulation, both on matters of substance and style.

Adoption of Amendments to the Regulations

Accordingly, the proposed amendments to 26 CFR Part 1, set forth in the notice of proposed rulemaking published in the Federal Register on October 17, 1978, are hereby adopted with the following change:

Section 1.1033(f)-1, as redesignated and set forth in paragraph 9 of the notice

of proposed rulemaking, is amended by revising paragraph (b) to read as follows:

§ 1.1033(f)–1 Condemnation of real property held for productive use in trade or business or for investment.

* * * * *

(b) *Sepcial rule for period within which property must be replaced.* In the case of a disposition described in paragraph (a) of this section, section 1033(a)(2)(B) and § 1.1033(a)–2(c)(3) (relating to the period within which the property must be replaced) shall be applied by substituting 3 years for 2 years. This paragraph shall apply to any disposition described in section 1033(f)(1) and paragraph (a) of this section occurring after December 31, 1974, unless a condemnation proceeding with respect to the property was begun before October 4, 1976. Thus, regardless of when the property is disposed of, the taxpayer will not be eligible for the 3-year replacement period if a condemnation proceeding was begun before October 4, 1976. However, if the porperty is disposed of after December, 31, 1974, and the condemnation proceeding was begun (if at all) after October 3, 1976, then the taxpayer is eligible for the 3-year replacement period. For the purposes of this paragraph, whether a condemnation proceeding is considered as having begun is determined under the applicable State or Federal procedural law.

* * * * *

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

Jerome Kurtz,

Commissioner of Internal Revenue.

Approved: May 18, 1979.

Daniel I. Halperin,

Acting Assistant Secretary of the Treasury.

Paragraph 1. Section 1.1033(a)–1 is amended by striking out "§ 1.1033(b)–1" each place it appears and inserting in lieu thereof "§ 1.1033(a)–3", by striking out "§ 1.1033(c)–1" and inserting in lieu thereof "§ 1.1033(b)–1", by striking out "§§ 1.1033(d)–1, 1.1033(e)–1, and 1.1033(f)–1" and inserting in lieu thereof "§§ 1.1033(c)–1, 1.1033(d)–1, and 1.1033(e)–1", by striking out "§ 1.1033(g)–1" and inserting in lieu thereof "§ 1.1033(f)–1", and by deleting the next to the last sentence of paragraph (a).

Par. 2. Section 1.1033(a)–2 is amended by striking out "section 1033(a)(3)" each place it appears and inserting in lieu thereof "section 1033(a)(2)", by striking out "section 1033(c)" each place it appears and inserting in lieu thereof "section 1033(b)", by deleting the first sentence of paragraph (a), by revising the heading of § 1.1033(a)–2, and by adding flush material following subdivision (ii) of paragraph (c)(3). The revised and added material reads as follows:

§ 1.1033(a)–2 Involuntary conversion into similar property, into money or into dissimilar property.

* * * * *

(c) *Conversion into money or into dissimilar property.* * * *

(3) * * *

(ii) * * *

See section 1033(f)(4) and § 1.1033(f)–1 for the circumstances under which, in the case of the conversion of real property held either for productive use in trade or business or for investment, the 2-year period referred to in this paragraph (c)(3) shall be extended to 3 years.

* * * * *

§§ 1.1033(a)–3 and 1.1033(a)–4 [Deleted]

Par. 3. Sections 1.1033(a)–3 and 1.1033(a)–4 are deleted.

§ 1.1033(b)–1 [Redesignated as § 1.1033(a)–3 and Amended]

Par. 4. Section 1.1033(b)–1 is redesignated as § 1.1033(a)–3 and is amended by deleting the third and fourth sentences, and by striking out "section 1034(i)(2)" and inserting in lieu thereof "section 1034(i)".

§ 1.1033(c)–1 [Redesignated as § 1.1033(b)–1 and Amended]

Par. 5. Section 1.1033(c)–1 is redesignated as § 1.1033(b)–1 and is amended by striking out "section 1033(c)" each place it appears and inserting in lieu thereof "section 1033(b)".

§ 1.1033(d)–1 [Redesignated as § 1.1033(c)–1 and Amended]

Par. 6. Section 1.1033(d)–1 is redesignated as § 1.1033(c)–1 and is amended by striking out "section 1033(d)" each place it appears and inserting in lieu thereof "section 1033(c)".

§ 1.1033(e)–1 [Redesignated as § 1.1033(d)–1]

Par. 7. Section 1.1033(e)–1 is redesignated as § 1.1033(d)–1.

Par. 8. Section 1.1033(f)–1 is redesignated as §1.1033(e)–1 and is amended by striking out "section 1033(f)" each place it appears and inserting in lieu thereof "section 1033(e)"

§ 1.1033(g)–1 [Redesignated as 1.1033(f)–1 and Amended]

Par. 9. Section 1.1033(g)–1 is redesignated as §1.1033(f)–1 and is amended by redesignating paragraph (b) as paragraph (c), by adding a new paragraph (b) and by revising redesignated paragraph (c). The added and revised material reads as follows:

§ 1.1033(f)–1 Condemnation of real property held for productive use in trade or business or for investment.

* * * * *

(b) *Special rule for period within which property must be replaced.* In the case of a disposition described in paragraph (a) of this section, section 1033(a)(2)(B) and § 1.1033(a)–2(c)(3) (relating to the period within which the property must be replaced) shall be applied by substituting 3 years for 2 years. This paragraph shall apply to any disposition described in section 1033(f)(1) and paragraph (a) of this section occurring after December 31, 1974, unless a condemnation proceeding with respect to the property was begun before October 4, 1976. Thus, regardless of when the property is disposed of, the taxpayer will not be eligible for the 3-year replacement period if a condemnation proceeding was begun before October 4, 1976. However, if the property is disposed of after December 31, 1974, and the condemnation proceeding was begun (if at all) after October 4, 1976, then the taxpayer is eligible for the 3-year replacement period. For the purposes of this paragraph, whether a condemnation proceeding is considered as having begun is determined under the applicable State or Federal procedural law.

(c) *Limitation on application of special rule.* This section shall not apply to the purchase of stock in the acquisition of control of a corporation described in section 1033(a)(2)(A).

§ 1.1033(h)–1 [Redesignated as § 1.1033(g)–1 and Amended]

Par. 10. Section 1.1033(h)–1 is redesignated as § 1.1033(g)–1 and is amended by striking out "§ 1.1033(f)–1 and § 1.1033(g)–1" and inserting in lieu thereof "§ 1.1033(e)–1 and § 1.1033(f)–1."

§ 1.1034–1(h)(1) [Amended]

Par. 11. Section 1.1034(h)(1) is amended by striking out "§ 1.1033(b)–1" and inserting in lieu thereof "§ 1.1033(a)–3."

§ 1.1033(a)—1.1033(h) [Deleted]

Par. 12. The following sections are deleted: § 1.1033(a) and the historical note; § 1.1033(b); § 1.1033(c); § 1.1033(d); § 1.1033(e); § 1.1033(f) and the historical note; § 1.1033(g) and the historical note; and § 1.1033(h) and the historical note.

[FR Doc. 79-16726 Filed 5-29-79; 8:45 am]

BILLING CODE 4830-01-M

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 43a

[DOD Directive 1344.9] [1]

Indebtedness of Military Personnel

AGENCY: Office of the Secretary of Defense.

ACTION: Final rule.

SUMMARY: This rule revises Department of Defense (DOD) policies regarding the processing of claims of delinquent indebtedness against members of the Armed Forces, incorporating provisions of (a) the Truth in Lending Act, and (b) the recently enacted Fair Debt Collection Practices Act which prohibits debt collection agencies from contacting third parties.

EFFECTIVE DATE: May 7, 1979.

FOR FURTHER INFORMATION CONTACT: Ms. Barbara Schoenberger, Office of the Deputy Assistant Secretary of Defense (Military Personnel Policy), The Pentagon, Washington, D.C. 20301, Telephone 202-697-9525.

SUPPLEMENTARY INFORMATION: In FR Doc. 78-11263 appearing in the **Federal Register** on April 26, 1978 (43 FR 17838), the Office of the Secretary of Defense published a proposed rule establishing guidelines for the Military Departments in the handling and processing of claims of delinquent indebtedness against military members of the Armed Forces. In FR Doc. 78-14870 appearing in the **Federal Register** on May 30, 1978 (43 FR 23001) the Office of the Secretary of Defense published an extension of the comment period. Comments received suggested minor changes in the "Standards of Fairness" which were incorporated into the final rule.

Accordingly, we are revising Part 43a 32 CFR Chapter I, reading as follows:

PART 43A—INDEBTEDNESS OF MILITARY PERSONNEL

Sec.

43a.1 Reissuance and purpose.
43a.2 Applicability and scope.
43a.3 Definitions.
43a.4 Responsibilities.
43a.5 General policies.
43a.6 Debt processing procedures.
43a.7 Abuse of the processing privilege.
43a.8 Full disclosure and standards of fairness by creditors.
43a.9 Standards of fairness.
43a.10 Certificate of Compliance.

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, 5801 Tabor Avenue, Philadelphia, PA 19120. Attention: Code 301.

Authority: The provisions of this Part 43a issued under sec. 301, 80 Stat. 379; 5 U.S.C. 301.

§ 43a.1 Reissuance and Purpose.

This Part: (a) Reissues Part 43a to update established Department of Defense policy governing delinquent indebtedness of military members of the Armed Forces;

(b) Sets forth procedures for processing claims of such indebtedness against military members; and

(c) Incorporates the provisions of Pub. L. 90-321, "Truth in Lending Act," Section 125 (15 U.S.C. 1601 (1976)) and 95-109, "Fair Debt Collection Practices Act," September 20, 1977.

§ 43a.2 Applicability and Scope.

(a) The provisions of this Part apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Defense Agencies, and the Unified and Specified Commands (hereafter referred to as "DOD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

(b) Excluded from the provisions of this Part are claims for support of dependents, or claims by the Federal, State, or municipal Government.

§ 43a.3 Definitions.

(a) *Just Financial Obligations.* A legal debt acknowledged by the military member in which there is no reasonable dispute as to the facts or the law; *or* one reduced to judgment which conforms to 50 U.S.C. app. 501, if applicable.

(b) *A Proper and Timely Manner.* A manner which under the circumstances does not reflect discredit on the military service.

(c) *Debt Collector.* An agency or agent solely engaged in the collection of debts described under Pub. L. 95-109.

§ 43a.4 Responsibilities.

(a) The *Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics)* shall establish policies and procedures governing the assistance to be provided by military authorities to creditors of military personnel.

(b) The *Heads of DoD Components*, or designees, shall:

(1) Urge military personnel to meet their just financial obligations, since failure to do so damages their credit reputation and affects the public image of all DoD personnel 32 CFRs 230, 231, and 40.

(2) Assure implementation of this Part and compliance with its provisions.

§ 43a.5 General Policies.

(a) Members of the Armed Forces are expected to pay their just financial obligations in a proper and timely manner. However, DoD Components have no legal authority, except as stated in § 43a.5(b) below, to require members to pay a private debt or to divert any part of their pay for its satisfaction, even though the indebtedness may have been reduced to judgment by a civil court. The enforcement of the private obligations of a military member is a matter for civil authorities.

(b) Legal process instituted in civil courts to enforce judgments against military personnel for the payment of alimony or child support will be acted upon in accordance with the provisions of Pub. L. 93-647, as amended (42 USC 659 (1976)), and part 7, chapter 7, section B of DoD Military Pay and Allowances Entitlements Manual.[2]

(c) The processing of debt complaints will not be extended to those (1) who have not made a bona fide effort to collect the debt directly from the military member; (2) whose claims are patently false and misleading; or (3) whose claims are obviously exorbitant. Claimants desiring to contact a military member about indebtedness may obtain the member's military address by writing to the locator service of the Military Department concerned, and enclosing the appropriate fee for the service, as provided under (32 CFR 288).

(d) Some States have enacted laws which prohibit creditors from contacting a debtor's employer with respect to indebtedness or communicating facts on indebtedness to an employer unless certain conditions are met. The conditions which must be met to remove this prohibition are generally such things as reduction of a debt to judgment and obtaining written permission of the debtor.

(1) At DoD installations in States having such laws, the processing of debt complaints will not be extended to those creditors who are in violation of the State law. Commanders may advise creditors that this rule has been established because it is the general policy of the Military Services to comply with State law when that law does not infringe upon significant military interests.

(2) This policy will govern even though a creditor is not licensed to do business in the State where the debtor is located. A similar practice will be inaugurated in any State enacting a similar law with respect to debt collection.

[2] Available through normal DoD publications channels.

(e) Under the provisions of Pub. L. 95–109, contact by a debt collector with third parties, such as commanding officers, for the purpose of aiding debt collection is prohibited without the prior consent of the debtor, given directly to the debt collector, or without a court order. Creditors are generally exempt from Pub. L. 95–109, but only when they collect on their own behalf.

§ 432.6 Debt Processing Procedures.

(a) It is incumbent on those submitting indebtedness complaints to show that the disclosure requirements of Pub. L. 90–321 and Regulation Z (12 CFR 226, 226.3, 226.9 (1978)) have been met and that the Standards of Fairness § 43a.9 have been applied.

(b) Creditors subject to Regulation Z, and assignees claiming thereunder, shall submit with their request for debt processing assistance an executed copy of the Certificate of Compliance (enclosure 2), and a true copy of the general and specific disclosures provided the military member as required by Pub. L. 90–321. Requests which do not meet these requirements will be returned without action to the claimant.

(c) A creditor not subject to Regulation Z, such as a public utility company (as set forth in section 226.3 thereof), shall submit with the request a certification that no interest, finance charge, or other fee is in excess of that permitted by the law of the State in which the obligation was incurred.

(d) A foreign-owned company having debt complaints shall submit with its request a true copy of the terms of the debt (English translation) and shall certify that it has subscribed to the Standards of Fairness (§ 43a.9).

(e) Indebtedness complaints which meet the requirements of the Part will be processed by DoD Components. "Processed" means that Heads of DoD Components, or designees, shall:

(1) Review all available facts surrounding the transaction forming the basis of the complaint, including the member's legal rights and obligations, and any defenses or counterclaims the member may have.

(2) Advise the member that (i) just financial obligations are expected to be paid in a proper and timely manner, and what the member should do to comply with that policy; and (ii) financial and legal counseling services are available under the provisions of (32 CFR 43) in resolving indebtedness.

(3) If a member acknowledges a debt as a result of creditor contact with a DoD Component, advise the member that assistance and counseling are available from the on-base military banking office and the credit union serving the military field of membership.

(4) Direct that the appropriate commander advise the claimant that (i) those apsects of DoD policy prescribed in § 43a.5, are pertinent to the particular claim in question; and (ii) the member concerned has been counseled concerning his or her obligations with respect to the claim. The commander's response will not undertake to arbitrate any disputed debt, or to admit or deny the validity of the claim. Under no circumstances will the response indicate whether any action has been taken against the member as a result of the complaint.

§ 43a.7 Abuse of the Processing Privilege.

DoD Components may promulgate policies and procedures that will deny any claimant the processing of the claim where:

(a) A claimant, having been notified of the requirements of this Directive, refuses or repeatedly fails to comply with them; *or*

(b) A claimant, regardless of the merits of the claim, clearly has shown that an attempt is being made to make unreasonable use of the processing privilege.

§ 43a.8 Full Disclosure and Standards of Fairness by Creditors.

Pub. L. 90–321 prescribes the general disclosure requirements which must be met by those offering or extending consumer credit, and Regulation Z prescribes the specific disclosure requirements for both open-end and installment credit transactions. In place of Federal Government requirements, State regulations apply to credit transactions when the Federal Reserve Board has determined that the State regulations impose substantially similar requirements and provide adequate enforcement measures. Commanding officers should check regulations of the Federal Reserve Board to determine whether Federal or State laws and regulations govern.

§ 43a.9 Standards of Fairness.

(a) No finance charge contracted for, made, or received under any contract shall be in excess of the charge which could be made for such contract under the law of the place in which the contract is signed in the United States by the military member.

(1) In the event a contract is signed with a U.S. company in a foreign country, the lowest interest rate of the State or States in which the company is chartered or does business shall apply.

(2) However, interest rates and service charges applicable to overseas military banking facilities will be established by the Department of Defense.

(b) No contract or loan agreement shall provide for an attorney's fee in the event of default unless suit is filed, in which event the fee provided in the contract shall not exceed 20 percent of the obligation found due. No attorney fees shall be authorized if the attorney is a salaried employee of the holder.

(c) In loan transactions, defenses which the debtors may have against the original lender or its agent shall be good against any subsequent holder of the obligation. In credit transactions, defenses against the seller or its agent shall be good against any subsequent holder of the obligation, provided that the holder had actual knowledge of the defense or under conditions where reasonable inquiry would have appraised the holder of this fact.

(d) The military member shall have the right to remove any security for the obligation beyond State or national boundaries if the military member or family moves beyond such boundaries under military orders and notifies the creditor, in advance of the removal, of the new address where the security will be located. Removal of the security shall not accelerate payment of the obligation.

(e) No late charge shall be made in excess of 5 percent of the late payment, or $5.00 whichever is the lesser amount, or as provided by law or applicable regulatory agency determination. Only one late charge may be made for any tardy installment. Late charges will not be levied where an allotment has been timely filed, but payment of the allotment has been delayed. Late charges by overseas banking facilities are a matter of contract with the Department of Defense. Late charges by Federal credit unions are set at 20 percent of the interest due with a minimum of not less than 5 cents.

(f) The obligation may be paid in full at any time or through accelerated payments of any amount. There shall be no penalty for prepayment and in the event of prepayment that portion of the finance charges which has inured to the benefit of the seller or creditor shall be prorated on the basis of the charges which would have been ratably payable had finance charges been calculated and payable as equal periodic payments over the terms of the contract and only the prorated amount to the date of prepayment shall be due. As an alternative the "Rule of 78" may be applied.

(g) If a charge is made for loan insurance protection, it must be evidenced by delivery of a policy or certificate of insurance to the military member within 30 days.

(h) If the loan or contract agreement provides for payments in installments, each payment, other than the down payment, shall be in equal or substantially equal amounts, and installments shall be successive and of equal or substantially equal duration.

(i) If the security for the debt is repossessed and sold in order to satisfy or reduce the debt, the repossession and resale will be governed by the laws of the State in which the security is requested.

(j) A contract for personal goods and services may be terminated at any time before delivery of the goods or services without charge to the purchaser. However, if goods made to the special order of the purchaser result in preproduction costs, or require preparation for delivery, such additional costs will be listed in the order form or contract.

(1) No termination charge will be made in excess of this amount. Contracts for delivery at future intervals may be terminated as to the undelivered portion.

(2) The purchaser shall be chargeable only for that proportion of the total cost which the goods or services delivered bear to the total goods called for by the contract. (This is in addition to the right to rescind certain credit transactions involving a security interest in real estate provided by Pub. L. 90–321 and the FRB Regulation Z.)

§ 43a.10 Certificate of Compliance.

I certify that the _____ (Name of Creditor) upon extending credit to _____ (Name of Obligor) on _____ (Date) complied with the full disclosure requirements of the Truth-in-Lending Act and Regulation Z, and the Fair Debt Collection Practices Act (or the laws and regulations of State of _____), and that the attached statement is a true copy of the general and specific disclosures provided the obligor as required by law.

I further certify that the Standards of Fairness set forth in § 43a have been applied to the consumer credit transaction to which this form refers. (If the unpaid balance has been adjusted as a consequence, the specific adjustments in the finance charge and the annual percentage rate should be set forth below.)

_____ (Adjustments)

_____

_____

_____ (Date of Certification)

_____ (Signature of Creditor or Authorized Representative)

_____ (Street)

_____ (City, State and Zip Code)

H. E. Lofdahl,

Director, Directives Division, Washington Headquarters Services, Department of Defense.

May 24, 1979.

[FR Doc. 79-16772 Filed 5-29-79; 8:45 am]

BILLING CODE 3810-70-M

GENERAL SERVICES ADMINISTRATION

41 CFR Parts 5-1, 5A-1, 5B-1

Reestablishment of Chapter 5 and Change in Issuing Authority for Chapters 5A and 5B

Correction

In FR Doc. 79-15872 appearing at page 29668 in the issue of Tuesday, May 22, 1979, the heading should read as set forth above.

BILLING CODE 1505-01-M

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

45 CFR Part 185

Emergency School Aid

AGENCY: Office of Education, HEW.

ACTION: Final Rule.

SUMMARY: This rule governs the award of fiscal year 1979 grants to State educational agencies (SEAs) to help local educational agencies (LEAs) desegregate their schools voluntarily.

EFFECTIVE DATE: This rule is expected to take effect 45 days after it is transmitted to Congress. This rule will be transmitted to Congress several days before it is published in the **Federal Register**. The effective date is changed by statute if Congress disapproves the provisions of this rule or takes certain adjournments. If you want to know the effective date of this rule, call or write the Office of Education contact person.

ADDRESSES: Comments should be addressed to Ethel Jackson, U.S. Office of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202.

FOR FURTHER INFORMATION CONTACT: Ethel Jackson, Telephone (202) 245–8230.

SUPPLEMENTARY INFORMATION: Under the authority of the Emergency School Aid Act ("ESAA" or "the Act"; 20 U.S.C. 1601 *et seq.*) and, in particular, the authority to carry out special programs and projects under 20 U.S.C. 1607(a)(2), the Commissioner of Education—to whom the Assistant Secretary for Education has delegated functions under the Act—announces this rule governing fiscal year 1979 assistance to SEAs.

Background

The Commissioner believes SEAs should be encouraged to play a larger role in planning and implementing voluntary desegration in the school districts of their States.

SEAs currently receive funds under Title IV of the Civil Rights Act of 1964 ("title IV") to provide technical assistance and training to public school districts in connection with race desegregation. However, those funds may be used only to assist districts that are correcting conditions of racial separation resulting from State or local law or official action (see 45 CFR 180.04).

Many districts that are not eligible for race desegregation assistance under title IV have desegregation-related needs similar to those of eligible districts. The program described in this document will enable SEAs to help meet those needs.

The financial assistance that the Commissioner provides under the ESAA to SEAs may be used to support activities authorized by that statute, including many of the activities carried out by recipients of race desegregation awards under title IV. The Commissioner has determined that grants to SEAs to assist LEAs with voluntary desegregation will make substantial progress toward achieving the purposes of the Act. Therefore, the Commissioner has reserved for this purpose $2,000,000 of the fiscal year 1979 appropriation for ESAA special projects.

Because this program is designed to complement SEA race desegregation assistance under title IV, authorized activities are substantially identical to those authorized for title IV (see 45 CFR 180.13(d)). However, to ensure that this program focuses on voluntary desegregation efforts, grantees may assist only LEAs that have plans for which title IV race desgregation assistance is not available.

This program will operate for one year only. The Congress has amended the Act by adding authority beginning in fiscal year 1980 for matching grants to State agencies to help LEAs develop and