the rates specified above, with the exception of applications submitted pursuant to unexpired site appraisal and market analysis (SAMA) or feasibility letters, or outstanding conditional or firm commitments, issued prior to the effective date of the new rate. In these instances, applications will be processed at a rate not exceeding the applicable previous maximum rates, if the higher rate was previously agreed upon by the parties. Notwithstanding these exceptions, the application will be processed at the new lower rate if requested by the mortgagee.

* * * * *

PART 244—MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES

Subpart A—Eligibility Requirements

19. Section 244.45(a) is revised to read as follows:

§ 244.45 Maximum interest rate.

(a) Effective on or after November 16, 1981, the mortgage shall bear interest at the rate agreed upon by the mortgagee and the mortgagor, which rate shall not exceed:

(1) 16.50 percent per annum with respect to permanent financing;

(2) 19.00 percent per annum with respect to construction financing prior to and including the cutoff date for cost certification.

Applications for conditional or firm commitments received on or after November 16, 1981 will be processed at the rates specified above, with the exception of applications submitted pursuant to unexpired site appraisal and market analysis (SAMA) or feasibility letters, or outstanding conditional or firm commitments, issued prior to the effective date of the new rate. In these instances, applications will be processed at a rate not exceeding the applicable previous maximum rates, if the higher rate was previously agreed upon by the parties. Notwithstanding these exceptions, the application will be processed at the new lower rate if requested by the mortgagee.

* * * * *

(Sec. 3(a), 82 Stat. 113; 12 U.S.C. 1709-1; section 7 of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(d))

Issued at Washington, D.C., November 13, 1981.

Philip D. Winn,

Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. 81-33559 Filed 11-19-81; 8:45 am]

BILLING CODE 4210-01-M

VETERANS ADMINISTRATION

38 CFR Part 36

Decrease in Maximum Permissible Interest Rates on Guaranteed Mobile Home Loans, Home and Condominium Loans, and Home Improvement Loans

AGENCY: Veterans Administration.

ACTION: Final regulations.

SUMMARY: The VA (Veterans Administration) is decreasing the maximum interest rates on guaranteed mobile home unit loans, lot loans, and combination mobile home unit and lot loans. In addition, the maximum interest rates applicable to home and condominium loans, and to home improvement and energy conservation loans are also decreased. These decreases in interest rates are possible because of recent improvements in the availability of funds in various credit markets. The decrease in the interest rates will allow eligible veterans to obtain loans at a lower monthly cost.

EFFECTIVE DATE: November 16, 1981.

FOR FURTHER INFORMATION CONTACT: Mr. George D. Moerman, Loan Guaranty Service (264), Department of Veterans Benefits, Veterans Administration, 810 Vermont Avenue, N.W., Washington, D.C. 20420 (202-389-3042).

SUPPLEMENTARY INFORMATION: The Administrator is required by section 1819(f), title 38, United States Code, to establish maximum interest rates for mobile home loans guaranteed by the VA as he finds the mobile home loan capital markets demand. Recent market indicators—including the prime rate, the general decrease in interest rates charged on conventional mobile home loans, and the decrease of other short-term and long-term interest rates—have shown that the mobile home capital markets have improved. It is now possible to decrease the interest rates on mobile home unit loans, lot loans, and combination mobile home unit and lot loans while still assuring an adequate supply of funds from lenders and investors to make these types of VA loans.

The Administrator is also required by section 1803(c), title 38, United States Code, to establish maximum interest rates for home and condominium loans and for loans for home improvement purposes. Market indicators similarly favor reductions in the maximum interest rates for these types of loans. These lower interest rates should assist more veterans in the purchase of homes and condominiums or to obtain improvement loans because of the decrease in the monthly loan payments for principal and interest.

The Administrator's statutory authority to establish interest rates has been delegated by 38 CFR 2.6(b)(3) to the Chief Benefits Director, Deputy Chief Benefits Director, or person authorized to act for them.

Regulatory Flexibility Act/Executive Order 12291

For the reasons discussed in the May 7, 1981 **Federal Register**, (46 FR 25443), it has previously been determined that final regulations of this type which change the maximum interest rates for loans guaranteed, insured, or made pursuant to chapter 37 of title 38, United States Code, are not subject to the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601-612.

These regulatory amendments have also been reviewed under the provisions of Executive Order 12291. The VA finds that they are not "major rules" as defined in the Order. The existing process of informal consultation among representatives with the Executive Office of the President, OMB, the VA and the Department of Housing and Urban Development has been determined to be adequate to satisfy the intent of this Executive Order for this category of regulations. This alternative consultation process permits timely rate adjustments with minimal risk of premature disclosure. In summary, this consultation process will fulfill the intent of the Executive Order while still permitting compliance with statutory responsibilities for timely rate adjustments and a stable flow of mortgage credit at rates consistent with the market.

These final regulations come within exceptions to the general VA policy of prior publication of proposed rules as contained in 38 CFR 1.12. The publication of notice of a regulatory change in the VA maximum interest rates for VA guaranteed, insured or direct loans would deny veterans the benefit of lower interest rates pending the final rule publication date which would necessarily be more than 30 days after publication in proposed form. Accordingly, it has been determined that publication of proposed regulations prior to publication of final regulations is impracticable, unnecessary, and contrary to the public interest.

The official program numbers and titles of VA programs affected by this action as set forth in OMB Circular A-89, Catalog of Federal Domestic Assistance, are 64.113, Veterans Housing—Direct Loans and Advances, 64.114, Veterans Housing—Guaranteed and Insured Loans, and 64.119, Veterans Housing—Mobile Home Loans.

These regulations are adopted under authority granted to the Administrator by sections 210(c), 1803(c)(1), 1811(d)(1), and 1819(f) and (g) of title 38, United States Code and delegated to the undersigned by 38 CFR 2.6(b)(3). The regulations are clearly within that statutory authority and are consistent with Congressional intent.

These decreases are accomplished by amending §§ 36.4212(a)(1), (2), and (3), and 36.4311(a), (b), and 36.4503(a), title 38, Code of Federal Regulations.

Approved: November 13, 1981.

By direction of the Administrator.

Dorothy L. Starbuck,

Chief Benefits Director.

PART 36—LOAN GUARANTY

1. In § 36.4212, paragraph (a) is revised as follows:

§ 36.4212 Interest rates and late charges.

(a) The interest rate charged the borrower on a loan guaranteed or insured pursuant to 38 U.S.C. 1819 may not exceed the following maxima except on loans guaranteed or insured pursuant to guaranty or insurance commitments issued by the Veterans Administration prior to the respective effective date: (38 U.S.C. 1819(f))

(1) Effective November 16, 1981, 18½ percent simple interest per annum for a loan which finances the purchase of a mobile home unit only.

(2) Effective November 16, 1981, 18 percent simple interest per annum for a loan which finances the purchase of a lot only and the cost of necessary site preparation, if any.

(3) Effective November 16, 1981, 18 percent simple interest per annum for a loan which will finance the simultaneous acquisition of a mobile home and a lot and/or the site preparation necessary to make a lot acceptable as the site for the mobile home.

* * * * *

2. In § 36.4311, paragraphs (a) and (b) are revised as follows:

§ 36.4311 Interest rates.

(a) Excepting loans guaranteed or insured pursuant to guaranty or insurance commitments issued by the Veterans Administration which specify an interest rate in excess of 15½ per centum per annum, effective November 16, 1981, the interest rate on any home or condominium loan guaranteed or insured wholly or in part on or after such date may not exceed 15½ per centum per annum on the unpaid principal balance. (38 U.S.C. 1803(c)(1))

(b) Effective November 16, 1981, the interest rate on any loan solely for energy conservation improvements or other alterations, improvements or repairs which is guaranteed or insured wholly or in part on or after such date may not exceed 17 per centum per annum on the unpaid principal balance. (38 U.S.C. 1803(c)(1))

* * * * *

3. In § 36.4503, paragraph (a) is revised to read as follows:

§ 36.4503 Amount and amortization.

(a) The original principal amount of any loan made on or after October 1, 1980, shall not exceed an amount which bears the same ratio to $33,000 as the amount of the guaranty to which the veteran is entitled under 38 U.S.C. 1810 at the time the loan is made bears to $27,500. This limitation shall not preclude the making of advances, otherwise proper, subsequent to the making of the loan pursuant to the provisions of § 36.4511. Except as to home improvement loans, loans made by the Veterans Administration shall bear interest at the rate of 15½ percent per annum. Loans solely for the purpose of energy conservation improvements or other alterations, improvements, or repairs shall bear interest at the rate of 17 percent per annum. (38 U.S.C. 1811(d)(1) and (2)(A))

* * * * *

(38 U.S.C. 210(c), 1803(c)(1), 1811(d)(1), 1819 (f) and (g))

[FR Doc. 81-33564 Filed 11-19-81; 8:45 am]

BILLING CODE 8320-01-M

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38 CFR Parts 6 and 8

United States Government Life Insurance and National Service Life Insurance; Interest Rates and Dividends

AGENCY: Veterans Administration.

ACTION: Final regulations.

SUMMARY: The Veterans Administration is issuing new sections to allow higher interest rates to be paid to beneficiaries of USGLI (United States Government Life Insurance) and NSLI (National Service Life Insurance) where the proceeds are paid in equal monthly installments over a limited period of months. An amendment is also issued to authorize the payment of dividends for Veterans' Reopened Insurance prefixed by J, JR or JS, and for RS and W insurance. These regulation changes are necessary to make the regulations conform to legislation.

EFFECTIVE DATE: November 28, 1979 except that the amendment to 38 CFR 8.26(a)(3) concerning the payment of dividends on insurance issued under 38 U.S.C. 723(b) is effective May 24, 1974.

FOR FURTHER INFORMATION CONTACT: Mr. Robert W. Carey, Assistant Director for Insurance, Veterans Administration Regional Office and Insurance Center, P.O. Box 8079, Philadelphia, PA 19101 (215-951-5360).

SUPPLEMENTARY INFORMATION: On pages 27361 and 27362 of the Federal Register of May 19, 1981 there was published a notice of proposed regulatory development to issue regulations concerning interest rates and dividends. Interested persons were given 30 days in which to submit written comments, suggestions, or objections regarding the proposed regulations.

No written objections have been received and the proposed regulations are hereby adopted with one change. Section 8.26(a)(3) is amended to read "Issued under sections 704(c) and 722(a) of title 38, United States Code; * * *." Section 723(b) is omitted since dividends are payable on RS and W insurance issued under this section as authorized by Pub. L. 93-289.

The agency has determined that these proposed regulations are nonmajor in accordance with the requirements of Executive Order 12291 because they will not have any significant effects on the economy nor will they cause an increase in costs or prices.

The Administrator hereby certifies that this final rule will not have a significiant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act (RFA), 5 U.S.C. 601-602. Pursuant to 5 U.S.C. 605(b), this final rule is therefore exempt from the initial and final regulatory flexibility analyses requirements of sections 603 and 604. The reason for this certification is that these rules, almost exclusively, affect only a small segment of the veteran population and insurance recipients. They will therefore have no significant direct impact on small entities.

The proposed regulations, as amended, are adopted and are set forth below.

Approved: October 30, 1981.

Robert P. Nimmo,

Administrator.

The Veterans Administration is amending 38 CFR Parts 6 and 8 as set forth below:

PART 6—UNITED STATES GOVERNMENT LIFE INSURANCE

§ 6.58 [Amended]

1. Section 6.58 is amended by adding the words "or her" after the words "his" and "him" in the first sentence.

§ 6.60 [Amended]

2. Section 6.60 is amended by adding the words "or her" after the word "his" in the third sentence

§ 6.62 [Amended]

3. Section 6.62 is amended by removing the word "his" and adding the words "such person's" in the first sentence and adding the citation "(38 U.S.C. 718)" as the end of paragraph (a).

4. Section 6.69c is added as follows:

§ 6.69c Higher interest rates for amounts payable to beneficiaries.

Notwithstanding section 744, title 38, United States Code, where the beneficiary of an insurance policy issued in accordance with the provisions of subchapter II, chapter 19, title 38, United States Code receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in section 744 and that is established by the Administrator as, from time to time, the Administrator determines to be administratively and actuarially sound for the program of insured concerned. Such higher rates will be paid on the unpaid balance of such monthly installments. (38 U.S.C. 761)

§ 6.70 [Amended]

5. Section 6.70 is amended by adding the words "or her" after the word "his".

PART 8—NATIONAL SERVICE LIFE INSURANCE

6. In Part 8, § 8.26(a)(3) is revised as follows:

§ 8.26 How paid.

(a) Except as hereinafter provided in this paragraph, a National Service Life Insurance policy shall participate in and receive such dividends from gains and savings as may be determined by the Administrator of Veterans Affairs. Dividends becoming payable after January 1, 1952, shall be payable on the date preceding the anniversary of the policy unless the Administrator shall declare them payable on some other date. Dividends are not payable on insurance:

* * * * *

(3) Issued under sections 704(c) and 722(a) of title 38, United States Code; (38 U.S.C. 723(b) and 725)

* * * * *

7. Section 8.82 is added as follows:

§ 8.82 Higher interest rates for amounts payable to beneficiaries.

Notwithstanding sections 702, 723 and 725 of title 38, United States Code, if the beneficiary of an insurance policy receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in the appropriate section of subchapter I of chapter 19 of title 38, United States Code. The Administrator may from time to time establish a higher interest rate under the preceding sentence only in accordance with a determination that such higher rate is administratively and actuarially sound for the program of insurance concerned. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments. (38 U.S.C. 726)

[FR Doc. 81-33563 Filed 11-19-81; 8:45 am]

BILLING CODE 8320-01-M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[A-4-FRL 1971-7]

Approval and Promulgation of Implementation Plans; Kentucky: Permit and Exemption Fees

AGENCY: Environmental Protection Agency.

ACTION: Final rule.

SUMMARY: As required by section 110(a)(2)(K) of the Clean Air Act, the Commonwealth of Kentucky has submitted for approval to EPA a State Implementation Plan (SIP) establishing Permit and Exemption Fees. EPA hereby approves this SIP. A copy of the SIP is available to the public as noted below.

DATES: This action will be effective January 19, 1982, unless notice is received within 30 days that someone wishes to submit adverse or critical comments.

ADDRESSES: Copies of the materials submitted by the State may be examined during normal business hours at the following locations:

Public Information Reference Unit, Library Systems Branch, Environmental Protection Agency, 401 M Street, SW., Washington, D.C. 20460

Library, EPA, Region IV, 345 Courtland Street, NE., Atlanta, Georgia 30365

Office of the Federal Register, Room 8401, 1100 L Street, NW., Washington, D.C. 20005

Division of Air Pollution control, Kentucky Department for Natural Resources and Environmental Protection, 18 Reilly Road, Bldg. 2, Fort Boone Plaza, Frankfort, Kentucky 40601

FOR FURTHER INFORMATION CONTACT: Mr. Drew Peake, Air Programs Branch, EPA, Region IV at the above address and telephone number 404/881-2864 or FTS 257-2864.

SUPPLEMENTAL INFORMATION: Under section 110(a)(2)(K) of the Clean Air Act (the Act), States must submit a State Implementation Plan which provides for permit and exemption fees to be levied against major stationary sources. Kentucky has adopted a regulation establishing such a plan which satisfies this requirement of the Act. The basic requirements for a SIP in general are outlined in section 100(a)(2) of the Clean Air Act and EPA regulations at 40 CFR 51, Subpart B. On June 10, 1981, the Kentucky Department for Natural Resources and Environmental Protection submitted the Permit and Exemption Fee SIP to EPA for approval. The Permit and Exemption Fees are required to cover the cost of processing the applications. The fees assessed under this plan are filing fees, construction permit fees, operating permit fees, duplicate permit fees, and exemption fees. For the purpose of assessing these fees, Kentucky defines three categories of sources. Category I includes all sources subject to the Prevention of Significant Deterioration (PSD) requirements. The highest fees are assessed to this group in order to recover the increased cost associated with the engineering determinations necessary for permits. Category II sources are not subject to PSD regulations but include all other major sources (potential to emit more than 100 tons/year). The fees assessed to Category II sources reflect the lower level of activity required for a non-PSD review. Category III sources include all other sources. The processing requirements are very limited for this group, and the fees assessed are minimal. EPA has reviewed the SIP and finds that it satisfies the guidelines.

Action: EPA today approves the Kentucky Permit and Exemption Fee SIP. This is being done without prior proposal because the SIP is noncontroversial, based on accepted procedures, has limited impact, and no comments are expected. The public should be advised that this action will be effective January 19, 1982. However, if notice is received within 30 days that someone wishes to submit adverse or critical comments, this action will be withdrawn and two subsequent notices will be published before the effective date. One notice will withdraw the final action and another will begin a new rulemaking by announcing a proposal of the action and establishing a comment period.

Under Section 307(b)(1) of the Clean Air Act, judicial review of EPA's approval of this revision is available only by the filing of a petition for review in the United States Court of Appeals for the appropriate circuit on or before January 19, 1982. Under section 307(b)(2) of the Clean Air Act, the requirements which are the subject of today's notice may not be challenged later in civil or criminal proceedings brought by EPA to enforce these requirements.

Pursuant to the provisions of 5 U.S.C. section 605(b) I hereby certify that the attached rule will not have a significant economic impact on a substantial number of small entities. This action only approves state actions. It imposes no new requirements.

Under Executive Order 12291, EPA must judge whether a regulation is major and therefore subject to the requirement of a Regulatory Impact Analysis. This regulation is not major because it merely ratifies State actions and imposes no new requirements on sources.

This regulation was submitted to the Office of Management and Budget (OMB) for review as required by Executive Order 12291.

Incorporation by reference of the State Implementation Plan for the Commonwealth of Kentucky was approved by the Director of the Federal Register on July 1, 1981.

(Sec. 110 of the Clean Air Act (42 U.S.C. 7410))

Dated: November 12, 1981.

Anne M. Gorsuch,

Administrator.

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

Part 52 of Chapter I, Title 40, Code of Federal Regulations, is amended as follows:

Subpart S—Kentucky

In § 52.920, paragraph (c) is amended by adding subparagraph (24) as follows:

§ 52.920 Identification of plan.

* * * * *

(c) The plan revisions listed below were submitted on the dates specified.

* * * * *

(24) Provision for permit and exemption fees, submitted on June 10, 1981, by the Kentucky Department for Natural Resources and Environmental Protection.

[FR Doc. 81-33529 Filed 11-19-81; 8:45 am]

BILLING CODE 6560-38-M

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40 CFR Part 52

[Docket No. AH300FWV; A-3-FRL 1971-5]

Approval of Revision of the West Virginia State Implementation Plan

AGENCY: Environmental Protection Agency.

ACTION: Final rule.

SUMMARY: On August 14, 1980 at 45 FR 54042, EPA approved, with certain conditions, West Virginia's revised State Implementation Plan (SIP) for the attainment of air quality standards. One of the conditions EPA established was that West Virginia submit a test method for Regulation XXIII to EPA as a SIP revision. Regulation XXIII limits volatile organic compound emissions from bulk gasoline terminals and a test method is needed to make it enforceable. EPA has received this test method from West Virginia and has determined that West Virginia has met the requirements of Section 110(a)(2) of the Clean Air Act and of 40 CFR Part 51 for inclusion of it in the SIP. Therefore, EPA is approving this test method as a revision to the West Virginia SIP.

EFFECTIVE DATE: December 21, 1981.

ADDRESSES: Copies of West Virginia's test method for Regulation XXIII are available for public inspection during normal business hours at the following locations:

U.S. Environmental Protection Agency, Region III, Curtis Building, Tenth Floor, Sixth and Walnut Streets, Philadelphia, Pennsylvania 19106; ATTN: Mr. Raymond Chalmers

West Virginia Air Pollution Control Board, 1558 Washington Street, East, Charleston, West Virginia 25311; ATTN: Mr. Carl Beard

Public Information Reference Unit, Room 2922, EPA Library, U.S. Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460

The Office of the Federal Register, 1100 L Street, N.W., Room 8401, Washington, D.C. 20408

FOR FURTHER INFORMATION CONTACT: Raymond D. Chalmers (3AH13), U.S. Environmental Protection Agency, Region III, Sixth and Walnut Streets, Philadelphia, Pennsylvania 19106, telephone number 215/597-8309.

SUPPLEMENTARY INFORMATION: The Clean Air Act (CAA) Amendments of 1977 required States to submit revised State Implementation Plans (SIPs) for all areas where National Ambient Air Quality Standards (NAAQS) had not been attained. West Virginia submitted a SIP revision to EPA as required. EPA approved this SIP revision, with certain conditions, in a notice published at 45 FR 54042 (1980).

One of the concerns EPA had regarding West Virginia's SIP revision was that West Virginia had submitted one regulation, Regulation XXIII, entitled *To Prevent and Control Air Pollution From the Emission of Volatile Organic Compounds From Bulk Gasoline Terminals,* without also submitting a test method needed to make it enforceable. Accordingly, EPA conditioned its approval of West Virginia's SIP revision on West Virginia submitting a test method for this regulation.

West Virginia submitted a test method for Regulation XXIII to EPA on November 6, 1980. This test method specifies procedures for quantifying emissions from bulk gasoline loading terminals. EPA proposed approval of this test procedure at 46 FR 33333 on June 29, 1981. EPA received no comments on the test procedure.

EPA has reviewed West Virginia's test procedure and has determined that it is acceptable. EPA has also determined that West Virginia has met the requirements of Section 110(a)(2) of the Clean Air Act and of 40 CFR Part 51 for the inclusion of the test method in the West Virginia SIP. Therefore, EPA is approving this test method as a revision of the West Virginia SIP.

Under Executive Order 12291, EPA must judge whether a regulation is "Major" and therefore subject to the requirement of a Regulatory Impact Analysis. This regulation is not major because this action only approves State actions and imposes no new requirements.

This regulation was submitted to the Office of Management and Budget for review as required by Executive Order 12291.