

have not exceeded \$15,000,000 per year and SBA does not anticipate sales in excess of that figure for this or next year.

This rule contains no reporting or recordkeeping requirements subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

List of Subjects in 13 CFR Part 121

Small Business, Small Business Size Standards.

PART 121—[AMENDED]

Accordingly, pursuant to the authority contained in sections 3 and 5(b)(6) of the Small Business Act, 15 U.S.C. 632 and 634(b)(6), 13 CFR 121.6 is amended by revising (c)(1) introductory text, (c)(2), and (c)(3) and removing (c)(4) as follows:

§ 121.6 Small business for sales or lease of Government property.

(c) * * *

(1) In connection with the sale of Government-owned special salvage timber by the USFS and BLM a small business is a concern that:

(2) In the case of Government-owned special salvage reserved for small businesses, when the special salvage timber being purchased is to be resold, a concern is a small business when:

(i) It is a small business within the meaning of paragraph (c)(1) of this section, and

(ii) It agrees that as an eligible logger, it will accomplish a significant portion of the logging operation, exclusive of hauling, with its own employees. Significant logging of timber means using its own employees to accomplish two or more of the following elements: (A) Felling and bucking, (B) yarding, (C) loading. It further agrees that such SSTS logging elements not accomplished with its own employees will be subcontracted only to concerns eligible for preferential award of an SSTS.

(3) In the case of Government-owned special salvage timber reserved for or involving preferential treatment of small businesses when the special salvage timber purchased is not to be resold in the form of sawlogs to be manufactured into lumber and timbers, a concern is a small business when:

(i) It meets the criteria contained in paragraph (c)(1) of this section, and

(ii) It agrees that it will manufacture a significant portion of the logs with its own employees. Manufacture of logs means, at the minimum, a breakdown of the log into the rough cut of the finished product.

(iii) It further agrees that, it will accomplish the logging of-SSTS timber,

exclusive of hauling, with its own employees, or will subcontract such logging only to concerns eligible for preferential award of an SSTS.

Dated: January 24, 1985.

James C. Sanders,
Administrator.

[FR Doc. 85-3944 Filed 2-14-85; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF COMMERCE

Economic Development Administration

13 CFR Part 314

Property Management Standards; Real Property

AGENCY: Economic Development Administration (EDA), Commerce.

ACTION: Interim rule.

SUMMARY: This rule amends EDA's property management regulations concerning mortgages. It provides that public utilities subject to existing bonds containing after-acquired property clauses, (for example, "water system and all accessions or additions or improvements thereto"), can receive a waiver of EDA's mortgage provisions without meeting other waiver requirements. This amendment is consistent with the intent of current EDA regulations concerning waiver of the prohibition against placing mortgages on property improved by an EDA grant. This amendment adds to the regulations.

DATES: Effective Date: February 15, 1985.

Comments by: April 16, 1985.

ADDRESS: Send comments to the Assistant Secretary for Economic Development, U.S. Department of Commerce, Room 7800B, Washington, D.C. 20230.

FOR FURTHER INFORMATION CONTACT: Charles W. Coss, Director, Office of Public Works, U.S. Department of Commerce, Economic Development Administration, Room 7019, Washington, D.C. 20230, (202) 377-5265.

SUPPLEMENTARY INFORMATION: EDA is amending its property management regulation concerning mortgages (13 CFR Part 314) in order to meet a need not previously contemplated.

The amendment provides that the Assistant Secretary may waive the provisions against encumbrances on property financed by an EDA public works grant when he/she determines that the encumbrance arises solely from the provisions of a pre-existing water or

sewer facilities encumbrance which by its terms extends to additional property connected to such facilities. The Assistant Secretary's determination shall make reference to the specific provisions (for example, "water system and all accessions or additions or improvements thereto") which extend the terms of the pre-existing encumbrance to the property which is financed by the EDA public works grant.

The General Counsel for the Department of Commerce has determined that because this rule relates to a grants program, it is exempt from the notice and opportunity for comment requirements of section 553 of the Administrative Procedure Act (APA) (5 U.S.C. 553) and no other law requires that notice and opportunity for comment be given.

Accordingly, the Department's General Counsel has determined and so certified to the Office of Management and Budget, that dispensing with notice and opportunity for comment is consistent with the APA and other relevant laws.

Since notice and opportunity for comment are not required to be given for this rule, it is not a rule within the meaning of section 601(2) of the Regulatory Flexibility Act (5 U.S.C. 601(2)) and the requirements of that Act do not apply. Accordingly, no initial or final Regulatory Flexibility Analysis has been or will be proposed.

Because this rule relieves a restriction, under section 553(d)(1) of the APA (5 U.S.C. 553(d)(1)), it can be and is being made immediately effective upon publication.

However, because the Department is interested in the reactions of those who will benefit from the amendment, this rule is being issued as interim final. Public comments on the interim final rule are invited and shall be sent to:

Address: J. Bonnie Newman, Assistant Secretary for Economic Development, U.S. Department of Commerce, Room 7800B, Washington, D.C. 20230.

Comments received by April 16, 1985 will be considered.

Under Executive Order (E.O.) 12291 the Department must judge whether a regulation is "major" within the meaning of Section 1 of the Order and therefore subject to the requirement that a Regulatory Impact Analysis be prepared. This regulation is not major because it is not likely to result in an annual effect on the economy of \$100 million or more; a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic

regions; or 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.

This rule does not contain a collection of information for purposes of the Paperwork Reduction Act (Pub. L. 96-511).

List of Subjects in 13 CFR Part 314

Economic development, Grant programs—economic development, Government property management, Public works grants.

PART 314—[AMENDED]

Accordingly, 13 CFR Part 314 is amended as follows:

Section 314.5 is amended by adding paragraph (c) to read as set forth below.

§ 314.5 Mortgages.

(c) The Assistant Secretary may waive the provisions of this paragraph as to an encumbrance on property which is financed by an EDA public works grant when he/she determines that the encumbrance arises solely from the provisions of a pre-existing water or sewer facilities encumbrance which by its terms extends to additional property connected to such facilities. The Assistant Secretary's determination shall make reference to the specific provisions (for example, "water system and all accessions or additions or improvements thereto") which extend the terms of the pre-existing encumbrance to the property which is financed by the EDA public works grant.

(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 14, 1984.

J. Bonnie Newman,

Assistant Secretary for Economic Development.

[FR Doc. 85-3829 Filed 2-14-85; 8:45 am]

BILLING CODE 3510-24-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 84-NM-109-AD; Amdt. 39-5000]

Airworthiness Directives; Boeing Model 727 and 737 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This document amends an existing airworthiness directive (AD) applicable to Boeing Model 727 and 737 series airplanes, which requires installation of a positive indication of starter operation, by extending the compliance time. The time extension is necessitated by the lack of an adequate supply of modification parts. Failure to extend the compliance time could result in the unnecessary grounding of the airplanes affected.

EFFECTIVE DATE: February 23, 1985.

FOR FURTHER INFORMATION CONTACT: Mr. Stewart R. Miller, Propulsion Branch, ANM-140S, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region; telephone (206) 431-2969. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: A proposal to amend Part 39 (14 CFR Part 39) of the Federal Aviation Regulations to revise Amendment 39-4542, AD 83-01-05, was published in the Federal Register on January 3, 1985 (50 FR 280). The amendment would extend the compliance time for the subject AD for one year, to February 23, 1988. Interested persons have been afforded the opportunity to participate in the making of the amendment. Ten comments were received. All comments supported the time extension.

Since this AD will merely extend the compliance time, there will be no additional costs to operators.

For the reasons discussed above, the FAA has determined that this regulation is not considered to be major under Executive Order 12291 or significant under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979) and it is further certified under the criteria of the Regulatory Flexibility Act that this rule will not have a significant economic effect on a substantial number of small entities because few, if any, Model 727 or 737 airplanes are operated by small entities. A final evaluation has been prepared for this regulation and has been placed in the docket. A copy of it may be obtained by contacting the person identified under the caption "FOR FURTHER INFORMATION CONTACT."

Therefore, the FAA has determined that air safety and the public interest require the adoption of the rule proposed. This action relieves a burden, therefore, good cause exists for making it effective in less than 30 days.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

The Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, § 39.13 of Part 39 of the Federal Aviation Regulations (14 CFR 39.13) is amended by amending AD 83-01-05, Amendment 39-4542 (48 FR 2962; January 24, 1983), as follows:

Change compliance date in paragraph A. from February 23, 1985, to February 23, 1988.

Effective Date: February 23, 1985.

(Secs. 313(a), 314(a), 601 through 610, and 1102 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421 through 1430, and 1502); 49 U.S.C. 106(g) (Revised, Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89) Issued in Seattle, Washington, on January 29, 1985.)

Charles R. Foster,

Director, Northwest Mountain Region.

[FR Doc. 85-3815 Filed 2-14-85; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Parts 182 and 184

[Docket No. 81N-0380]

GRAS Status of Vitamin B₁₂

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is affirming that vitamin B₁₂ is generally recognized as safe (GRAS) as a direct human food ingredient when used as a nutrient in conventional food. The safety of this ingredient has been evaluated under the comprehensive safety review conducted by the agency.

DATES: Effective March 18, 1985. The Director of the Federal Register approves the incorporation by reference of certain publications at 21 CFR 184.1945 effective on March 18, 1985.

FOR FURTHER INFORMATION CONTACT: Leonard C. Gosule, Center for Food Safety and Applied Nutrition (HFF-355), Food and Drug Administration, 200 C Street SW., Washington, DC 20204, 202-426-9463.

SUPPLEMENTARY INFORMATION: In the Federal Register of August 27, 1982 (47 FR 37928), FDA published a proposal to affirm that vitamin B₁₂ is GRAS for use as a direct human food ingredient. FDA published this proposal in accordance with its announced review of the safety of GRAS and prior-sanctioned food ingredients.

In accordance with § 170.35 (21 CFR 170.35), copies of the scientific literature reviews and the reports of the Select Committee on GRAS Substances (the Select Committee) on vitamin B₁₂ have been available for public review in the Dockets Management Branch (HFA-305), Food and Drug Administration, Room 4-62, 5600 Fishers Lane, Rockville, MD 20857. Copies of these documents also are available for public purchase from the National Technical Information Service, as announced in the proposal.

In addition to proposing to affirm the GRAS status of vitamin B₁₂, FDA gave public notice that it was unaware of any prior-sanctioned food uses for this ingredient other than the proposed conditions of use. Persons asserting additional or extended uses in accordance with approvals granted by the U.S. Department of Agriculture or FDA before September 6, 1958, were given notice to submit proof of those sanctions, so that the safety of any prior-sanctioned uses could be determined. That notice was also an opportunity to have prior-sanctioned uses of this ingredient recognized by issuance of an appropriate regulation under Part 181—Prior-Sanctioned Food Ingredients (21 CFR Part 181) or affirmed as GRAS under Part 184 or 186 (21 CFR Part 184 or 186), as appropriate.

FDA also gave notice that failure to submit proof of an applicable prior sanction in response to the approval would constitute a waiver of the right to assert that sanction at any future time.

No reports of prior-sanctioned uses for vitamin B₁₂ were submitted in response to the proposal. Therefore, in accordance with the proposal, any right to assert a prior sanction for use of vitamin B₁₂ under conditions different from those set forth in this final rule has been waived.

FDA received two comments in response to the proposal. The comments and the agency's response to them are set as follows:

1. One comment stated that it understood the proposal to hold that the term "vitamin B₁₂" referred exclusively to the substance known as "cyanocobalamin," and that the two terms, "Vitamin B₁₂" and "cyanocobalamin," referred only to that ingredient. The comment requested that FDA make clear whether "cobalamin" can also be used in food labeling as a name for this substance. The comment included a letter from FDA, dated March 2, 1979, that stated that for labeling purposes, "vitamin B₁₂," "cobalamin," or "cyanocobalamin" can be used interchangeably.

FDA has carefully reviewed this comment and the letter included in the comment. As indicated in the agency's proposal, "vitamin B₁₂" refers exclusively to the substance known as "cyanocobalamin," and these two terms are the only ones that can be used to refer to that substance, which is being affirmed as GRAS in this final rule. The agency would not object to the use of either term in an ingredient statement on a food label. The agency requires, however, that for nutrition labeling purposes (21 CFR 101.9), the term "vitamin B₁₂" must be used.

The agency additionally stated in the proposal that the term "cobalamin" referred to vitamin B₁₂ without a cyano group (47 FR 37929). Therefore, "cobalamin" cannot be used in place of "vitamin B₁₂" or "cyanocobalamin" in food labeling. The opinion in the March 2, 1979, letter, referred to in the comment, is superseded by this determination.

In addition, in response to this comment, the agency has reconsidered the description of vitamin B₁₂ that it included in § 184.1945 (21 CFR 184.1945) in the proposal. The agency has decided to delete the foods that it listed in proposed § 184.1945(a) as natural sources of vitamin B₁₂ because such a list may be interpreted to mean that cyanocobalamin occurs naturally in these foods. As indicated in the Select Committee's report, the predominant forms of vitamin B₁₂ that exist in animal tissues are protein-bound coenzyme vitamin B₁₂ and methylcobalamin, and not cyanocobalamin. See "Evaluation of the Health Aspects of Vitamin B₁₂ as a Food Ingredient," Life Sciences Research Office, Federation of American Societies for Experimental Biology, p. 3, 1978.

2. One comment reported use of vitamin B₁₂ in four food categories that were not listed in the proposed regulation. The comment stated that there might also be other uses about which neither FDA nor the comment are aware. The comment requested that FDA modify the proposed regulation by affirming vitamin B₁₂ as GRAS for use in all conventional foods listed in 21 CFR 170.3(n).

Based on the agency's review of this comment, FDA concludes that vitamin B₁₂ may be safely used as a nutrient in foods in accordance with current good manufacturing practice and with the fortification policy in 21 CFR 104.20, and that the listing of specific food categories is not necessary. This conclusion is based on the fact that both the agency and the Select Committee have determined that there is a wide margin of safety for vitamin B₁₂, and that

the current level of consumption of this ingredient in food, as well as any reasonably foreseeable increase in its consumption, are expected to be safe. Therefore, FDA has modified the proposed rule by removing the food categories listed and by affirming vitamin B₁₂ as GRAS for use as a nutrient supplement in human food in accordance with current good manufacturing practice.

The agency previously has determined under 21 CFR 25.24(d)(6) (proposed December 11, 1979; 44 FR 71741) that this action is of a type that does not individually or cumulatively have a significant impact on the human environment. FDA has not received any new information or comments that would alter its previous determination.

In accordance with the Regulatory Flexibility Act, the agency previously considered the potential effects that this rule would have on small entities, including small businesses. In accordance with section 605(b) of the Regulatory Flexibility Act, the agency has determined that no significant impact on a substantial number of small entities would derive from this action. FDA has not received any new information or comments that would alter its previous determination.

In accordance with Executive Order 12291, FDA has previously analyzed the potential economic effects of this final rule. As announced in the proposal, the agency has determined that the rule is not a major rule as determined by the Order. The agency has not received any new information or comments that would alter its previous determination.

The agency's findings of no major economic impact and no significant impact on substantial number of small entities, and the evidence supporting these findings, are contained in a threshold assessment which may be seen in the Dockets Management Branch (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857.

List of Subjects

21 CFR Part 182

Generally recognized as safe (GRAS) food ingredients, Spices and flavorings.

21 CFR Part 184

Direct food ingredients, Food ingredients, Generally recognized as safe (GRAS) food ingredients, Incorporation by reference.

Therefore, under the Federal Food, Drug, and Cosmetic Act (secs. 201(s), 409, 701(a), 52 Stat. 1055, 72 Stat. 1784-1788 as amended (21 U.S.C. 321(s), 348,

371(a)) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.10) and redelegated to the Center for Food Safety and Applied Nutrition (21 CFR 5.61; see 49 FR 48183; December 11, 1984), Parts 182 and 184 are amended as follows:

PART 182—SUBSTANCES GENERALLY RECOGNIZED AS SAFE

§ 182.8945 [Removed]

1. Part 182 is amended by removing § 182.8945 *Vitamin B₁₂*.

PART 184—DIRECT FOOD SUBSTANCES AFFIRMED AS GENERALLY RECOGNIZED AS SAFE

2. Part 184 is amended by adding new § 184.1945, to read as follows:

§ 184.1945 *Vitamin B₁₂*.

(a) Vitamin B₁₂, also known as cyanocobalamin (C₆₃H₈₈CoN₁₄O₁₄P, CAS Reg. No. 68-19-9), is produced commercially from cultures of *Streptomyces griseus*.

(b) The ingredient meets the specifications of the Food Chemicals Codex, 3d Ed. (1981), p. 343, which is incorporated by reference. Copies are available from the National Academy Press, 2101 Constitution Ave. NW., Washington, DC 20418, or available for inspection at the Office of the Federal Register, 1100 L St. NW., Washington, DC 20408.

(c) In accordance with § 184.1(b)(1), the ingredient is used in food with no limitation other than current good manufacturing practice. The affirmation of this ingredient as generally recognized as safe (GRAS) as a direct human food ingredient is based upon the following current good manufacturing practice conditions of use:

(1) The ingredient is used as a nutrient supplement as defined in § 170.3(o)(20) of this chapter.

(2) The ingredient is used in food at levels not to exceed current good manufacturing practice. Vitamin B₁₂ also may be used in infant formula in accordance with section 412(g) of the Federal Food, Drug, and Cosmetic Act (the act) or with regulations promulgated under section 412(a)(2) of the act.

(d) Prior sanctions for this ingredient different from the uses established in this section do not exist or have been waived.

Effective date. This regulation shall be effective March 18, 1985.

(Secs. 201(s), 409, 701(a), 52 Stat. 1055, 72 Stat. 1784-1788 as amended (21 U.S.C. 321(s), 348, 371(a)))

Dated: January 11, 1985.

Richard J. Ronk,

Acting Director, Center for Food Safety and Applied Nutrition.

[FR Doc. 85-3826 Filed 2-14-85; 8:45 am]

BILLING CODE 4160-01-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing—Federal Housing Commissioner

24 CFR Parts 880 and 881

[Docket No R-85-1217; FR-2013]

Clarification of Contract Rent Adjustment Before Cost Certification

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Final rule.

SUMMARY: This final rule amends §§ 880.405(d) and 881.405(d) to prohibit double counting of certain rents paid to an owner during the development of a Section 8 New Construction or Substantial Rehabilitation project. Under the current rule, HUD may use such rents to offset development costs, or, in the case of non-profit owners, to fund a reserve account. The rents also may be treated as a payment of rent subject to recovery by HUD to the extent they exceed the Contract rents approved after cost certification. By changing the date for recovery of overpayments from the effective date of the Housing Assistance Payments Contract to the cost certification cut-off date, this rule will assure that contract rents received after the HAP Contract effective date but before the cost certification cut-off date will be used only for the first of these purposes.

EFFECTIVE DATE: March 20, 1985.

FOR FURTHER INFORMATION CONTACT: Linda Cheatham, Office of Insured Multifamily Housing Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, D.C. 20410, (202) 426-0035. (This is not a toll-free number).

SUPPLEMENTARY INFORMATION: The cost certification process performed in accordance with §§ 880.405 and 881.405 determines a project's actual approvable development cost. Estimated costs are used initially to determine approvable contract rents for the units. After project completion and cost certification, these contract rents are reduced if the actual development cost was less than the estimated costs. A Housing Assistance

Payments (HAP) Contract may be executed for some units before project completion. Any income received by the owner during the development period reduces the allowed development cost or, in the case of a non-profit owner, funds a reserve account. That income is not intended to be considered for a second purpose as well, although under the existing rule it may be considered to determine recoverable overpayments of contract rents. Waivers of the current rule have been granted so that rental income received during the development period is not made subject to recovery as overpayment of contract rent. This rule amends the last sentence of §§ 880.405(d) and 881.405(d) to start the recovery period for overpayment of contract rent at the cost certification cut-off date, instead of at the effective date of the HAP Contract.

This rule is being published as a final rule for effect at the earliest possible date, since, given the current HUD policy of granting waivers to accomplish comparable purposes, this rule represents no change in policy and will work to the advantage of members of the affected public. Notice and public procedure are being omitted as unnecessary and contrary to the public interest.

Findings and Certifications

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR Part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332. The Finding of No Significant Impact is available for public inspection and copying during regular business hours in the Office of the Rules Docket Clerk, Room 10276, 451 Seventh Street, SW., Washington, D.C. 20410.

This rule does not constitute a "major rule" as that term is defined in section 1(b) of the Executive Order on Federal Regulation issued by the President on February 17, 1981. Analysis of the rule indicates that it does not: (1) Have an annual effect on the economy of \$100 million or more; (2) cause a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies or geographic regions; or (3) have a significant adverse effect 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.

Under 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the undersigned hereby certifies that this rule does not have a

significant economic impact on a substantial number of small entities, because it embodies in a rule a practice that has developed as the result of requests to waive the provisions of the current rule.

This rule was listed under the Office of Housing as sequence number 106 in the HUD Semiannual Agenda of Regulations published on October 22, 1984 (49 FR 41684, 41687), under Executive Order 12291 and the Regulatory Flexibility Act.

List of Subjects

24 CFR Part 880

Rent subsidies, Low and moderate income housing, New construction.

24 CFR Part 881

Rent subsidies, Low and moderate income housing, Substantial rehabilitation.

Accordingly, the Department amends 24 CFR Parts 880 and 881 as follows:

PART 880—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FOR NEW CONSTRUCTION

1. Section 880.405(d) is revised to read as follows:

§ 880.405 Cost certification and adjustment of contract rents.

(d) *Reduction of Maximum Annual Commitment.* If the contract rents are reduced under paragraph (c) of this section, the maximum annual Contract commitment (and the maximum ACC commitment, in the case of private-owner/PHA projects) will be reduced. If contract rents are reduced based on cost certification after HAP Contract execution, any overpayment between the effective date of the Contract and the cost certification cut-off date shall be applied in one of the following ways, as determined by HUD:

- (1) To advance amortization;
- (2) To offset the cost of approved capital improvements; or
- (3) To be deposited in the reserve fund for replacements.

Any overpayment after the cost certification cut-off date will be recovered from the owner by HUD. As used in this paragraph, the cost certification cut-off date is the date that the owner selects to run its cost for interest, taxes, property insurance, and mortgage insurance premium, and for which it computes its income and expense statement. This date may be no earlier than the date HUD accepts the project as physically complete, and no later than 60 days thereafter.

PART 881—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FOR SUBSTANTIAL REHABILITATION

2. Section 881.405(d) is revised to read as follows:

§ 881.405 Cost certification and adjustment of contract rents.

(d) *Reduction of maximum annual commitment.* If the contract rents are reduced under paragraph (c) of this section the maximum annual Contract commitment (and the maximum ACC commitment, in the case of private-owner/PHA projects) will be reduced. If contract rents are reduced based on cost certification after HAP Contract execution, any overpayment between the effective date of the Contract and the cost certification cut-off date shall be applied in one of the following ways, as determined by HUD:

- (1) To advance amortization;
- (2) To offset the cost of approved capital improvements; or
- (3) To be deposited in the reserve fund for replacements.

Any overpayment after the cost certification cut-off date will be recovered from the owner by HUD. As used in this paragraph, the cost certification cut-off date is the date that the owner selects to run its cost for interest, taxes, property insurance, and mortgage insurance premium, and for which it computes its income and expense statement. This date may be no earlier than the date HUD accepts the project as physically complete, and no later than 60 days thereafter.

Authority: 42 U.S.C. 1437f and 3535(d).

Dated: February 6, 1985.

Maurice L. Barksdale,

Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. 85-3813 Filed 2-14-85; 8:45 am]

BILLING CODE 4210-27-M

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 2619

Valuation of Plan Benefits in Non-Multiemployer Plans; Amendment Adopting Additional PBGC Rates

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This amendment to the regulation on Valuation of Plan Benefits in Non-Multiemployer Plans contains the interest rates and factors for the period beginning March 1, 1985. The

interest rates and factors are to be used to value benefits provided under terminating non-multiemployer pension plans covered by Title IV of the Employee Retirement Income Security Act of 1974.

The valuation of plan benefits is necessary because, under section 4041 of the Act, the Pension Benefit Guaranty Corporation ("PBGC") and the plan administrator must determine whether a terminating pension plan has sufficient assets to pay all benefits under the plan that are guaranteed by the PBGC under the Title IV plan termination insurance program.

The interest rates and factors set forth in Appendix B to Part 2619 are adjusted periodically to reflect changes in financial and annuity markets. This amendment adopts the rates and factors applicable to plans that terminate on or after March 1, 1985, and will enable the PBGC and plan administrators to value the benefits provided under those plans. These rates and factors will remain in effect until Appendix B of the regulation is again amended.

EFFECTIVE DATE: March 1, 1985.

FOR FURTHER INFORMATION CONTACT: Renae R. Hubbard, Special Counsel, Corporate Policy and Regulations Department, Code 611, Pension Benefit Guaranty Corporation, 2020 K Street, NW., Washington, D.C. 20006, 202-254-6476, (202-254-8010 for TTY and TDD). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: On January 28, 1981, the PBGC published a final regulation on Valuation of Plan Benefits in Non-multiemployer Plans (46 FR 9492). That regulation, codified at 29 CFR Part 2619 (1984), sets forth the methods for valuing plan benefits of terminating non-multiemployer plans covered under Title IV of the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001 *et seq.* (1976), as amended. The regulation contains formulas for valuing different types of benefits. Appendix B to the regulation sets forth the interest rates and factors that are to be used in the formulas. Because these rates and factors are intended to reflect current conditions in the financial and annuity markets, it is necessary to update the rates and factors periodically.

As published in the 1984 edition of 29 CFR, Appendix B of Part 2619 contains interest rates and factors for valuing benefits in plans that terminated during various periods from September 2, 1974 through July 1, 1984. In July, August, October, November, and December of 1984, the PBGC published new rates and factors for plans terminating during the