

The Board is amending Regulation C by defining the term SMSA to mean either a PMSA or an MSA, as appropriate. No revision is required to HMDA-1 (the form that institutions use to report mortgage and home improvement loan data). Technical amendments are also being made to other sections of the regulation to delete references to the U.S. Department of Commerce as the agency responsible for defining SMSAs, inasmuch as that responsibility has now been moved to OMB.

These amendments will take effect on January 1, 1984. Because the amendments are technical, the Board finds that the notice, public procedure, and deferral of effective date provisions of 5 U.S.C. 553 (b) and (d) are not required.

Other changes announced by OMB concerned the boundaries of MSAs and PMSAs. The compilation of home mortgage data for Regulation C purposes is unaffected by the changes for calendar year 1983. Regulation C specifies that, for purposes of geographic itemization, institutions shall use the boundaries in effect on the first day of the calendar year for which the data are compiled. The new terminology and boundary changes took effect June 30, 1983. Thus, the first year for which data compilation will be affected by these changes will be calendar year 1984.

List of Subjects in 12 CFR Part 203

Banks, banking, Consumer protection, Federal Reserve System, Home mortgage disclosure, Mortgages, Reporting and recordkeeping requirements.

PART 203—[AMENDED]

Pursuant to the authority granted in 12 U.S.C. 2804(a), the Board hereby amends §§ 203.2, 203.3, and 203.4 of Regulation C (12 CFR Part 203), as follows:

1. New paragraph (h) is added to § 203.2 to read as follows:

§ 203.2 Definitions.

(h) *Standard metropolitan statistical area or SMSA* means a metropolitan statistical area (MSA) or primary metropolitan statistical area (PMSA), as defined by the U.S. Office of Management and Budget.

2. Paragraph (a)(2) of § 203.3 is revised to read as follows:

§ 203.3 Exemptions.

(a) *Asset size and location.* * * *

(2) If it has neither a home office nor a branch office in a standard metropolitan statistical area (SMSA).

3. Paragraph (d)(1) of § 203.4 is revised to read as follows:

§ 203.4 Compilation of loan data.

(d) *SMSAs and census tracts.* For purposes of geographic itemization—
(1) A depository institution shall use the SMSA boundaries defined by the U.S. Office of Management and Budget as of the first day of the calendar year for which the data are compiled.

By order of the Secretary, acting for the Board of Governors pursuant to delegated authority, December 15, 1983.

William W. Wiles,

Secretary of the Board.

[FR Doc. 83-33728 Filed 12-21-83; 8:45 am]

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12 CFR Part 224

[Docket No. R-0487]

Borrowers of Securities Credit; Complete Revision and Simplification of Regulation X

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board has revised, in its entirety, Regulation X, which governs borrowers who obtain credit for the purpose of purchasing or carrying securities. The newly revised Regulation X is written in simplified language, organized in a logical fashion and reduced in regulatory burden.

EFFECTIVE DATE: January 23, 1984.

FOR FURTHER INFORMATION CONTACT: Laura Homer, Securities Credit Officer, or Robert Lord, Attorney, Division of Banking Supervision and Regulation (202) 452-2781.

SUPPLEMENTARY INFORMATION: On October 25, 1983, the Board issued for public comment a proposal to completely revise and simplify Regulation X, which governs borrowers who obtain credit to purchase securities (48 FR 49295). With the exception of one substantive modification, Regulation X is being adopted in substantially the same form as proposed. The revision follows the format of the recently revised Regulations G, T, and U in that it has been reorganized in a logical fashion, its language has been simplified and obsolete provisions have been removed.

As proposed, the major substantive change in Regulation X was the

exclusion from regulation of all purely domestic borrowings because credit involved in such transactions is already regulated by margin rules applicable to lenders. In response to comments received, however, the proposed blanket exclusion of purely domestic borrowing transactions has been modified to make clear that borrowers who willfully cause credit to be extended in contravention of the margin regulations will not be excluded from the scope of the regulation or from section 7(f) of the Securities Exchange Act of 1934.

The revised Regulation X increases the exemption for purpose credit obtained by U.S. persons residing abroad from \$5,000 to \$100,000.

The section providing for an exemption for borrowings made in connection with clearing, market-making, or arbitrage transactions in certain offshore debt securities, the purchase of which gave rise to federal tax liability, has been removed in its entirety. This exemption is no longer necessary in light of its very limited application and the repeal of the Interest Equalization Tax (see Pub. L. 94-455) which created the aforementioned tax liability.

Although credit extended to a U.S. person by a foreign branch of a U.S. broker-dealer will still be subject to Regulation T, the provision that applied the same treatment to credit extended by a subsidiary of a broker-dealer (even when that subsidiary is a merchant bank) has been removed. This will parallel the structure in Regulation U concerning bank lending abroad where a U.S. borrower is subject to Regulation U only if the person borrows from a branch of a U.S. bank. Hence purpose credit extended to United States persons by a foreign subsidiary of a broker-dealer will be subject to the credit limitations of Regulation G.

The "aiding and abetting" clause of Regulation X (12 CFR 224.6(b)) has been deleted because such liability is already implied in the general body of securities law.

Finally, under the new regulation, the Form X-1 will no longer be required. Experience has not demonstrated that a requirement to use the form is necessary to effect compliance with the Regulation. In any event, the information required to be maintained on the form could be obtained through legal process.

Final Regulatory Flexibility Analysis

The changes adopted pursuant to this action are part of a program to simplify all of the Board's regulations and to reduce specific administrative and

regulatory burdens. The Board certifies for purposes of 5 U.S.C. 605(b), therefore, that the simplification of Regulation X will not have any adverse impact on a substantial number of small businesses.

List of Subjects in 12 CFR Part 224

Banks, Banking, Borrowers, Brokers, Credit, Federal Reserve System, Margin, Margin requirements.

Accordingly, pursuant to sections 3, 7, 8, 17 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c, 78g, 78h, 78q, and 78w), the Board amends Part 224 (Regulation X) in its entirety to read as follows:

PART 224—BORROWERS OF SECURITIES CREDIT

Sec.

224.1 Authority, purpose and scope.

224.2 Definitions.

224.3 Margin regulations to be applied by nonexempted borrowers.

Authority: Sec. 7(f), as amended (15 U.S.C. 78a-ji).

§ 224.1 Authority, purpose, and scope.

(a) *Authority and purpose.* Regulation X (this part) is issued by the Board of Governors of the Federal Reserve System (the Board) under the Securities Exchange Act of 1934, as amended (the Act) (15 U.S.C. 78a et seq.). This part implements section 7(f) of the Act (15 U.S.C. 78g(f)), the purpose of which is to require that credit obtained within or outside the United States complies with the limitations of the Board's Margin Regulations G, T, and U (12 CFR Parts 207, 220, and 221, respectively).

(b) *Scope and exemptions.* The Act and this part apply the Board's margin regulations to United States persons and foreign persons controlled by or acting on behalf of or in conjunction with United States persons (hereinafter borrowers), who obtain credit outside the United States to purchase or carry United States securities, or within the United States to purchase or carry any securities (both types of credit are hereinafter referred to as purpose credit). The following borrowers are exempt from the Act and this part:

(1) Any borrower who obtains purpose credit within the United States, unless the borrower willfully causes the credit to be extended in contravention of Regulations G, T, or U.

(2) Any borrower whose permanent residence is outside the United States and who does not obtain or have outstanding, during any calendar year, a total of more than \$100,000 in purpose credit obtained outside the United States; and

(3) Any borrower who is exempt by Order upon terms and conditions set by the Board.

§ 224.2 Definitions.

The terms used in this part have the meanings given to them in sections 3(a) and 7(f) of the Act, and in Regulations G, T, and U. Section 7(f) of the Act contains the following definitions:

(a) "United States person" includes a person which is organized or exists under the laws of any State or, in the case of a natural person, a citizen or resident of the United States; a domestic estate; or a trust in which one or more of the foregoing persons has a cumulative direct or indirect beneficial interest in excess of 50 per centum of the value of the trust.

(b) "United States security" means a security (other than an exempted security) issued by a person incorporated under the laws of any State, or whose principal place of business is within a State.

(c) "Foreign person controlled by a United States person" includes any noncorporate entity in which United States persons directly or indirectly have more than a 50 per centum beneficial interest, and any corporation in which one or more United States persons, directly or indirectly, own stock possessing more than 50 per centum of the total combined voting power of all classes of stock entitled to vote, or more than 50 per centum of the total value of shares of all classes of stock.

§ 224.3 Margin regulations to be applied by nonexempted borrowers.

(a) *Credit transactions outside the United States.* No borrower shall obtain purpose credit from outside the United States unless it conforms to the following margin regulations:

(1) Regulation T (12 CFR Part 220) if the credit is obtained from a foreign branch of a broker-dealer;

(2) Regulation U (12 CFR Part 221) if the credit is obtained from a foreign branch of a bank, except for the requirement of a purpose statement (12 CFR 221.3 (b) and (c)); and

(3) Regulation G (12 CFR Part 207) if the credit is obtained from any other lender outside the United States, except for the requirement of a purpose statement (12 CFR 207.3 (e) and (f)).

(b) *Credit transactions within the United States.* Any borrower who willfully causes credit to be extended in contravention of Regulations G, T, or U, and who, therefore, is not exempted by § 224.1(b)(1) of this part, must conform the credit to the margin regulation that applies to the lender.

(c) *Inadvertent noncompliance.* No borrower who inadvertently violates this part and who acts to remedy the violation as soon as practicable shall be deemed in violation of this part.

By order of the Board of Governors of the Federal Reserve System, December 16, 1983.
William W. Wiles,
Secretary of the Board.

[FR Doc. 83-33504 Filed 12-21-83; 8:45 am]

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FEDERAL HOME LOAN BANK BOARD

12 CFR Part 563c

[No. 83-718]

Accounting for Gains and Losses on the Sale or Other Disposition of Certain Assets

December 15, 1983.

AGENCY: Federal Home Loan Bank Board.

ACTION: Final rule.

SUMMARY: Section 563c.14(a) of the Board's Accounting Regulations for institutions whose accounts are insured by the Federal Savings and Loan Insurance Corporation (12 CFR 563c.14(a)) allows insured institutions to defer and amortize gains and losses on the sale or other disposition of mortgage-related loans and certain securities. The regulation required the institution's board of directors to make its election or revoke prior elections regarding such deferral or amortization at the board's first meeting of the fiscal year. In order to provide greater flexibility and to more effectively carry out the intended purpose of the regulatory authorization, which is to assist institutions in the orderly restructuring of their asset portfolios, the Board has amended the regulation to allow elections and revocations of prior elections at other times during the fiscal year.

EFFECTIVE DATE: December 22, 1983.

FOR FURTHER INFORMATION CONTACT: Edward Taubert, Deputy Director, Policy and Regulations Division, Office of Examinations and Supervision, Federal Home Loan Bank Board, (202-377-6484), 1700 G Street NW., Washington, D.C. 20552.

SUPPLEMENTARY INFORMATION: The Board for good cause finds that observance of the notice and comment procedures prescribed by 5 U.S.C. 553(b) and 12 CFR 508.11 and the delay of effective date prescribed by 5 U.S.C. 553(d) and 12 CFR 508.12, 13

unnecessary because the amendment relieves a restriction.

List of Subjects in 12 CFR Part 563c

Accounting, Savings and loan associations, Securities.

Accordingly, the Federal Home Loan Bank Board hereby amends Part 563c, Subchapter D, Chapter V of Title 12 of the *Code of Federal Regulations*, as set forth below.

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

PART 563c—ACCOUNTING REQUIREMENTS

Amend the first sentence of § 563c.14(a) as follows:

§ 563c.14 Accounting for gains and losses on the sale or other disposition of mortgage loans, redeemable ground-rent leases, and certain securities; matching the amortization of discounts and losses.

(a) *General.* An institution, by resolution of its board of directors, may elect to defer and amortize all gains and losses (net of related income taxes computed in accordance with generally accepted accounting principles) on any sale or other disposition, occurring in the fiscal year that the action to defer and amortize is taken, of mortgage loans, redeemable ground-rent leases, mortgage-related securities (as defined in § 563.17-4(a)(4) of this subchapter), preferred stock that at the time of issuance provides for redemption on a fixed date in a fixed dollar amount or for redemption pursuant to a fixed scheduled of periodic payments and has a remaining term to maturity of at least five years, and debt securities that do not qualify as liquid assets under § 523.10(g) of this chapter because of their maturities or that have remaining terms to maturity of at least five years.

(Sec. 402, 403, 407, 48 Stat. 1256, 1257, 1260, as amended; 12 U.S.C. 1725, 1726, 1730; Reorg Plan No. 3 of 1947, 12 FR 4981, 3 CFR 1943-48 Comp., p. 1071)

By the Federal Home Loan Bank Board.

J. J. Finn,
Secretary.

[FR Doc. 83-33942 Filed 12-21-83; 8:45 am]
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SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

Procedures of the Office of Hearings and Appeals for Determining Appeal of Size Status and Product or Service Classifications; Correction

AGENCY: Small Business Administration.

ACTION: Final rule; Correction.

SUMMARY: SBA is correcting a document concerning its procedural rules on size determination and product or service classification appeals. This action corrects the effective date of these rules to be December 23, 1983, rather than December 23, 1982, as it was published.

FOR FURTHER INFORMATION CONTACT: Roger Jones, Assistant Administrator, Office of Hearings and Appeals, Small Business Administration, 1441 L Street, N.W., Washington, D.C. 20416 (202) 653-6805.

Accordingly, the document published December 16, 1983, at 48 FR 55832, FR Doc. #83-33519, is corrected by changing the effective date from December 23, 1982, to December 23, 1983.

Dated: December 19, 1983.
Heriberto Herrera,
Acting Administrator.

[FR Doc. 83-33897 Filed 12-21-83; 8:45 am]
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DEPARTMENT OF COMMERCE

Economic Development Administration

13 CFR Part 301

Information Collection Requirements Under the Paperwork Reduction Act; OMB Control Numbers

AGENCY: Economic Development Administration (EDA), Commerce.

ACTION: Final rule.

SUMMARY: This rule shows OMB Control Numbers assigned to EDA's information collection requirements.

EFFECTIVE DATE: December 22, 1983.

FOR FURTHER INFORMATION CONTACT: Brian B. Whalen, Director, Management and Administration Directorate, U.S. Department of Commerce, Economic Development Administration, Room 7816, Washington, D.C. 20230; (202) 377-2194.

SUPPLEMENTARY INFORMATION: This regulation is not a "major rule" under E.O. 12291; thus, a Regulatory Impact

Analysis is not required. There are no reporting or recordkeeping requirements under the Paperwork Reduction Act of 1980 (Pub. L. 96-551).

It has been determined by the General Counsel of the Department of Commerce that this rulemaking will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 13 CFR Part 301

Freedom of information, Organization and functions (Government agencies).

PART 301—[AMENDED]

Accordingly, 13 CFR Part 301 is amended by adding Subpart E, as follows:

Subpart E—Information Collection Requirements Under the Paperwork Reduction Act: OMB Control Numbers

§ 301.70 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

(a) This table displays control numbers assigned to EDA's information collection requirements by the Office of Management and Budget ("OMB") pursuant to the Paperwork Reduction Act of 1980, Pub. L. 96-511. EDA intends that this table comply with the requirements of section 3507(f) of the Paperwork Reduction Act, which requires that agencies display a current control number assigned by the Director of OMB for agency information collection requirement.

(b) Control Number Table:

13 CFR part or section where identified and described	Current OMB control No.
Part 305	0610-0011 0610-0076
Part 306	0610-0010
Part 307	0610-0018 0610-0024 0610-0058 0610-0011 0610-0024
Part 308	0610-0003
§ 309.22	0610-0021 0610-0028
Part 311	
Part 317	

(Sec. 701, Pub. L. 89-136, 79 Stat. 570; 42 U.S.C. 3211; Sec. 1-105, E.O. 12185, DOC Organization Order 10-4, as amended (40 FR 56702, as amended))

Dated: December 16, 1983.

Carlos C. Campbell,
Assistant Secretary for Economic Development.

[FR Doc. 83-33903 Filed 12-21-83; 8:45 am]
BILLING CODE 3510-24-M