Rules and Regulations

Federal Register
Vol. 54, No. 222
Monday, November 20, 1989

DEPARTMENT OF AGRICULTURE

Farmers Home Administration

7 CFR Parts 1900 and 1957

Sale of Section 502 Rural Housing Loans

AGENCY: Farmers Home Administration, USDA.

ACTION: Interim rule; guidelines.

SUMMARY: The Farmers Home Administration (FmHA) revises the guidelines in preparation for the transfer of subservicing responsibilities to the private sector. This action is necessary for the protection of the rights of borrowers whose loans were sold to the private sector under the provisions of the Omnibus Budget Reconciliation Act of 1986, Public Law 99-509 (OBRA). The intended effect of this action is to notify the public of how these borrower's rights will be protected under private sector servicing.

DATES: Effective on November 20, 1989. Comments must be received on or before December 20, 1989.

ADDRESSES: Submit written comments in duplicate to the Office of the Chief, Directives and Forms Management Branch, Farmers Home Administration, U.S. Department of Agriculture, Room 6348, South Agriculture Bldg., 14th and Independence Ave., SW., Washington, DC, 20250. All written comments will be available for public inspection at the above address.

FOR FURTHER INFORMATION CONTACT: Phil Girard, Senior Loan Specialist, Single Family Housing, Servicing and Property Management Division, Farmers Home Administration, USDA, Room 5309, South Agriculture Building, Washington, DC 20250, telephone (202) 382-1452.

SUPPLEMENTARY INFORMATION: This action has been reviewed under USDA procedures in Secretary's Memorandum 1512-1 which implements Executive Order 12291 and has been determined to be nonmajor.

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 because it is now impractical to do so because of the time contraints associated with the transfer of the Agency's subservicing responsibilities to the private sector as required by the Subservicing Agreement between the Master Servicer and FmHA. Congress mandated the sale of RH assets to yield $1.7 billion in proceeds by the end of FY 1987. The sale to the private sector, under provisions of the Omnibus Budget Reconciliation Act of 1986 (OBRA) occurred September 29, 1987. Servicing responsibilities shifted to the Master Servicer at the time of the sale as provided in Article III of the Pooling and Servicing Agreement. The Subservicing Agreement establishes that FmHA will act as subservicer for a transition period not to extend past September 30, 1989. Section 5.06 of the Loan Sale Agreement requires FmHA to effect an orderly transfer of servicing to the private sector. Because of the voluminous nature of the borrower loan files, an orderly transfer requires a staged turnover in order to complete the transaction ordered by OBRA by the September 30, 1989 deadline. This action provides basic information concerning the private sector's obligation to protect borrowers' rights as provided in FmHA regulations and of FmHA's limited involvement after transfer of subservicing responsibilities.

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." It is the determination of FmHA that this action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environment Policy Act of 1969, Public Law 91-190, an Environmental Impact Statement is not required.

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.410, Low Income Housing Loans (section 502 Rural Housing Loans), and is not subject to the provision of Executive Order 12372 which requires intergovernmental consultation with State and local officials. See 7 CFR 3015, subpart V (48 FR 29115, June 24, 1983) and FmHA Instruction 1940-J. "Intergovernmental Review of Farmers Home Administration Programs and Activities" (December 23, 1983).

List of Subjects

7 CFR Part 1900

Appeals, Credit, Loan programs—Housing and community development.

7 CFR Part 1957

Account servicing, Interest credit, Loan programs—housing and community development, Mortgages, Rural housing.

Accordingly, 7 CFR chapter XVIII is amended as follows:

PART 1900—GENERAL

1. The authority citation for part 1900 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 and 2.70.

Subpart B—Adverse Decisions and Administrative Appeals

2. In § 1900.51, paragraph (b) is revised to read as follows:

§ 1900.51 General.

* * * * *

(b) The Provisions of this subpart apply to program administrative decisions concerning all loans and grants made by FmHA. These include farmer program loans, housing loans (both single- and multi-family), community and business program loans, and all grant programs administered by FmHA. Hearings for single family housing loans sold to the Rural Housing Trust 1987-1 will be conducted by the Trust's Master Servicer acting through its subservicer. The borrower has the right to a review by the FmHA National Appeals Staff as defined in § 1900.58 of this subpart of hearing decisions made by the Master Servicer acting through its subservicer, except the State Director cannot be the initial review officer. The initial review will be conducted by the

Trust's Master Servicer acting through its subservicer.

* * * * *

3. Part 1957 is revised to read as follows:

PART 157—ASSET SALES

Subpart A—Rural Housing Asset Sales

Authority: Pub. L. 99-509, sec 2001(b)(1).

Subpart A—Rural Housing Asset Sales

§ 1957.1 General.

Pursuant to the Omnibus Budget Reconciliation Act of 1986, Public Law 99-509, the Farmers Home Administration sold certain of the portfolio of loans made under section 502 of the Housing Act of 1949 to the Rural Housing Trust, 1987–1. The sale was without recourse to FmHA except for certain provisions providing for FmHA's payment of interest credit amounts and agreement to compensate the Rural Housing Trust 1987–1 for future cash flow changes due to revised borrowers rights as set forth in FmHA regulations. The sale documents to Rural Housing Trust 1987–1 recognize that the FmHA loans were assigned subject to rights provided to these borrowers under documentation to recognize the rights of FmHA borrowers under regulations of FmHA as they may exist from time to time and to service the loans in accordance with then current FmHA regulations. In addition, as provided in § 1957.6 of this subpart, FmHA has retained review, but not hearing authority under the FmHA Appeal Procedure, 7 CFR part 1900, Subpart B. Failure of private servicers to comply with FmHA regulations in servicing loans sold to the Rural Housing Trust 1987–1 may be redressed in the review process under the Appeal Procedure.

§ 1957.2 Transfer with assumptions.

FmHA regulations governing transfers and assumptions will not apply to these loans. Individuals who what to purchase property securing a loan held by the Rural Housing Trust 1987–1, and who are eligible for an FmHA § 502 loan will be given the same priority by FmHA as a transferee of a § 502 loan if the property is then suitable for the FmHA RH program and is located in an eligible area. The Master Servicer of the Rural Housing Trust, 1987–1, may permit an assumption if it is deemed by the Master Servicer to be in the financial interest of the Trust, but in such case the transferee would not be eligible for FmHA loan servicing benefits under FmHA regulations.

§ 1957.3 [Reserved]

§ 1957.4 Graduation.

Borrowers will not be required to graduate to other credit.

§ 1957.5 [Reserved]

§ 1957.6 Appeal reviews.

The Master Servicer, acting through its subservicer, will have the responsibility to conduct hearings under the appeal process. Final review of an adverse decision upheld under the appeal process will remain with FmHA and be conducted by the Agency's National Appeal Staff, Washington, DC, under the FmHA Appeal Procedures, 7 CFR part 1900, subpart B. This review is final and will conclude the appellant's administrative appeal process.

§ 1957.7–1957.50 [Reserved]

Dated: September 21, 1989.

Roland R. Vautour,

Under Secretary for Small Community and Rural Development.

[FR Doc. 89–26961 Filed 11–17–89; 8:45 am]

BILLING CODE 3410-07-M

---

7 CFR Parts 1902, 1941, 1943, 1945, 1962, and 1980

Removal of Obsolete Forms From Farmer Program Regulations

AGENCY: Farmers Home Administration, USDA.

ACTION: Final rule.

SUMMARY: The Farmers Home Administration (FmHA) is amending its regulations to remove references to several obsolete forms. The intended effect is to update references to forms in the Agency's regulations. This action is the result of an internal forms review.

EFFECTIVE DATE: November 20, 1989.

FOR FURTHER INFORMATION CONTACT: Mary Ferguson—Loan Specialist—Insured Loan Making Branch Farmer Programs—Loan Making Division, FmHA, USDA, Room 5428–S, 14th and Independence Avenue, SW., Washington, DC 20250, telephone (202) 475–4018.

SUPPLEMENTARY INFORMATION: This 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, making publication for comment unnecessary

The amended regulations remove the following forms: FmHA Forms 402–5, Deposit Agreement-Non FmHA Funds; 432–9, Social Security Taxes Paid During the Year for Hired Labor; 440–6, Severance Agreement; 443–2, Option for Purchase of Farm Land to be Subdivided; 443–3, Assignment of Interest in Option; 443–4, Designation of Assignee of Interest in Options; 443–5, Short Term Lease of Optional Land; 443–6, Short Term Lease; 443–8, Agreement (Between Seller, Purchaser and Tenant); 443–10, Acceptance of Option by Assignee; 443–11, Acceptance of Option by Buyer (Land to be Subdivided); 443–12, Farm Ownership and Individual Soil and Water Fund Analysis; 462–10, FmHA Answer to Request for Information; 1924–14, Notice—Farmer Program Borrower Servicing Options Including Deferral and Borrower Responsibilities; 1940–37, Economic Emergency Loan Analysis; 1941–7, OL and Other Credit Analysis; 1945–20, Applicant's Environmental Impact Evaluation; 1945–23, Applicant's Certification (Insured Economic Emergency); 449–12, Request for Loan Note Guarantee (Farmer Program Loans); 449–26, Certificates of Lender and Applicant (Emergency Livestock Loan); 449–31, Emergency Livestock Loan Analysis; and 1980–32, Lender's Certification. Form FmHA 1980–25, Request for Guarantee (Farmer Program Loans) is being combined with Form FmHA 449–12 to create a revised Form FmHA 1980–25. This will allow for the deletion of the Form FmHA 449–12 and will allow for the use of only one form instead of two.

This action affects the following programs listed in the catalog of Federal Domestic Assistance:

10.406 Operating Loans
10.407 Farm Ownership Loans
10.416 Soil and Water Loans
10.404 Emergency Loans

This program/activity is not subject to the provisions of Executive Order 12372, which required intergovernmental consultation with State and local officials. See 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983) and FmHA Instruction 1940–J, "Intergovernmental Review of Farmers Home

Administration Programs and Activities." (December 23, 1983).

This document 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 Environment Policy Act of 1969, Public Law 91–190, and Environmental Impact Statement is not required.

List of Subjects

7 CFR Part 1902

Accounting, Banks, Banking, Grant programs—Housing and community development, Loan programs—Agriculture, Loan programs—Housing and community development.

7 CFR Part 1941

Crops, Livestock, Loan Programs—Agriculture, Rural areas, Youth,

7 CFR Part 1943

Credit, Loan programs—Agriculture, Recreation, Water resources.

7CFR Part 1945

Agriculture, Disaster assistance, Intergovernmental relations, Livestock, Loan programs—agriculture.

7 CFR Part 1962

Crops, Government property, Livestock, Loan Programs—Agriculture, Rural areas.

7 CFR Part 1980

Agriculture, Loan programs—Agriculture.

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. Section 1902.1 (i) is revised to read as follows:

§ 1902.1 General.

* * * * *

(i) Supervised bank accounts referred to in this Subpart are bank, savings and loan, or credit union accounts established through deposit agreements entered into between the borrower, the United States of America acting through the FmHA, and the Financial Institution on Form FmHA 402–1, "Deposit Agreement".

* * * * *

3. Section 1902.1 is amended by removing paragraph (k) and redesignating paragraph (l) as paragraph (k), and by inserting a period after the words "Form FmHA 402–1," and removing the remainder of the sentence, from newly redesignated paragraph (k).

§ 1902.2 [Amended]

4. Section 1902.2 is amended by removing paragraph (f) and redesignating paragraph (g) as paragraph (f).

§ 1902.10 [Amended]

5. Section 1902.10(c) is amended by inserting a period after the words "Form FmHA 402–1" and removing the remainder of the sentence.

PART 1941—OPERATING LOANS

6. The authority citation for part 1941 is revised to read as follows:

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

Subpart A—Operating Loan Policies, Procedures, and Authorizations

§ 1941.19 [Amended]

7. Section 1941.19(g)(2) is amended by inserting a period after the words "Consent and Subordination Agreement" and removing the remainder of the sentence.

Exhibit A to subpart A [Amended]

8. Exhibit A of subpart A is amended under the title "Docket Preparation" by removing from the table the entry for form numbers "440–6"and "1941–7," and in paragraph B under the title "Loan Approval and Closing" by removing from the table the entry for form number "402–5."

Subpart B—Closing Loans Secured by Chattels

§ 1941.60 [Amended]

9. Section 1941.60(d) is amended by inserting in the last sentence a period after the words "Consent and Subordination Agreement" and removing the remainder of the sentence.

§ 1941.67 [Amended]

10. Section 1941.67 is amended by deleting the phrase "severance agreement," from the introductory text, and by removing paragraph (c) and redesignating paragraph (d) as paragraph (c).

§ 1941.96 [Amended]

11. Section 1941.96(b) is amended in the first sentence by adding a period after the word "revised" and removing the remainder of the sentence.

PART 1943—FARM OWNERSHIP, SOIL AND WATER AND RECREATION

12. The authority citation for part 1943 is revised to read as follows:

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

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

§ 1943.25 [Amended]

13. Section 1943.25 is amended by removing paragraph (a)(3).

§ 1943.32 [Amended]

14. Section 1943.32(a) is amended in the table of forms by removing the entry for form numbers "443–12" and "443–8," and at the bottom of the table by removing "footnote [2]."

§ 1943.34 [Amended]

15. Section 1943.34(b) and (c) are revised to read as follows:

§ 1943.34 Requesting title service and accepting option.

* * * * *

(b) The applicant will sign Form FmHA 440–35, "Acceptance of Option," and send the original to the seller if land is being acquired. A copy will be kept in the case folder.

(c) The applicant will arrange with the seller to take possession when land is being acquired.

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

§ 1943.82 [Amended]

16. Section 1943.82 is amended in the table of forms by removing the entry for form number "443–12 [2]", and at the bottom of the table by removing "footnote [2]."

PART 1945—EMERGENCY

17. The authority citation for part 1945 is revised to read as follows:

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

Subpart C—Economic Emergency Loans

§ 1945.128 [Amended]

18. Section 1945.128(b) is amended in the first sentence by inserting a period after the words "(operating or real estate)" and removing the remainder of the sentence.

Subpart D—Emergency Loan Policies, Procedures and Authorizations

19. Exhibit A of Subpart D, paragraph III A.5., is amended in the table of forms by removing the entry for form numbers "443-2," "443-3," "1924-14" and "1945-20."

20. Exhibit A of Subpart D, paragraph IV D., is amended in the table of forms by removing the entry for form number "440-6."

21. Exhibit A of Subpart D, paragraph V B. 2., is amended in the table of forms by removing the entry for form numbers "402-5" and "1924-14."

PART 1962—PERSONAL PROPERTY

22. The authority citation for part 1962 continues to read as follows:

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

Subpart A—Servicing and Liquidation of Chattel Security

§ 1962.14 [Amended]

23. Section 1962.14 (a) is amended by removing the last sentence.

PART 1980—GENERAL

24. The authority citation for part 1980 is revised to read as follows:

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

Subpart A—General

§ 1980.13 [Amended]

25. Section 1980.13 (b)(2) is amended in the last sentence by removing the words "Form FmHA 449-12, 'Request for Loan Note Guarantee;' or" and by changing the title of Form FmHA 1980-25 to read "Request for Guarantee (Farmer Program Loans)."

§ 1980.83 [Amended]

26. Section 1980.83 (a) is amended in the second sentence by changing the title of Form FmHA 1980-25 to "Request for Guarantee (Farmer Program Loans)".

27. Appendix G of Subpart A of Part 1980 is revised to read as follows:

Appendix G—Request for Guarantee (Farmers Program Loans)

BILLING CODE 3410-07-M

Appendix G

Position 3

USDA-FmHA
Form FmHA 1980-25
(Rev. 10-89)

FORM APPROVED
OMB NO. 0575-0079

REQUEST FOR GUARANTEE
(Farmers Programs Loans)

TO: Farmers Home Administration (FmHA)	Case No. (Borrower's Soc. Sec. or IRS Tax No.)	State
Type of Loan ☐ FO ☐ SW ☐ OL ☐ OL Line of Credit		County
Applicant's Name	Applicant's Address	
Lender Requests a Loan Note Guarantee Principal Amount of Loan $ ______	Lender Requests a Contract of Guarantee for a Line of Credit Line of Credit Ceiling $ ______ Principal Amount of Initial Advance $ ______	

The undersigned Lender requests issuance of a guarantee in the subject case.

THE FOLLOWING INFORMATION AND DOCUMENTS ARE SUBMITTED FOR YOUR CONSIDERATION:

1. Copy of Application for Loan with enclosures.
2. Cash flow sheet.
3. Any drawing and specifications for: ☐ construction ☐ major repairs ☐ major land development
4. Appraisal report on any real estate security.
5. Purposes for which guarantee loan funds will be used and the amounts to be used for such purposes are:

PURPOSES	AMOUNTS
	$

6. Interest rate to borrower is ______% per annum.

7. Loan fee payable by loan applicant is ______% of principal amount of loan or $ __________.*

8. Repayment period for the loan or line of credit is ______ year(s).

9. Proposed loan guarantee is ______% of the principal and interest.

10. Escrow account is required for: ☐ Taxes ☐ Insurance premiums ☐ Other *(specify)* __________

11. The undersigned Lender is subject to examination and supervision by

____
(Insert name of agency of United States or State, or "None")

*Insert "None;" or if Lender charges a loan fee, insert percentage or dollars.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0079), Washington, D.C. 20503.

12. Loan(s) will be ☐ made, and/or ☐ serviced, by the undersigned's:

☐ Main office address: ______________________

☐ Branch office: ______________________
(Name of office)

Branch office address: ______________________

☐ Agent: ______________________
(Name of Agent)

Agent's address: ______________________

13. Initial loan/line of credit is scheduled for repayment: ______________________
(Maturity date for line of credit agreement and/or dates of monthly, annual, or other installments)

14. Late payment charges, if any, are made on the following basis pursuant to a written agreement between the applicant and the undersigned Lender as required by 7 CFR 1980.22: ______________________

15. Types and amounts of insurance required are:

Types	Amounts
	$
	$

16. List of Required Security Property
(Including That on Hand and to be Acquired)

DESCRIPTION OF PROPERTY			
A. ON HAND*	APPRAISED VALUE	AMT. ANY PRIOR LIENS	EQUITY
	$	$	$
TOTAL	$	$	$

Appraiser's Certificate on Personal Property

Personal property listed above, if any, was appraised by me at the values set forth opposite the description thereof.

______________________ (Date) ______________________ (Appraiser)

*Quantity and brief description. For example: "Smith farm 160 acres," (based on separate appraisal report) "1-1972 John Deere 2520 Tractor," "25 Hereford range cows, 3-6 years."

B. TO BE ACQUIRED—FIRST LIEN IS REQUIRED	VALUE**
	$
TOTAL	$

**Value of Real Estate based on separate appraisal report.

17. Plan of Operation agreed upon by Lender and loan applicant for first full operating year

a. PLANNED CROPS, PASTURE, ETC.-PRODUCTION AND SALES

CROPS, PASTURE, ETC.	ACRES	YIELD PER ACRE	OPERATOR'S SHARE	OPERATOR'S SHARE FOR SALE		
				AMOUNT	$/unit	VALUE
1.						$
2.						
3.						
4.						
5.						
				TOTAL		$

b. PLANNED LIVESTOCK AND PRODUCTS PRODUCTION AND SALES

KIND	PRODUCTION PER ANIMAL	NUMBER	OPERATOR'S SHARE	OPERATOR'S SHARE FOR SALE		
				AMOUNT	$/unit	VALUE
1.						$
2.						
3.						
4.						
5.						
				TOTAL		$

4

18. CASH OPERATING EXPENSES	TOTAL CREDIT NEEDED	TOTAL PLANNED EXPENSES
Hired Labor	$	$
Machinery Repair	$	$
Interest	$	$
Cash Rent	$	$
Feed	$	$
Seed	$	$
Fertilizer	$	$
Pesticides & Spray Materials	$	$
Livestock Expense	$	$
Machinery Hire	$	$
Fuel and Oil	$	$
Personal Prop. Tax	$	$
Real Estate Taxes	$	$
Water Charges	$	$
Property Insurance	$	$
Auto & Truck Expense (Farm)	$	$
Utilities	$	$
Feeder Livestock (Bought & sold during year)	$	$
Family Living Expenses	$	$
Other	$	$
TOTAL	$	$

19. Financial Summary of Typical Years Operation

A. Livestock Income (Table 17b)	$
B. Crop Income (Table 17a)	$
C. Other Farm Income	$
D. Non-Farm Income (net)	$
E. Total Gross Income (A + B + C + D)	$
F. Total Cash Expenses (Table 18)	$
G. Net Cash Income (E minus F)	$
H. Cash Carryover	$
I. Loans and Other Credit	$
J. Interest	$
K. Total Available (G + H + I + J)	$
L. Capital Expenditures	$
M. Balance Available to Debt Repayment (K-L)	$

20. DEBT REPAYMENT

TO WHOM OWED	AMOUNT DUE FIRST YEAR (PRIN. & INT.)	PLAN: PRIN. & INT. TO BE PAID	PLAN: DATE	PLAN: SOURCE OF FUNDS
	$	$		
	$	$		
	$	$		
	$	$		
	$	$		
	$	$		
Income and Social Security Taxes	$			
TOTAL	$			

21. The loan will be properly closed and/or line of credit agreement will be properly executed and the required security obtained. The construction, relocation, repairs, or other development will be completed in accordance with approved drawings and specifications.

22. The borrower has marketable title to security property now owned (and will obtain such title to any additional property to be acquired with loan funds), subject only to the instruments securing the loan to be guaranteed and any other exceptions set forth below:

23. Security property now owned and any acquired is considered adequate security for the loan to be guaranteed. If inadequate, state in item 31 of this form, why you believe the borrower's farm or ranch operating plans will permit the borrower to pay the guaranteed loan or line of credit in full within the period specified, in item 8, on page one of this form. The security instruments will be properly filed or recorded prior to, or simultaneously with, the issuance of the guarantee; except that if security property is yet to be acquired in a jurisdiction in which an after acquired property clause is not valid, a security instrument covering such property will be obtained as soon as appropriate and legally permissible. Loan funds will be used for FmHA-approved purposes.

24. Proper hazard and any other required insurance will be obtained or is now in effect.

25. Truth in Lending requirements will be met.

26. All Equal Opportunity and Nondiscrimination requirements will be met (or any that cannot yet be met will be met at the appropriate time).

27. A Guarantee Fee Report on Form FmHA 1980-19 and a check for the amount of the guarantee will be provided at the time the Guarantee is issued.

28. The undersigned (a) considers the proposed loan or line of credit to be sound and within the borrower's repayment ability, (b) believes that all applicable requirements in Subparts A, B, C or F of Part 1980, 7 CFR have been or will be met and (c) will not make the loan or advances under the line of credit without an FmHA guarantee.

29. If loan funds are to be used at or after the time of loan closing for acquisition of substantial amounts of property, or for construction or substantial repairs or major land development, certification(s) on Form FmHA 449-11, "Certification of Acquisition or Construction," will be furnished on that part acquired at loan closing, and will be furnished to FmHA as soon as possible on such subsequent acquisitions, construction, repair or land development.

30. Lender's Planned Loan Servicing:

31. Other Relevant Information:

____
(Name of Lender)

____
(Date)

BY: _______________________________

TITLE: _______________________________

____
(Lender's IRS ID Tax No.)

32. From an examination of information supplied by the Lender on the above proposed loan or line of credit, the county committee certification, or recommendation and other relevant information deemed necessary, it appears that the transaction can properly be completed.

Therefore, the United States of America acting through the FmHA agrees that, in accordance with applicable provisions of the FmHA regulations published in the Federal Register and related forms, it will execute Form FmHA 1980-27, "Contract of Guarantee (Line of Credit)," or Form FmHA 449-34, "Loan Note Guarantee," on the above loan or line of credit at the time, subject to the conditions and requirements specified in said regulations and Form FmHA 1980-15, "Conditional Commitment for Contract of Guarantee (Line of Credit)," or Form FmHA 449-14, "Conditional Commitment for Guarantee," attached.

If the Contract of Guarantee or Loan Note Guarantee is executed and the guaranteed fee, if any, is paid by the Lender to FmHA, the loan subsidy rate, if any, payable by FmHA to the Lender, and the interest rate payable by the borrower in cases which that rate is limited by statute or is fixed from time to time pursuant to statute, will be those rates in effect on the date of this approval.

Rate payable by borrower ____________________ % per annum.

This approval will expire ____________________ days from the date hereof unless the time is extended in writing by FmHA, or upon the Lender's earlier notification in writing to FmHA that it does not desire to obtain an FmHA guarantee.

UNITED STATES OF AMERICA

FARMERS HOME ADMINISTRATION

____
(Date)

BY: _______________________________

TITLE: _______________________________

BILLING CODE 3410-07-C

Subpart B—Farmer Program Loans

§ 1980.113 [Amended]

28. Section 1980.113 (d)(3) is amended by removing the words "Form FmHA 449–12, 'Request for Loan Note Guarantee (Farmer Program Loans)' or" and by changing the title of Form FmHA 1980–25 to read "Request for Guarantee (Farmer Program Loans)."

Exhibit A to Subpart B—Approved Lender Program—Farm Ownership and Operating Loans [Amended]

29. Exhibit A, paragraph III. A. is amended in the seventh sentence by changing the reference "Form FmHA 449–12, 'Request for Loan Note Guarantee (Farmer Program Loans)' " to read "Form FmHA 1980–25, 'Request for Guarantee (Farmer Program Loans),' " and in the twelfth sentence by changing the reference "item 28 of Form FmHA 449–12" to read "item 20 of Form FmHA 1980–25."

Subpart C—Emergency Livestock Loans

§ 1980.246 [Amended]

30. Section 1980.246 is amended by removing paragraph (a)(4) and redesignating paragraphs (a)(5), (a)(6) and (a)(7) as paragraphs (a)(4), (a)(5) and (a)(6), respectively; by changing the reference in paragraph (a)(1), "Form FmHA 449–6, 'Application for Guaranteed Loan (Farmer Programs)' " to read "Form FmHA 410–1, 'Application for FmHA Services;' " and by changing the reference in the newly designated paragraph (a)(4), "Form FmHA 1980–25, 'Request for Guarantee (Operating Loan Line of Credit, Emergency Livestock Loan, or Economic Emergency Loan)' " to read "Form FmHA 1980–25, 'Request for Guarantee (Farmer Program Loans).' "

§ 1980.247 [Amended]

31. Section 1980.247 *Administrative* B.2. is amended by changing the reference "Form FmHA 440–1" to read "Form FmHA 1940–1" (in three places), and by removing in the first sentence the words, "and Form FmHA 449–31, 'Emergency Livestock Loan Analysis.' "

32. Section 1980.247 *Administrative* C.2. is amended by changing the reference, "Form FmHA 440–1" to read "Form FmHA 1940–1."

Appendix A to Subpart C [amended]

33. In Appendix A of Subpart C, paragraph (a) is amended by removing the entry in the table for form numbers "449–26" and "449–31," by changing the form number and title, "449–6, 'Application for Guaranteed Loan (Farmer Programs)' " to read "410–1, 'Application for FmHA Services,' " by changing the title of form number 1980–25 to read, "Request for Guarantee (Farmer Program Loans)," and by changing the form number "440–1" to read "1940–1."

Subpart F—Economic Emergency Loans

§ 1980.511 [Amended]

34. Section 1980.511 is amended by removing paragraph (a)(4) and redesignating paragraphs (a)(5) and (a)(6) as paragraphs (a)(4) and (a)(5), respectively; by changing the reference in paragraph (a)(1), "Form FmHA 449–6, 'Application for Guaranteed Loan (Farmer Programs)' " to read, "Form FmHA 410–1, 'Application for FmHA Services' "; and by changing the reference in paragraph (c)(2), "Form FmHA 1980–25, 'Request for Guarantee (Operating Loan Line of Credit, Emergency Livestock Loan, or Economic Emergency Loan)' " to read "Form FmHA 1980–25, 'Request for Guarantee (Farmer Program Loans).' "

§ 1980.513 [Amended]

35. Section 1980.513 *Administrative* A.2. is amended in the first sentence by removing the reference "Form FmHA 1940–37, "Economic Emergency Loan Analysis."

§ 1980.577 [Amended]

36. Section 1980.577 (b) is amended by changing the reference "Form FmHA 449–6" to read "Form FmHA 410–1."

§ 1980.593 [Amended]

37. Section 1980.593 (b) is amended by removing from the first sentence the reference "FmHA 1980–32, 'Lender's Certification (Guaranteed Economic Emergency Loan),' " by revising the title of Form FmHA 1980–25 to read "Request for Guarantee (Farmer Program Loans)," and by removing the last sentence.

Appendix A to Subpart F [Amended]

38. In Appendix A of Subpart F, paragraph (a), is amended in the table of forms by removing the entry for form numbers "1980–32" and "1940–37," by changing the form number and title "449–6, 'Application for Guaranteed Loan (Farmer Programs)' " to read "410–1, 'Application for FmHA Services,' " and by changing the title of form number 1980–25 to read "Request for Guarantee (Farmer Progam Loans)."

Appendix B to Subpart F [Removed]

39. Appendix B of Subpart F is removed and reserved.

Dated: May 24, 1989.

Neal Sox Johnson,

Acting Administrator, Farmers Home Administration.

[FR Doc. 89–26960 Filed 11–17–89; 8:45 am]

BILLING CODE 3410-07-M

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

8 CFR Part 245

INS Number: 1253–89

Adjustment of Status to That of Person Admitted for Permanent Residence: Interview

AGENCY: Immigration and Naturalization Service, Justice.

ACTION: Temporary rule.

SUMMARY: Existing regulations require that all applicants for adjustment of status to that of permanent resident be interviewed by an immigration officer, except those applicants who are under age 14 or who are clearly ineligible for having lived or worked illegally in the United States. This temporary rulemaking will suspend the interview requirement for one year with regard to applicants for adjustment of status under the provisions of the Cuban Adjustment Act of November 1, 1966. This action is necessary because of the large backlog of these cases now pending at certain offices of the Immigration and Naturalization Service ("the Service"). Suspension of the requirement will allow the Service to adjudicate these applications at Regional Service Centers located in other parts of the United States rather than at the overburdened offices and will enable those offices to eliminate their backlogs of pending cases.

DATE: November 20, 1989.

FOR FURTHER INFORMATION CONTACT: Michael L. Shaul, Senior Immigration Examiner, Immigration and Naturalization Service, 425 I Street, NW., Washington, DC 20536, Telephone: (202) 633–3946.

SUPPLEMENTARY INFORMATION: The Act of November 2, 1966 (80 Stat. 1161), commonly referred to as the Cuban Adjustment Act, as amended by the Act of October 20, 1976 (90 Stat. 2703) provides that the status of any alien who is a native or citizen of Cuba and who has been inspected and admitted or paroled into the United States subsequent to January 1, 1959, and has been physically present in the United