

Presidential Documents

Title 3—

Proclamation 5008 of December 29, 1982

The President

National Closed-Captioned Television Month

By the President of the United States of America

A Proclamation

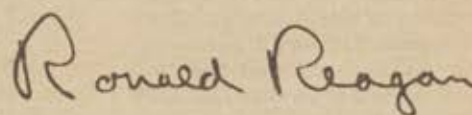
Nothing is more important to the welfare and progress of the United States than the assurance that all its people are afforded equality of opportunities. Our Nation's commitment to open new doors of opportunity for people in all walks of life has guided the growth of our Nation and stands as a measure of its greatness.

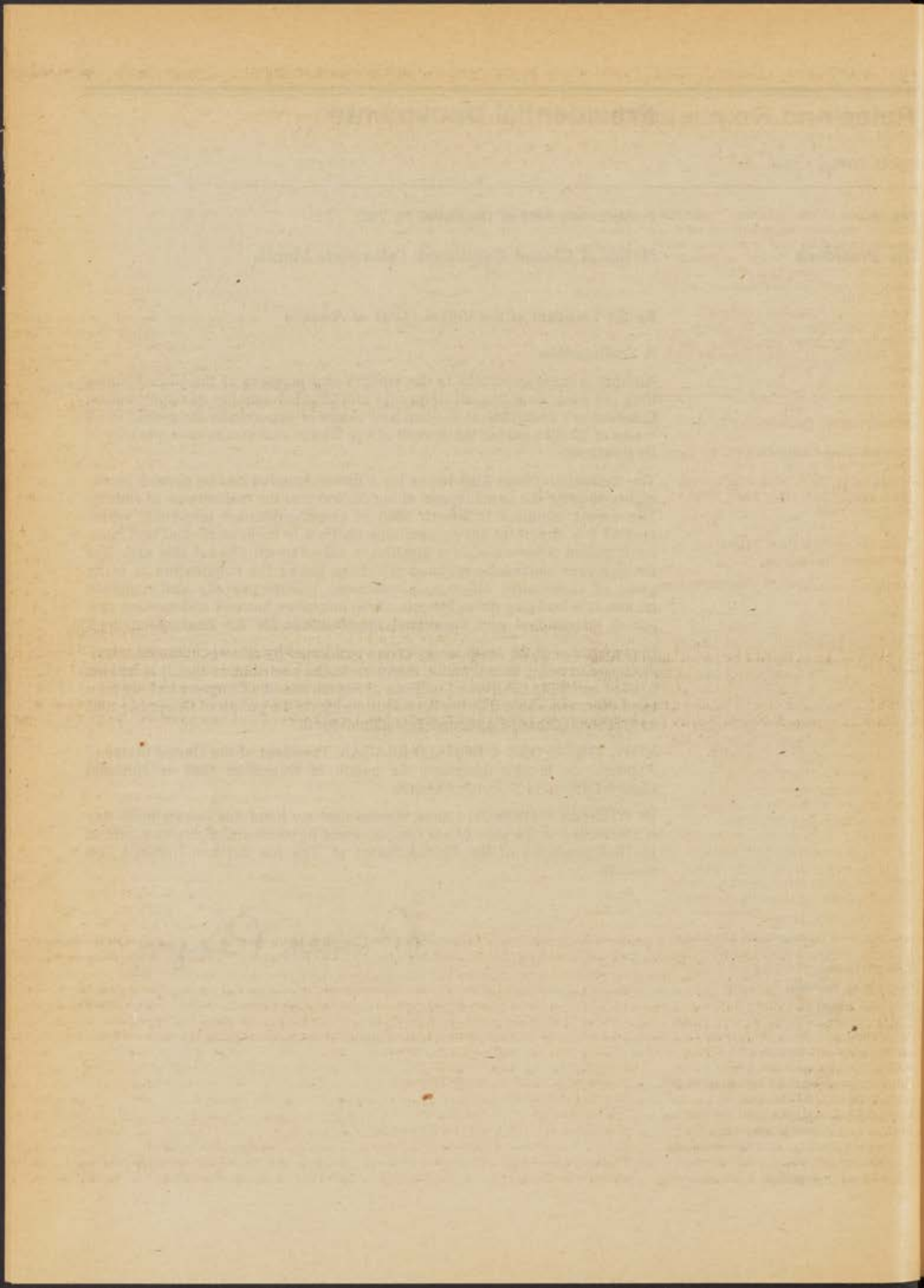
The realization of our high hopes for a better America can be gauged by our ability to bring the handicapped of our Nation into the mainstream of society. The recent initiation in March 1980 of closed-captioned television, which opened this important communications medium to millions of deaf and hearing-impaired Americans, is a significant achievement toward this end. The development of closed-captioned television marks the culmination of many years of cooperative effort by government, private industry and nonprofit groups. It is breaking down historic communications barriers and opening new social, educational and vocational opportunities for the hearing-impaired.

In recognition of the invaluable service performed by closed-captioned television, and in order to call public attention to the contribution that it is making toward enriching the lives of millions of Americans, the Congress has, by joint resolution, requested that the President designate the month of December 1982 as "National Closed-Captioned Television Month."

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the month of December 1982 as National Closed-Captioned Television Month.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-ninth day of December, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and seventh.





Rules and Regulations

Federal Register

Vol. 48, No. 1

Monday, January 3, 1983

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each month.

DEPARTMENT OF AGRICULTURE

Farmers Home Administration

7 CFR Parts 1807, 1872, 1901, 1910, 1924, 1940, 1941, 1943, 1944, 1945, 1962, and 1990

Truth in Lending; Real Estate Settlement Procedures

AGENCY: Farmers Home Administration, USDA.

ACTION: Final rule.

SUMMARY: The Farmers Home Administration (FmHA) revises, redesignates and amends its regulations concerning Truth in Lending disclosure requirements and Real Estate Settlement Procedures. This action is taken to implement provisions of a public law. The intended effect is to exempt all credit transactions primarily for agricultural purposes from the requirements of the Truth in Lending Act, to reduce the number and complexity of the disclosures, to provide for early disclosure in residential mortgage transactions and to make minor nonsubstantive clarifications in the real estate settlement procedures.

EFFECTIVE DATE: January 3, 1983.

FOR FURTHER INFORMATION CONTACT: Joyce M. Halasz, Loan Specialist, Single Family Housing Processing Division, Room 5341-S, South Agriculture Building, 14th and Independence Avenue, SW., Washington, D.C. 20250. Telephone: 202-382-1480.

SUPPLEMENTARY INFORMATION: This revision implements the Truth in Lending Simplification and Reform Act (Pub. L. 96-221) as required by Regulation Z of the Federal Reserve System and is consistent within the Agency's authority. This rule has been reviewed under USDA procedures established in Secretary's Memorandum

1512-1 which implements Executive Order 12291 and has been determined to be nonmajor. The reasons for this determination are that this action will not have an annual effect on the economy of \$100 million or more; or cause a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions, or have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Options and projected rules considered were:

1. Leave the present regulation as it stands, in which case FmHA would not be in full compliance with the Truth in Lending Act, as amended, and would be disclosing more credit information than is required by the act, or is necessary for consumers to make credit decisions.

2. Change only those items to bring the present regulation into compliance with the Truth in Lending Act, as amended, with regard to format and timing of credit and rescission disclosure, but continue making complete, detailed disclosure to applicants and borrowers. The complex and numerous disclosures previously required have been shown to be confusing and of no real benefit to credit consumers. In addition, the cost to FmHA of the time for preparation and explanation to applicants would be excessive for actions not required by law and of no benefit to applicants.

3. Completely revise the present regulation to comply with but not to exceed the requirements of the Truth in Lending Act, as amended. This implements the maximum benefits intended by the Truth in Lending Simplification and Reform Act (Pub. L. 96-221) to both credit consumers and the Agency. This option was selected to comply with the act, as amended, and for the other reasons stated above.

There was no response to our request for comments on the proposed rule, published in the Federal Register on June 24, 1982 (47 FR 27366).

It has been determined that this change is cost effective since it exempts loans for agricultural purposes from the Truth in Lending requirements and reduces the number and complexity of

disclosures for non-exempt loans, thereby substantially reducing the paperwork burden imposed on FmHA, as a lending agency. Simplified disclosures will benefit consumers by providing a more useful basis for credit decisions. This instruction does not directly affect any FmHA programs or projects which are subject to A-95 clearinghouse review.

The Catalog of Federal Domestic Assistance programs affected are 10.404, Emergency Loans, 10.406, Farm Operating Loans, 10.407, Farm Ownership Loans, 10.410, Low to Moderate Income Housing Loans, 10.413, Recreation Facility Loans, 10.415, Rural Rental Housing Loans, 10.416, Soil and Water Loans, 10.417, Very Low-Income Housing Repair Loans and Grants, and 10.432, Biomass Energy and Alcohol Fuels Loan and Loan Guarantees.

This document has been reviewed in accordance with 7 CFR Part 1901, Subpart G, "Environmental Impact Statements." It is the determination of FmHA that the action does not constitute a major Federal action significantly affecting the quality of the human environment and, in accordance with the National Environmental Policy Act of 1969, Pub. L. 91-190, an Environmental Impact Statement is not required.

Information collection requirements contained in this regulation (§ 1940.406) have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB #0575-0086.

FmHA revises and redesignates Subpart I of Part 1901 to a new Subpart I of a new Part 1940 and amends various sections of Part 1807, Subpart A of Part 1872, Subparts A and B of Part 1910, Subpart A of Part 1924, Subpart A of Part 1941, Subparts A, B, and C of Part 1943, Subparts A, E, and J of Part 1944, Subparts B, C, and D of Part 1945, Subpart A of Part 1962, and Subpart A of Part 1990, Chapter XVIII, Title 7, Code of Federal Regulations. These revisions implement the provisions of the "Truth in Lending Simplification and Reform Act," Pub. L. 96-221, which was enacted on March 31, 1980, and make minor editorial clarifications.

List of Subjects in 7 CFR Part 1901

Administrative practice and procedure, Credit, Legal services, Mortgages, Truth in lending.

Therefore, Chapter XVIII of Title 7, Code of Federal Regulations, is amended as follows:

PART 1807—TITLE CLEARANCE AND LOAN CLOSING

§ 1807.1 [Amended]

1. Section 1807.1(j) is amended by changing the reference from "§ 1901.406(c)" to "§ 1940.406(c)".

PART 1872—REAL ESTATE SECURITY

Subpart A—Servicing and Liquidation of Real Estate Security for Loans to Individuals and Certain Note—Only Cases

2. Section 1872.18(g)(2)(iii) is amended by removing the reference to Form FmHA 440-41, "Disclosure Statement for Loans Secured by Real Estate", and inserting the reference to Form FmHA 1940-41, "Truth in Lending Disclosure Statement," and by removing the reference to Form FmHA 440-43, "Notice of Right to Rescind," and inserting the reference to Form FmHA 1940-43, "Notice of Right to Cancel," by adding a reference to footnote 3 beside Form FmHA 1940-43, and by revising footnotes 7 and 8 to read as follows:

§ 1872.18 Transfer of real estate security.

(g) *Processing transfer by assumption of indebtedness.* * * *

(2) *Preparation and distribution of transfer docket.* * * *

(iii) *Distribution of transfer docket forms.* * * *

⁷ In right to cancel cases, original and sufficient copies for each person who has the right to cancel in accordance with Subpart I of Part 1940 of this Chapter.

⁸ Original and 1 copy to transferee; 2 copies to each other person who has the right to cancel in accordance with Subpart I of Part 1940 of this Chapter. If the person exercises the right to cancel, she/he will sign one copy of the form and return it to the County Office. * * *

PART 1901—PROGRAM RELATED INSTRUCTIONS

Subpart I—[Removed and Reserved]

3. Subpart I, consisting of §§ 1901.401 through 1901.406 and Exhibit A, is removed and reserved.

PART 1910—GENERAL

Subpart A—Receiving and Processing Applications

4. In § 1910.3, paragraph (l) is added and reads as follows:

§ 1910.3 Receiving applications.

(l) For loans, assumptions and credit sales to individuals for household purposes and subject to the Real Estate Settlement Procedures Act (RESPA), Form FmHA 1940-41, "Truth in Lending Disclosure Statement," completed with "good-faith" estimates, will be delivered or placed in the mail to the applicant within 3 business days of receipt of the written application in the County Office.

Subpart B—Credit Reports (Individual)

§ 1910.62 [Amended]

5. Section 1910.62 (a) is amended by removing the reference to Form FmHA 440-41, "Disclosure Statement for Loans Secured by Real Estate," inserting the reference to Form FmHA 1940-41, "Truth in Lending Disclosure Statement" and in the last line changing the word "Issue" to "Insert" and renumbering Form FmHA 440-59 to 1940-59.

PART 1924—CONSTRUCTION AND REPAIR

Subpart A—Planning and Performing Construction and Other Development

6. Section 1924.5 (f)(2)(xii) is revised to read as follows:

§ 1924.5 Planning development work.

(f) *Responsibilities for planning development.* * * *

(2) *Responsibility of the County Supervisor or District Director.* * * *

(xii) Under certain conditions prescribed in Exhibit H of this Subpart, provide the applicant with a copy of the leaflet, "Lead-Based Paint Hazards, Symptoms, Treatment, and Techniques for Eliminating Hazards," which is available in FmHA County Offices, and the warning sheet, "Caution Note on Lead-Based Paint Hazard," which is Attachment 1 of this Exhibit.

7. Exhibit H, Paragraph IV.C., is revised to read as follows:

Exhibit H—Prohibition of Lead Based Paints

IV. Requirements:

C. For all existing housing or buildings constructed before 1950 on which a loan is closed after July 19, 1978, FmHA requires that the applicant, borrower, or tenant be notified as in paragraph IV B and a copy of Exhibit H, Attachment 2, "Caution Note on Lead-Based Paint Hazard" be delivered to the hands of the borrower. The caution note shall read as follows:

"This housing was constructed before 1950. There is a possibility that it may contain some lead-based paint that was in use before

1950. See 'Lead-Based Paint Hazards,' leaflet, available in all FmHA County Offices, for more information."

For all property transfers and inventory property sales, the caution note Exhibit H, Attachment 1, and the information leaflet, "Lead-Based Paint Hazards," shall be handed to the purchaser by the FmHA representative.

8. Title 7, Chapter XVIII is amended to add a new Part 1940 to read as follows:

PART 1940—GENERAL

Subparts A through H—[Reserved]

Subpart I—Truth in Lending—Real Estate Settlement Procedures

Sec.

1940.401 Truth in lending.
1940.402 Through 1940.405 [Reserved]
1940.406 Real estate settlement procedures.
1940.407 Through 1940.450 [Reserved]

Authority: Pub. L. 96-221, 7 U.S.C. 1989; 42 U.S.C. 1480; delegation of authority by the Secretary of Agriculture, 7 CFR 2.23; delegation of authority by the Assistant Secretary for Rural Development, 7 CFR 2.70.

Subparts A through H—[Reserved]

Subpart I—Truth in Lending—Real Estate Settlement

§ 1940.401 Truth in Lending.

(a) *General.* This section provides instructions for compliance with the Truth in Lending Act, as implemented by Regulation Z of the Federal Reserve System, to assure that individual Rural Housing (RH) applicants are informed of:

- (1) the cost and terms of credit, and
- (2) Their right to cancel certain credit transactions resulting in a lien or mortgage on their home.

(b) *Scope.* This section applies to all individuals who apply for loans, assumptions, or credit sales (hereafter described as transactions) for household purposes.

(1) Special rules for the right to cancel transactions not for purchase, acquisition or initial construction of a home broaden the scope of this section to include individuals who have an ownership interest in, and reside in as a principal dwelling, property which will be security for a mortgage, even though they may not execute the promissory note or assumption agreement. Such persons have the right to receive credit disclosures and the notice of the right to cancel and may cancel the transaction.

(2) This section does not apply to:

- (i) Applicants who are corporations, associations, cooperatives, public bodies, partnerships, or other organizations;
- (ii) Individual applicants for multiple family housing transactions (rural rental

or labor housing), unless for a two-family dwelling in which the applicants will reside, and other business and commercial type loans; or

(iii) Applicants involved in credit transactions primarily for agricultural purposes.

(c) *Disclosure of the cost and terms of credit.*—(1) *Form and content.* Form FmHA 1940-41, "Truth in Lending Disclosure Statement," will be used to provide the following required disclosures:

(i) Annual percentage rate;
(ii) Finance charge;
(iii) Amount financed;
(iv) Total of payments;
(v) Total sale price (required for credit sales only);

(vi) Payment schedule;
(vii) A separate itemization of the amount financed, if the applicant requests it. Normally this required disclosure will have been met in transactions subject to the Real Estate Settlement Procedures Act (RESPA) by providing the applicant with Form FmHA 440-58, "Estimate of Settlement Costs";

(viii) The lender's identity;
(ix) Prepayment or late payment penalties;

(x) Security interest;
(xi) Insurance requirements;
(xii) Assumption policy; and
(xiii) Referral to other loan documents.

(2) *Timing, use of estimates and required redisclosure.* (i) In transactions for the purchase or construction of a home subject to RESPA, Form FmHA 1940-41, completed using "good faith" estimates based on the best information available, will be delivered or placed in the mail to the applicant no later than three (3) business days after receipt of a written application in the County Office.

(ii) In transactions not subject to RESPA, such as RH Section 502 transactions for repairs or refinancing or RH Section 504 transactions, Form FmHA 1940-41, completed using the actual terms of the transaction, will be delivered to each applicant (and in transactions which are subject to cancellation, each non-applicant with the right to cancel) at the time of loan approval.

(iii) In the event of a change in rates and terms between the time of initial disclosure and closing, whereby the annual percentage rate varies by more than one-eighth of one percent, redisclosure must be made. This may be done by entering the changes on all copies of the initial Form FmHA 1940-41, or by preparing a new Form FmHA 1940-41. When required, redisclosure may be made at the time the transaction

is approved or at the time of the change, but the form must be delivered to the applicant before the signing of the promissory note or assumption agreement.

(3) *Special instructions for assumption, reamortization, refinancing and multiple transactions.* (i) Assumptions, within the scope of paragraph (b) of this section, at new rates and terms or of existing obligations which were for purchase, acquisition or initial construction of a residence, require new credit disclosure before the assumption occurs. Since assumptions are not subject to RESPA, early disclosure is not required.

(ii) Reamortization, as described in § 1944.37(g) of Subpart A of Part 1944 and § 1951.314 of Subpart G of Part 1951 of this chapter, when the borrower is in default or delinquent, does not require new credit disclosure. In all other cases reamortization requires new credit disclosure.

(iii) Refinancing of debts in accordance with § 1944.22 of Subpart A of Part 1944 of this chapter, though not subject to RESPA or early disclosure, does require credit disclosure at the time the transaction is approved.

(iv) Multiple transactions.

(A) When a subsequent loan is financed along with another transaction and both transactions require credit disclosure, a separate Form FmHA 1940-41 will be prepared for each transaction.

(B) Transactions with multiple advances will be treated as one transaction for the purpose of credit disclosure, in accordance with the Forms Manual Insert (FMI) for Form FmHA 1940-41.

(d) *Notice of the right to cancel.* The right to cancel applies only to transactions within the scope of paragraph (b) of this section, which are not for purchase, acquisition or initial construction of and which result in a mortgage on an individual's principal residence, such as RH Section 502 transactions for refinancing, repairs or rehabilitation or RH Section 504 transactions.

(1) *Form and Content.* Form FmHA 1940-43, "Notice of Right to Cancel", will be used to notify individuals of their right to cancel those transactions, within the scope of paragraphs (b) and (d) of this section, which result in a mortgage on their principal residence except when the transaction is for its purchase or initial construction. This notice will identify the transaction and disclose the following:

(i) The acquisition of a security interest in the individual's principal residence.

(ii) The individual's right to cancel the transaction.

(iii) How to exercise the right to cancel the transaction, with a form for that purpose.

(iv) The effects of cancellation.

(v) The date the cancellation period expires.

(2) *Timing.* (i) Two copies of Form FmHA 1940-43, and one copy of Form FmHA 1940-41, in accordance with the FMI's, will be given to each individual entitled to cancel, not later than loan closing.

(ii) Any entitled individual may cancel the transaction until midnight of the third business day following whichever of the following events occurs last:

(A) The date the transaction is closed.
(B) The date Truth in Lending credit disclosures were made.

(C) The date notice of the right to cancel was received.

(3) *Disbursement of funds.* In a transaction subject to cancellation funds will not be disbursed, other than to a designated attorney or title insurance company preparatory to closing, until:

(i) Forms FmHA 1940-43 have been given to the appropriate individuals,

(ii) The three-day cancellation period has expired, and

(iii) The loan approval official is reasonably assured that the transaction has not been cancelled. This assurance may be obtained by:

(A) Waiting a reasonable period of time after the expiration of the cancellation period to allow for the delivery of a mailed notice, or

(B) Obtaining a written statement from each individual entitled to cancel that the right has not been exercised.

(iv) This delay in disbursing funds may be waived in cases of a bonafide personal financial emergency, which must be met within the cancellation period, when the individual submits a signed and dated statement describing the nature of the emergency and waiving the right to cancel. Such a statement must be signed by all individuals entitled to cancel.

(4) *Effects of cancellation.* (i) When an individual cancels a transaction, the mortgage securing the transaction becomes void and the borrower will not be liable for any amount, including any finance charge.

(ii) Within twenty (20) calendar days after receipt of a notice of cancellation the loan approval official will:

(A) Notify all interested parties of the cancellation;

(B) Return, and/or request the return of any money or property given to anyone in connection with the transaction; and

(C) Take the necessary action to terminate the mortgage.

(iii) Once evidence has been presented to the borrower that the mortgage has been terminated, the borrower must return any funds advanced by FmHA to the FmHA County Office or surrender any property at his/her residence within twenty (20) calendar days.

(e) *Advertisements.* An "advertisement" is defined as a commercial message in any medium that promotes, directly or indirectly, a credit transaction. Advertisements for credit sales of Government inventory property, within the scope of paragraph (b) of this section, are subject to the following requirements.

(1) If an advertisement states specific credit terms, it shall state only those terms that actually are or will be arranged or offered.

(2) If an advertisement states a rate of finance charge, it shall state the rate as an "annual percentage rate," using that term.

(3) Terms requiring additional disclosures.

(i) If any of the following terms is set forth in an advertisement:

(A) The amount or percentage of any down payment,

(B) The number of payments or period of repayment,

(C) The amount of any payment, or (D) The amount of any finance charge,

(ii) The advertisement must also state:

(A) The amount or percentage of down payment,

(B) The terms of repayment, and

(C) The "annual percentage rate," using that term.

§§ 1940.402 through 1940.405 [Reserved]

§ 1940.406 Real estate settlement procedures.

(a) *General.* This section provides the instructions for compliance with the Real Estate Settlement Procedures Act (RESPA), as amended, and Regulation X of the Department of Housing and Urban Development.

(b) *Scope.* (1) This section applies to loans and credit sales, including Section 502 Rural Housing, 1-4 family Rural Rental Housing, 1-4 family Labor Housing, and Farm Ownership involving tracts of less than 25 acres, whether made to an individual, corporation, partnership, association or other entity, which meet the following requirements:

(i) The proceeds of the loan or the credit extended are used in whole or in part to finance the purchase and transfer of title of the property to be mortgaged by the borrower, and

(ii) The loan or credit sale is secured by a first lien covering real estate on

which is located a structure designed principally for the occupancy of from 1-4 families, or on which a structure designed principally for the occupancy of from 1-4 families is to be constructed using proceeds of the loan.

(2) Exempt transactions include:

(i) Loans for repairs, improvements, or refinancing if the proceeds are not used to finance the purchase of the property.

(ii) Loans to finance the construction of a 1-4 family structure if the tract of land is already owned by the applicant/borrower.

(iii) Assumptions or transfers.

(c) *Action required.* (1) The information booklet entitled "Settlement Costs" will either be given to the applicant at the time the completed application is received, or mailed to the applicant no later than three (3) business days after receipt of the application in the County Office.

(i) Form FmHA 440-58, "Estimate of Settlement Costs," is to be used to provide a "good faith" statement of estimated closing costs. Form FmHA 440-58 will be completed by the County Supervisor and mailed or delivered to the applicant with the Settlement Costs booklet. Costs will vary between geographic areas; therefore, information supplied on this form must be based upon (A) the County Supervisor's best estimate of charges the borrower will pay for each service in connection with the transaction, or (B) a range of charges at which such service is available to the borrower from all providers in the area.

(ii) Form FmHA 440-58 does not replace Truth in Lending forms. Appropriate forms listed in § 1940.401 will be used for Truth in Lending purposes.

(2) Form FmHA 1940-59, "Settlement Statement," will be completed as indicated in the form and FMI by the designated attorney or title company for all transactions described in paragraph (b) of this section. The purpose of this form is to provide a uniform settlement statement prescribed by RESPA.

(i) During the business day immediately preceding the date of settlement, the closing agent, if requested by the applicant, must permit the applicant to inspect the settlement statement, completed for those items which are then known to the closing agent.

(ii) A copy will be given to both the borrower and seller at the time of closing or settlement or will be mailed as soon as practicable if the borrower or seller are not present at closing.

§§ 1940.407 through 1940.450 [Reserved]

PART 1941—OPERATING LOANS

Subpart A—Operating Loan Policies, Procedures and Authorizations

§ 1941.23 [Amended]

9. Section 1941.23(a)(4) is removed.

Exhibit A [Amended]

10. In Exhibit A, the paragraph entitled "Docket Preparation" is amended by removing the references to Forms FmHA 440-41, FmHA 440-41A, and FmHA 440-43.

PART 1943—FARM OWNERSHIP, SOIL AND WATER AND RECREATION

Subpart A—Insured Farm Ownership Loan Policies, Procedures, and Authorizations.

11. In § 1943.23, paragraphs (e) and (g)(1) are revised to read as follows:

§ 1943.23 General provisions.

(e) *Real Estate Settlement Procedures Act.* The provisions of the Real Estate Settlement Procedures Act outlined in § 1940.406 of Subpart I of Part 1940 apply when FO funds are used involving tracts of less than 25 acres, if:

(1) Any part of the loan is used to purchase all or part of the land to be mortgaged, and

(2) The loan is secured by a first lien on the property where a dwelling is located.

(g) *Compliance with special laws and regulations.* (1) Applicants will be required to comply with applicable Federal, State and local laws and regulations governing building construction; diverting, appropriating, and using water including use for domestic or nonfarm enterprise purposes; installing facilities for draining land; and making changes in the use of land affected by zoning regulations.

§ 1943.32 [Amended]

12. Section 1943.32(a) is amended by removing references to Forms FmHA 440-41, FmHA 440-42, and FmHA 440-43, removing footnotes 9 and 10 and renumbering footnotes 11, 12, and 13 to 9, 10, and 11, respectively, including those footnote references in the loan docket processing forms list.

Subpart B—Insured Soil and Water Loan Policies, Procedures, and Authorizations

13. Section 1943.73(e) is removed, paragraphs (f) and (g) are redesignated as paragraphs (e) and (f) respectively, and (f)(1) is revised to read as follows:

§ 1943.73 General provisions.

(f) *Compliance with special laws and regulations.* (1) Applicants will be required to comply with applicable Federal, State and local laws and regulations governing construction; diverting, appropriating, and using water including use for domestic purposes; installing facilities for draining land; and making changes in the use of land affected by zoning regulations.

§ 1943.82 [Amended]

14. Section 1943.82(a) is amended by removing references to Forms FmHA 440-41, FmHA 440-42, and FmHA 440-43, removing footnotes 8 and 9 and renumbering footnotes 10 and 11 to 8 and 9, respectively, including those footnote references in the loan docket processing forms list.

Subpart C—Insured Recreation Loan Policies, Procedures, and Authorizations

15. Section 1943.123 (e) and (g)(1) are revised to read as follows:

§ 1943.123 General provisions.

(e) *Real Estate Settlement Procedures Act.* The provisions of the Real Estate Settlement Procedures Act outlined in § 1940.406 of Subpart I of Part 1940 of this Chapter apply to any applicant when RL funds are used and less than 25 acres of land are involved, if:

(1) Any part of the loan is used to purchase all or part of the land to be mortgaged, and

(2) The loan is secured by a first lien on the property where a dwelling is located.

(g) *Compliance with special laws and regulations.* (1) Applicants will be required to comply with applicable Federal, State and local laws and regulations including those governing building construction; diverting, appropriating, and using water including use for domestic or recreational enterprise purposes; installing facilities for draining land; and making changes in the use of land affected by zoning regulations.

§ 1943.132 [Amended]

16. Section 1943.132(a) is amended by removing references to Forms FmHA 440-41, FmHA 440-42, and FmHA 440-43, removing footnotes 9 and 10 and renumbering footnotes 11 and 12 to 9 and 10, respectively, including those footnote references in the loan docket processing forms list.

PART 1944—HOUSING

Subpart A—Section 502 Rural Housing Loan Policies, Procedures, and Authorizations

§ 1944.30 [Amended]

17. Section 1944.30(a) is amended by removing the reference to Form FmHA 440-41 and inserting reference to Form FmHA 1940-41, "Truth in Lending Disclosure Statement," by removing the reference to Form FmHA 440-42, and by removing the reference to Form FmHA 440-43 and inserting reference to Form FmHA 1940-43, "Notice of Right to Cancel".

Subpart E—Rural Rental Housing Loan Policies, Procedures, and Authorizations

§ 1944.33 [Amended]

18. Section 1944.233(b)(1)(iii) is amended by changing the reference from "§ 1901.406 of Subpart I of Part 1901 (FmHA Instruction 1901-I)" to "§ 1940.406 of Subpart I of Part 1940 of this Chapter".

Subpart J—Section 504 Rural Housing Loans and Grants

19. In § 1944.469, paragraph (d) and the introductory text of paragraph (f) are revised to read as follows:

§ 1944.469 Loan and/or grant closing.

(d) *Mortgage.* Form FmHA 427-1, "Real Estate Mortgage for (State)," will be used for each loan to be secured by a real estate mortgage. Each change made in the text by deletion, substitution or addition (excluding filling in the blanks) will be initialed in the margin by each person signing the mortgage and by the FmHA official making the change. Mortgages for loans on leasehold interests will be taken according to § 1944.18(a)(5) and § 1944.15(a)(5) (iv) and (v) of this Chapter. Form FmHA 1940-43, "Notice of Right to Cancel," on 504 loans secured by a real estate mortgage will be given at closing to all entitled individuals according to § 1940.401(d)(3) of this chapter.

(f) *Disbursement of funds.* The proceeds of a 504 loan secured by a real estate mortgage may not be disbursed until the right to cancel has expired.

PART 1945—EMERGENCY

Subpart B—Emergency Loan Policies, Procedures and Authorizations for Those Applications Associated With Disaster Designations Having a Beginning Incidence Period Date Prior to May 26, 1981

20. Section 1945.73 (f) and (h)(1) are revised to read as follows:

§ 1945.73 General provisions—compliance requirements.

(f) *Real Estate Settlement Procedures Act.* The provisions of the Real Estate Settlement Procedures Act outlined in § 1940.406 of Subpart I of Part 1940 of this Chapter apply when EM funds are used involving tracts of less than 25 acres, if:

(1) Any part of the loan is used to purchase all or part of the land to be mortgaged, and

(2) The loan is secured by a first lien on the property where a dwelling is located.

(h) *Compliance with special laws and regulations.* (1) Applicants will be required to comply with applicable Federal, State and local laws and regulations governing building construction; diverting, appropriating, and using water including use for domestic or nonfarm enterprise purposes; installing facilities for draining land; and making changes in the use of land affected by zoning regulations.

Exhibit A [Amended]

21. Exhibit A, paragraph IV. D., is amended by removing the references to Forms FmHA 440-41, FmHA 440-41A, and FmHA 440-43.

Subpart C—Economic Emergency Loans

Exhibit A [Amended]

22. In Exhibit A to Subpart C of Part 1945, the paragraph entitled Docket Preparation is amended by removing the references to Forms FmHA 440-41, FmHA 440-41A, and FmHA 440-43.

Subpart D—Emergency Loan Policies, Procedures, and Authorizations for Applications Associated With FmHA Disaster Designations Having a Beginning Incidence Period Date on or After May 26, 1981

§ 1945.173 [Amended]

23. Section 1945.173(f) is amended by changing the reference from "1901.406" to "1940.406 of Subpart I of Part 1940 of this chapter."

Exhibit A [Amended]

24. Exhibit A, Paragraph IV. D., is amended by removing the references to Forms FmHA 440-41, FmHA 440-41A, and FmHA 440-43 from the Docket Preparation List.

PART 1962—PERSONAL PROPERTY

Subpart A—Servicing and Liquidation of Chattel Security

§ 1962.34 [Amended]

25. In § 1962.34, paragraphs (f)(10) and (f)(11) are removed and paragraphs (f)(12) and (f)(13) are redesignated as paragraphs (f)(10) and (f)(11), respectively.

PART 1990—BIOMASS ENERGY AND ALCOHOL FUELS LOANS AND GUARANTEES

Subpart A—General Provisions

26. Section 1990.23(g) is revised to read as follows:

§ 1990.23 Compliance with statutes and regulations.

(g) *Real Estate Settlement Procedures Act.* Procedures for compliance with the Real Estate Settlement Procedures Act stated in § 1940.406 of Subpart I of Part 1940 of this Chapter will apply to this part.

(Pub. L. 96-221, 7 U.S.C. 1989; 42 U.S.C. 1480; delegation of authority by the Secretary of Agriculture, 7 CFR 2.23; delegation of authority by the Assistant Secretary for Rural Development, 7 CFR 2.70)

Dated: December 3, 1982.

Frank W. Naylor,

Under Secretary for Small Community and Rural Development.

[FR Doc. 82-35547 Filed 12-30-82; 8:45 am]

BILLING CODE 3410-07-M

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

8 CFR Part 235

Inspection of Persons Applying for Admission

AGENCY: Immigration and Naturalization, Justice.

ACTION: Final rule.

SUMMARY: This rule eliminates references to the processing and inspection of aliens who were classified as conditional entrants under section 203(a)(7) of the Immigration and Nationality Act. Section 203(a)(7) was repealed by the Refugee Act of 1980, on March 17, 1980, and the Act now limits processing aliens either as refugees or asylees.

EFFECTIVE DATE: January 3, 1983.

FOR FURTHER INFORMATION CONTACT:

For general information: Stanley J. Kieszkil, Acting Instructions Officer, Immigration and Naturalization Service, 425 I Street, N.W., Washington, D.C. 20536, Telephone: (202) 633-3048.

For specific information: Burwell O. Buchanan, Immigration Inspector, Immigration and Naturalization Service, 425 I Street, N.W., Washington, D.C. 20536, Telephone: (202) 633-2361.

SUPPLEMENTARY INFORMATION: The repeal of section 203(a)(7) of the Immigration and Nationality Act by the Refugee Act of 1980, Pub. L. 96-212 (94 Stat. 109), nullified the processing instructions for conditional entrants abroad. The inspection of conditional entrants and refugee parolees for permanent resident status has been reserved for those aliens who entered the United States in those classes prior to April 1, 1980. Since there was a strong possibility that a number of aliens were still in these categories, the pertinent processing procedures for those categories had not been removed. This situation no longer exists; hence, all references to conditional entrants are now removed from the regulations.

The following is a section by section description of the revisions made in 8 CFR Part 235.

8 CFR 235.8(d) is amended to change the term "special inquiry officer" to "immigration judge".

8 CFR 235.9 (a), (a-1), (b), (c), and (d) are removed since these paragraphs were repealed by the amendments to section 207 of the Act.

8 CFR 235.9(e) is redesignated 8 CFR 235.9(a), amended to require a conditional entrant or parolee under 212(d)(5) of the Act to appear before an

immigration officer within one year of entry or parole, and revised to improve readability.

Paragraphs 8 CFR 235.9 (f) and (g) are redesignated (b) and (c) respectively.

Compliance with 5 U.S.C. 553 as to notice if proposed rulemaking and delayed effective date is unnecessary because the changes are mandated by law and delay would be contrary to the public interest.

In accordance with 5 U.S.C. 605(d) the Commissioner of Immigration and Naturalization certifies that this rule will not have significant economic impact on a substantial number of small entities.

This rule is not a major rule within the meaning of section 1(b) of E.O. 12291.

List of Subjects in 8 CFR Part 235

Administrative practice and procedure, Aliens, Inspections, Refugees.

Accordingly, Title 8 of the Code of Federal Regulations is amended as follows:

PART 235—INSPECTION OF PERSONS APPLYING FOR ADMISSION

1. In § 235.8, paragraph (d) is revised to read as follows:

§ 235.8 Temporary exclusion.

(d) *Hearing by immigration judge.* If the regional commissioner directs that an alien temporarily excluded be given a hearing or further hearing before an immigration judge, the hearing and all further proceedings in the matter shall be conducted in accordance with the provisions of section 236 and other applicable sections of the Act to the same extent as though the alien had been referred to an immigration judge by the examining immigration officer; except, that if confidential information, not previously considered in the matter, is adduced supporting the exclusion of the alien under paragraph (27), (28), or (29) of section 212(a) of the Act, the disclosure of which, in the discretion of the immigration judge, may be prejudicial to the public interest, safety, or security, the immigration judge may again temporarily exclude the alien under the authority of section 235(c) of the Act and further action shall be taken as provided in this section.

2. Section 235.9 is revised to read as follows:

§ 235.9 Conditional entries.

(a) *Inspection of conditional entrant and refugee parolee as to admissibility for permanent residence.* Each alien