# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Farmers Home Administration

### 7 CFR Part 1902

### Supervised Bank Accounts; Program Regulations

**AGENCY:** Farmers Home Administration, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Farmers Home Administration (FmHA) amends its regulation regarding Supervised Bank Accounts. This action is taken for more efficient administration of the program. The intended effect is to ensure that depositary's post collateral for excess over $100,000 before deposits are made.

**EFFECTIVE DATE:** January 6, 1988.

**FOR FURTHER INFORMATION CONTACT:** Ed Douglas, Debt Management Specialist, Financial and Management Analysis Staff, Financial Analysis Branch, Farmers Home Administration, USDA, Room 5507, South Agriculture Building, 14th and Independence Avenue SW., Washington, DC 20250, telephone: (202) 475–4425.

**SUPPLEMENTARY INFORMATION:** This final action has been reviewed under USDA procedures established in Departmental Regulation 1512–1 which implements Executive Order 12291, and has been determined to be exempt from those requirements because it involves only internal Agency management. It is the policy of this Department to publish for comment rules relating to public property, loans, grants, benefits, or contracts, notwithstanding the exemption in 5 U.S.C. 553 with respect to such rules. This action, however, is not published for proposed rulemaking since it involves only internal Agency management and publication for comment is unnecessary.

This final action has been reviewed in accordance with FmHA Instruction 1940–G, "Environmental Program." FmHA has determined that this final 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.

This action requires no increase in cost to the Government. There is no impact on proposed budget levels and funding allocations will not be affected because of this action. There will be no increase in the reporting requirements of the public. The Agency has determined that this regulation maximizes net benefit to society at the lowest net cost.

For the reasons set forth in the Final Rule related to Notice 7 CFR Part 3015, Subpart V (48 FR 29115, June 1983), this program/activity is excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials. This action does not directly affect any FmHA programs or projects which are subject to intergovernmental consultation.

### List of Subjects in 7 CFR Part 1902

Accounting, Banks, banking, Grant programs—Housing and Community development, Loan programs—Agriculture, Loan programs—Housing and Community development.

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

## PART 1902—SUPERVISED BANK ACCOUNTS

1. The authority citation for Part 1902 continues to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23; 7 CFR 2.70.

### Subpart A—Loan and Grant Disbursement

2. In § 1902.6, paragraph (d) is revised to read as follows:

**§ 1902.6 Establishing supervised bank accounts.**

* * * * *

(d) For each borrower, if the amounts of any loan and grant funds, plus any borrower contributions and funds from other sources to be deposited in the supervised bank account will exceed $100,000, the financial institution will be required to pledge collateral for the excess over $100,000, before the deposit is made (see § 1902.7).

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**§ 1902.7 [Amended]**

3. Section 1902.7(e) is amended in the last sentence by changing the words "Financial Support Division" to read "Budget Staff, Revolving Fund Analysis Branch."

4. In § 1902.7, paragraphs (a), (c), and (f) are revised to read as follows:

**§ 1902.7 Pledging collateral for deposit of funds in supervised bank accounts.**

(a) Funds in excess of $100,000 deposited for borrowers in supervised bank accounts, must be secured by pledging acceptable collateral with the Federal Reserve Bank (FRB) in an amount not less than the excess.

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(c) If the financial institution is agreeable to pledging collateral, the District Director or County Supervisor should complete FmHA Form Letter 1901–A–2 "Designated Financial Institution—Collateral Pledge" in an original and two copies, the original for the National Office, the first copy for the State Office, and the second copy for the District or County Office. The FmHA Form Letter 1902–A–2 should be forwarded to the National Office at least 30 days before the date of loan closing.

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(f) When the amount of the deposit in the supervised bank account has been reduced to a point where the financial institution desires part or all of its collateral released, it should write the local FmHA office requesting the release and stating the balance in the supervised bank account. The FmHA office upon receipt of this written request will send that request to the Department of Treasury, FMS Funds Flow Division, Collaterial Section, Room 802, Premier Bldg., Treasury Annex, Washington, DC 20226.

5. In § 1902.15, the introductory text and paragraph (b) and (c) are revised to read as follows:

**§1902.15 Closing accounts.**

When FmHA loan or grant funds and those of any other lender or grantor have all been properly expended or withdrawn. Form FmHA 402-6 may be used to give FmHA's consent (and of another lender or grantor, if involved) to close the supervised bank account in the following situations:

* * * * *

(b) For all loans accounts, except loans listed in § 1902.15(c) of this section, after completion of authorized loan funds expenditures, and after promptly refunding any remaining unexpended loan funds on the borrower's loan account with FmHA or another lender, as appropriate.

(c) For Community Facility, Water and Waste Disposal, Grazing Association, Irrigation and Drainage, Indian Land Acquisition, Watershed (WS), Organizational Rural Rental Housing (RRH), Resource Conservation and Development (RCD), EO loans to a Cooperative Association, Rural Cooperative Housing (RCH), or Organizational Labor Housing (LH) loan and grant accounts, when the funds have been expended in accordance with the requirements of Part 1942 Subpart A and Part 1823, Subpart I (FmHA Instruction 442.9), the supervised bank account will be closed within 90 days following completion of development, unless an extension of time is authorized in writing by the District Director. If the borrower will not agree to close the account, the District Director or County Supervisor will request the State Director to make demand upon the financial institution in accordance with § 1902.16.

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**Exhibit A [Removed and reserved]**

6. Exhibit A of Subpart A is removed and reserved.

Date: December 31, 1987.

**Vance L. Clark,**

*Administrator, Farmers Home Administration.*

[FR Doc. 88-154 Filed 1-5-88; 8:45 am]

BILLING CODE 3410-07-M

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

### 14 CFR Part 39

**[Docket 86-ASW-35; Amdt. 39-5796]**

### Airworthiness Directives; Aerospatiale (Societe Nationale Industrielle Aerospatiale) Model AS355 Series; Correction

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule; Correction.

**SUMMARY:** This action corrects the issuance date of the priority letter as published in the **Federal Register** of Friday, December 11, 1987. In FR document 87-28447, published Friday, December 11, 1987, on page 46986, in the last paragraph of the document; "November 21, 1987" is changed to read "November 21, 1986."

**FOR FURTHER INFORMATION CONTACT:** Wilbur F. Wells, (817) 624-5123.

**Debbie King,**

*Acting Manager, Program Management Staff.*

[FR Doc. 88-83 Filed 1-5-88; 8:45 am]

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### 14 CFR Part 39

**[Docket No. 80-ASW-16-AD; Amdt. 39-5821]**

### Airworthiness Directives; Fairchild (Swearingen) Models SA226-TC and SA226-AT Airplanes

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment revises Airworthiness Directive (AD), 80-09-08R1 Amendment 39-3883 for Fairchild (Swearingen) Models SA226-TC and SA226-AT airplanes, which required a repetitive 250-hour inspection and adjustment, as required, of the cargo door latches. This revision provides for installation of an improved bottom latch as an alternate means of compliance that when installed will relax the inspection interval from 250 hours to 1,200 hours. This revision also clarifies the serial number effectivity for this AD.

**EFFECTIVE DATE:** February 5, 1988.

*Compliance:* As prescribed in the body of the AD.

**ADDRESSES:** Fairchild Aircraft Corporation Service Bulletins (SB's) 226-52-009 (revised June 12, 1987) and 226-52-008 (revised April 6, 1984) applicable to this AD may be obtained from Fairchild Aircraft Corporation, P.O. Box 790490, San Antonio, Texas 78279-0490, or this information may be examined at the FAA, Rules Docket, Office of the Regional Counsel, Room 1558, 601 East 12th Street, Kansas City, Missouri 64106.

**FOR FURTHER INFORMATION CONTACT:** Michele Owsley, Airplane Certification Branch, ASW-150, Aircraft Certification Division, FAA, Forth Worth, Texas 76193-0150, Telephone (817) 624-5160.

**SUPPLEMENTARY INFORMATION:** A proposal to revise AD 80-09-08R1 applicable to certain Fairchild (Swearingen) Models SA226-TC and SA226-AT airplanes, to provide an alternate means of compliance, was published in the **Federal Register** on October 29, 1987 (52 FR 41586). The proposal resulted from a statistical analysis of service experience since the original AD was issued which indicates that the AD repetitive inspection interval can safely be relaxed from 250 hours to 1,200 hours providing an improved bottom latch for the cargo door has been installed.

Interested persons have been afforded an opportunity to comment on the proposal. Two commenters responded. A commuter airline and the Air Line Pilots Association (ALPA) both support the proposed amendment. ALPA further emphasizes that inspection data should continue to be reviewed to ensure that the 1,200-hour interval is not excessive. The FAA continuously monitors reports submitted under their service difficulty program and this interval can be further adjusted if warranted. ALPA also questioned whether the improved bottom latch should be incorporated on Model SA227 airplanes. The FAA has determined that this change was made in production for all Model SA227 airplanes so they are not included in the applicability of this AD.

Accordingly, the proposal is being adopted without change except that the entire AD will be written below instead of just a listing of the changes as was done in the NPRM.

The FAA has determined there are approximately 293 airplanes affected by this AD. The cost of each repetitive inspection is $34. The total estimated inspections performed annually are 1,500 at a total cost of $51,000. Adoption of the amendment will reduce these annual values to 300 total inspections at a total cost of $10,200. Requiring the estimated, remaining 30 percent of the fleet (approximately 90 aircraft) to comply with SB 226-52-008 (improved bottom latch assembly) will have a nonrecurring cost of $36,720 which is offset by the recurring annual inspection savings of $40,800. Because the cost reduction applies directly to the operational cost of the airplane owners and operators, there is an economic benefit (instead of impact) as a result of this proposal. No economic impact to small entities is foreseen as a result of this amendment.

Therefore, I certify that this action (1) is not a "major rule" under the provisions of Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory