In compliance with Office of Management and Budget (OMB) regulations (5 CFR Part 1320) which implement the Paperwork Reduction Act (PRA) of 1980 (44 U.S.C. 3501 *et seq.*), the information collection requirements contained in this final rule have been previously approved by OMB and were assigned OMB control number 0581–0009 under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

This revision will become effective July 1, 1994, as provided by the Cotton Statistics and Estimates Act.

Fees for Classification Under the Cotton Statistics and Estimates Act of 1927

The user fee charged to cotton producers for High Volume Instrument (HVI) classification services under the Cotton Statistics and Estimates Act (7 U.S.C. 473a) was $1.87 per bale during the 1993 harvest season as determined by using the formula provided in the Uniform Cotton Classing Fees Act of 1987 as amended by Public Law 102–237. The fees cover salaries, cost of equipment and supplies, and other overhead costs, including costs for administration, supervision, and standardization.

This final rule establishes the user fee charged to producers for High Volume Instrument (HVI) classification at $1.80 per bale during the 1994 harvest season.

Public Law 102–237 amended the formula in the Uniform Cotton Classing Fees Act of 1987 for establishing the producer's classification fee so that the producer's fee is based on the prevailing method of classification requested by producers during the previous year. HVI classing was the prevailing method of cotton classification requested by producers in 1993. Therefore, the 1994 producer's user fee for classification service is based on the 1993 base fee for HVI classification.

The fee was calculated by applying the formula specified in the Uniform Cotton Classing Fees Act of 1987, as amended by Public Law 102–237. The 1993 base fee for HVI classification exclusive of adjustments, as provided by the Act, was $1.91 per bale. A 2.7 percent, or five cents per bale increase due to the implicit price deflator of the gross domestic product added to the $1.91 would result in a 1994 base fee of $1.96 per bale. The formula in the Act provides for the use of the percentage change in the implicit price deflator of the gross national product (as indexed for the most recent 12-month period for which statistics are available). However, this has been replaced by the gross domestic product by the Department of Commerce as a more appropriate measure for the short-term monitoring and analysis of the U.S. economy.

The number of bales to be classed by the United States Department of Agriculture from the 1994 crop is estimated at 16,550,000. The 1994 base fee was decreased 15 percent based on the estimated number of bales to be classed (one percent for every 100,000 bales or portion thereof above the base of 12,500,000, limited to a maximum adjustment of 15 percent). This percentage factor amounts to a 29 cents per bale reduction and was subtracted from the 1994 base fee of $1.96 per bale, resulting in a fee of $1.67 per bale.

The formula requires addition of a five cents per bale surcharge to the $1.67 per bale fee since the projected operating reserve would be less than 25 percent. The five cent surcharge would result in a 1994 season fee of $1.72 per bale. Assuming a fee of $1.72, the projected operating reserve would be 6.6 percent. An additional 8 cents per bale would be required to provide an ending accumulated operating reserve for the fiscal year of at least 10 percent of the projected cost of operating the program. This would establish the 1994 season fee at $1.80 per bale.

Accordingly, in § 28.909, paragraph (b) will be revised to reflect the reduction in the HVI classification fees.

As provided for in the Uniform Cotton Classing Fees Act of 1987, as amended, a five cent per bale discount will continue to be applied to voluntary centralized billing and collecting agents as specified in § 28.909 (c).

Growers or their designated agents will continue to incur no additional fees if only one method of receiving classification data is requested. The fee for each additional method of receiving classification data in § 28.910 will remain at five cents per bale, and it will be applicable even if the same method is requested. The other provisions of § 28.910 concerning the fee for an owner receiving classification data from the central database and the fee for new classification memoranda issued for the business convenience of such an owner without reclassification of the cotton will remain the same.

The fee for review classification in § 28.911 will be reduced from $1.87 per bale to $1.80 per bale.

The fee for returning samples after classification in § 28.911 will remain at 40 cents per sample.

List of Subjects in 7 CFR Part 28

Administrative practice and procedures, Cotton, Cotton samples, Grades, Market news, Reporting and recordkeeping requirements, Standards, Staples, Testing, Warehouses.

For the reasons set forth in the preamble, 7 CFR Part 28 is amended as follows:

PART 28—[AMENDED]

1. The authority citation for subpart D of part 28 will continue to read as follows:

Authority: Sec. 3a, 50 Stat. 62, as amended (7 U.S.C. 473a); Sec. 3c, 50 Stat. 62 (7 U.S.C. 473c).

2. In § 28.909, paragraph (b) is revised to read as follows:

§ 28.909 Costs.

* * * * *

(b) The cost of High Volume Instrument (HVI) cotton classification service to producers is $1.80 per bale.

* * * * *

3. In § 28.911, the last sentence of paragraph (a) is revised to read as follows:

§ 28.911 Review classification.

(a) * * * The fee for review classification is $1.80 per bale.

* * * * *

Dated: May 16, 1994.

Lon Hatamiya,

Administrator.

[FR Doc. 94–12378 Filed 5–19–94; 8:45 am]

BILLING CODE 3410–02–P

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7 CFR Part 61

[CN–93–004]

RIN 0581–AB05

Revision of Cottonseed Sampler License Procedures

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: The Agricultural Marketing Service (AMS) is making final the restructuring of procedures for licensing cottonseed samplers to draw, prepare and submit cottonseed samples for USDA's official cottonseed grading program. The revision will significantly reduce the paperwork burden involved in the licensing of official cottonseed samplers by eliminating the bonding requirement and the license fee, and extending the license period from 1 to 5 years. Official cottonseed samplers will still be required to obtain a license from USDA, and sampling equipment and procedures will continue to receive the same level of supervision from AMS Cotton Division personnel.

EFFECTIVE DATE: July 1, 1994.

FOR FURTHER INFORMATION CONTACT: Lee Cliburn, 202–720–2145.

SUPPLEMENTARY INFORMATION: A proposed rule detailing the revisions was published in the **Federal Register** on February 14, 1994, (59 FR 6914). A 60-day comment period was provided for interested persons to respond to the proposed rule; only one comment, in support of the revisions, was received.

This final rule has been issued in conformance with Executive Order 12866 and has been reviewed by OMB.

This final rule has been reviewed under Executive Order 12778, Civil Justice Reform. It is not intended to have retroactive effect. This rule would not preempt any state or local laws, regulations, or policies unless they present an irreconcilable conflict with this rule. There are no administrative procedures which must be exhausted prior to any judicial challenge to the provisions of this rule.

Pursuant to the requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), the Administrator of the Agricultural Marketing Service (AMS), has considered the economic impact of this final rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be disproportionately burdened. The Administrator of AMS has certified that this action will not have a significant economic impact on a substantial number of small entities as defined in the Regulatory Flexibility Act because: (1) The changes in licensing procedures will decrease the cottonseed sampler's paperwork burden; (2) the change in licensing procedures will not affect competition in the marketplace; and (3) participation in USDA's official cottonseed grading program is voluntary.

In compliance with OMB regulations (5 CFR part 1320) which implement the Paperwork Reduction Act (PRA) of 1980 (44 U.S.C. 3501 *et seq.*), the information collection requirements contained in this final rule for cottonseed sampler licenses have been previously approved by the OMB and were assigned OMB control number 0581–0008 under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*). This final rule would significantly reduce the information collection requirements for 34 licensed cottonseed samplers.

The cottonseed sampler license form CN–248 requires an estimated 0.17 hours or 10.2 minutes to complete. The paperwork burden for the 34 cottonseed samplers' license renewal each year amounts to 5.78 hours. This final rule, by requiring that licenses be renewed every 5 years, will reduce the paperwork burden to 1.16 hours, an 80 percent reduction.

The simplification of licensing procedures for cottonseed samplers will become effective on July 1, 1994, so that implementation can be coordinated with preparations for the start of the 1994 cotton harvest. Otherwise, the cottonseed industry will not realize the full benefit of the revisions in the first year of implementation.

USDA provides official grading of cottonseed under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1624), which requires USDA to supervise the drawing, preparation, and handling of samples submitted for official grading. Current regulations require that applications for initial and renewal cottonseed sampler's licenses, both of which expire in 1 year, be accompanied by proof that the sampler is bonded by an approved surety company, including a power of attorney, and a small fee ($20.00 for new licenses and $18.00 for renewals). These requirements are unnecessary for the maintenance of an acceptable level of supervision of cottonseed sampling by USDA. In addition, the licensing process will be simplified once these requirements are eliminated and the license period extended to 5 years. The licensing procedures for cotton samplers were revised similarly 15 years ago with no adverse effects to the level of supervision provided by AMS, and this revision will make the procedures for cottonseed sampler licensing consistent with those for cotton samplers.

Under this revision, official cottonseed samplers will still be required to obtain a license, and sampling equipment and procedures will continue to receive the same level of supervision from Agricultural Marketing Service, Cotton Division personnel. The expected effects of this final rule are that it will: (1) Decrease both the applicant's expense and paperwork burden required for licensing; and (2) simplify the procedures and reduce the time required by the Cotton Division employees to process the applications and maintain license records. While the effects are expected to be nominal in both cases, justification for continuing the bonding requirement, license fee, and 1-year license period is not supported by experience in the supervision of USDA's official cottonseed grading program in recent years.

Accordingly, §§ 61.26 and 61.28, which detail the bonding requirements for both newly issued and renewal cottonseed sampling licenses, will be deleted.

In § 61.27, the period of new and renewal licenses will be extended from 1 to 5 years.

Sections 61.29 and 61.43, which set forth the designation of bond approval authority and the fees for new and renewal licenses, respectively, will be deleted.

List of Subjects in 7 CFR Part 61

Cottonseed, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR Part 61 will be revised as follows:

PART 61—[AMENDED]

1. The authority citation for subpart A of part 61 continues to read as follows:

Authority: Sec. 205, 60 Stat. 1090, as amended, (7 U.S.C. 1624).

2. Section 61.26 is removed.

3. Section 61.27 is revised to read as follows:

§ 61.27 Period of license; renewals.

The period for which a license may be issued under the regulations in §§ 61.25 through 61.42 shall be from the first day of August following receipt of the application, and shall continue for 5 years, ending on the 31st of July in the fifth year. Renewals shall be for 5 years also, beginning with the first day of August and ending on the 31st day of July in the fifth year: Provided, That licenses or renewals issued on and after June 1 of any year shall be for the period ending July 31 of the fifth year following.

§§ 61.28, 61.29, 61.43 [Removed]

4. Sections 61.28, 61.29, and 61.43 and the heading "Fees and Costs" preceding § 61.43 are removed.

Dated: May 16, 1994.

Lon Hatamiya,

Administrator.

[FR Doc. 94–12377 Filed 5–19–94; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 27

[Docket No. 94–09]

RIN 1557–AB33

Fair Housing Home Loan Data System

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Final rule.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is issuing a final rule amending its Fair Housing Home Loan Data System (FHHLDS). This final rule enhances the OCC's ability to use data collected under the Home Mortgage Disclosure Act (HMDA) in fair lending examinations and reduces recordkeeping requirements on national banks that are currently required to maintain duplicative information under both the FHHLDS and the HMDA. In order to relieve duplicative recordkeeping for those national banks, this final rule replaces the current FHHLDS monthly recordkeeping requirement with the HMDA Loan/Application Registers already maintained by national banks, which will be required to be updated on a quarterly basis. In order to improve the OCC's ability to use HMDA data in fair lending examinations, this final rule requires that all national banks subject to the HMDA, including those banks not subject to the FHHLDS, maintain information on the HMDA Loan/Application Registers on a quarterly basis. National banks that are not subject to the HMDA requirements will continue to be subject to the original FHHLDS recordkeeping requirement, which will be updated quarterly under this final rule. The intended effect of this final rule is to improve the OCC's supervision of national banks while also reducing a duplicative recordkeeping burden on affected national banks.

EFFECTIVE DATE: June 20, 1994.

FOR FURTHER INFORMATION CONTACT: Larry Riedman, Fair Lending Specialist, Compliance Management Division, (202) 874–4446; or F. John Podvin, Jr., Attorney, Bank Operations and Assets Division, (202) 874–4460, Office of the Comptroller of the Currency, Washington, DC 20219.

SUPPLEMENTARY INFORMATION: The OCC is amending 12 CFR part 27, pursuant to 12 U.S.C. 93a, to improve its ability to use HMDA data in fair lending examinations of national banks and reduce burden on national banks. The final rule requires that HMDA Loan/Application Registers be updated quarterly, requires the reason(s) for loan denial be indicated on the HMDA Loan/Application Registers and relieves the requirement to maintain duplicative records for those national banks that currently maintain records under both the FHHLDS and the HMDA, 12 U.S.C. 2801 *et seq.*

Background

On November 2, 1979, the OCC published a final rule (1979 final rule) in the **Federal Register** (44 FR 63084), which implemented 12 CFR part 27. The 1979 final rule provided a basis for a more effective fair housing monitoring program for home loans. The 1979 final rule established new recordkeeping requirements and a data collection system for monitoring national bank compliance with the Fair Housing Act (Title VIII of the Civil Rights Act of 1968), 42 U.S.C. 3601 *et seq.* and the Equal Credit Opportunity Act, 15 U.S.C. 1691 *et seq.*

In August 1989, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), section 1211, Public Law 101–73, 103 Stat. 183 (12 U.S.C. 2803) amended the HMDA. On December 15, 1989, the Federal Reserve Board published a final rule (FRB final rule) in the **Federal Register** (54 FR 51356). The FRB final rule implemented a revised version of 12 CFR part 203 (Regulation C), which is the implementing regulation for the HMDA. Under the FRB final rule, certain national banks and their majority-owned mortgage banking subsidiaries must maintain individual loan application registers and forward them annually to the appropriate OCC office.

In response to FIRREA and the FRB final rule, the Office of Thrift Supervision (OTS) and the Federal Deposit Insurance Corporation (FDIC) amended their regulations concerning home loan activity to make them similar to Regulation C.

OCC Proposed Rule

On May 10, 1993, the OCC issued a notice of proposed rulemaking, pursuant to 12 U.S.C. 93a, to amend the FHHLDS. See 58 FR 27484. In its proposed rule, the OCC recognized that national banks subject to the recordkeeping requirements of both the FHHLDS and the HMDA were required to maintain duplicative information on home loan activity. The OCC proposal sought to relieve the duplicative recordkeeping burden on these banks without affecting banks that are not subject to the HMDA, but currently are subject to the monthly recordkeeping requirement in the FHHLDS.

In its proposed rule, the OCC sought to amend the FHHLDS to relieve the duplicative recordkeeping requirement for banks subject to both FHHLDS and HMDA by replacing the recordkeeping requirement on monthly home loan activity, currently located at § 27.3(a), with the existing requirement in the HMDA and Regulation C. Regulation C generally requires that national banks (and their majority-owned mortgage banking subsidiaries) with an office or branch located in a metropolitan statistical area (MSA) or primary MSA, as defined by the Office of Management and Budget (OMB), and with total assets greater than $10 million as of December 31 of the preceding calendar year, maintain information on home loan activity.

Under the proposal, national banks subject to the HMDA would maintain the information in a format similar to that prescribed under Regulation C (Loan/Application Register or LAR), except that (1) if a loan is denied, the reason(s) for denial are required to be entered on the Loan/Application Register; and (2) all the required information is entered on the Loan/Application Register within 30 calendar days after final disposition of the loan application.

The OCC proposal retained the existing monthly recordkeeping requirements in the FHHLDS for national banks that are not subject to the HMDA and Regulation C. The OCC proposal also retained the remaining provisions of the FHHLDS, which authorize the Comptroller to use his or her discretion in requiring national banks to maintain a Fair Housing Inquiry/Application Log or to complete Home Loan Data Submission Forms if the Comptroller has reason to believe that a national bank is engaging in discriminatory practices. Also, several clarifying amendments to § 27.7 were proposed. These changes made § 27.7 conform with the proposed amendments to the recordkeeping requirements in § 27.3(a). The proposal also stated that the OCC is studying the FHHLDS to determine what data are most effective in identifying discrimination in home lending, to identify the most effective and least burdensome method for collecting home loan data, and to develop an improved statistical model that will enhance its ability to analyze home loan data.

The OCC invited public comment on any aspect of the proposed rule for a 60 day period ending on July 9, 1993. The OCC specifically sought comment on the issue of whether the recordkeeping burden imposed by the proposal was minimal. The OCC received 44 comment letters from banks, bank holding companies, trade groups and the OMB. Forty-one commenters expressed general support for the proposed rule; however, several of these same commenters objected to specific provisions of the proposal. Two commenters made recommendations without expressing support for or opposition to the proposed rule. The OMB did not express support for or opposition to the proposed rule.

Pursuant to 12 U.S.C. 93a, this final rule revises the proposed rule based on the 44 comment letters and makes other changes to clarify the requirements in the proposed rule.

Review of Comments

The following is a discussion of the issues raised by the commenters, the OCC's responses to those issues, and a summary of changes made to the proposed rule.

A. Update Requirement

The proposed rule stated that a national bank subject to the HMDA was required to record all information on the HMDA–LAR within 30 calendar days after the final disposition of the loan application (i.e., the application is denied, withdrawn, or the loan closes).

Commenters in favor of the 30-day update requirement included both small and large national banks. Generally, these banks indicated that they were already updating their LARs within the 30-day time period. One comment letter from a bank trade association agreed and stated that the 30-day update requirement would not impose a significant additional burden on banks.

Commenters opposed to the 30-day update requirement also included small and large national banks. These commenters suggested that the OCC extend the 30-day period to various lengths of time, including: 45 days, 60 days, and quarterly. These commenters stated that they would have to change their current recordkeeping procedures in order to comply with the 30-day update requirement, resulting in an increase in recordkeeping burden. Some of the specific problems or concerns cited by these commenters include the following:

- Banks with many branches generally submit home loan data monthly to a central location for entry onto the bank's central LAR. In order to meet the 30-day requirement, branches would have to submit the information bi-weekly.
- Some banks do not input the geo-coding information (*i.e.*, state, county, MSA and census tract codes) because it is time consuming and can be managed better by automated systems operated by third-party specialists. Because this process is expensive, it is done on a quarterly basis. These banks also stated that it would be very expensive to bring this process in-house.
- Banks will have a problem assuring data accuracy on a 30 day, loan-by-loan basis. A longer updating time frame will allow more time for editing and correcting the data.
- A group of commenters recommended that the OCC consider the impact the 30-day update requirement may have on small national banks that do not have automated reporting systems.

In response to these comments and in the interest of minimizing recordkeeping burden on national banks, the OCC replaced the 30-day update requirement with a quarterly update requirement in the final rule. The final rule states that a national bank subject to the HMDA is required to record all information on the HMDA–LAR within 30 calendar days after the end of each calendar quarter.

The OCC also changed the update requirement for non-HMDA banks that are required to maintain the FHHLDS's monthly home loan activity report. Under the proposed rule, non-HMDA banks that receive 50 or more home loan applications a year were required to maintain home loan data in a report that was updated monthly, within 10 working days after the close of the month, in a format consistent with the bank's recordkeeping procedures. Under this final rule, that report is updated quarterly, within 30 calendar days after the end of each calendar quarter, in a format consistent with the bank's recordkeeping procedures. This change will make both HMDA banks and non-HMDA banks subject to the same updating requirement.

B. Reasons for Denial

Under the proposed rule, a national bank subject to the HMDA was required to maintain the reason(s) for denying a loan application.

The commenters in favor of the reasons for denial requirements generally stated that they were already voluntarily providing the reason(s) for denial. Several commenters also stated that it was a good idea to require the reasons for denial in order to better monitor the bank's lending activity and compliance with fair housing statutes.

The commenters opposed to the reason(s) for denial requirement provided various reasons for their opposition. One commenter stated that the nine HMDA codes are too limited to fully explain the reason(s) for the denial and that the true reason(s) for the denial can be found by examiners in the loan file. Another commenter stated that the FDIC does not require the reason(s) for denial in its regulation. Finally, another commenter preferred the treatment under Regulation C, which states that providing the reason(s) for denial is optional. See 12 CFR 203.4(c).

After considering these comments, the OCC determined that the final rule will retain the requirement that national banks maintain the reason(s) for denying a loan application for the following reasons. The OCC believes that requiring the reason(s) for denial will improve both the OCC's and national banks' monitoring of lending activity and compliance with fair housing statutes. The OCC notes that the OTS also requires the reason(s) for denial in its regulation, codified at 12 CFR 528.6(d)(2)(viii).

Several commenters suggested that the OCC include provisions in the final rule requiring national banks to use the nine HMDA codes when entering the reason(s) for denial. Another commenter suggested that the OCC devise a key of various reason(s) for denial based upon a list used in adverse action notices under the Equal Credit Opportunity Act. Based on these comments, the OCC determined that HMDA codes are needed for consistency. The final rule requires national banks to use the nine HMDA codes provided in Regulation C.

C. Recordkeeping Burden Comments

In the proposed rule, the OCC specifically requested comments on the issue of whether the recordkeeping burden imposed by the proposal was minimal. Commenters stating that burden would be increased under the proposal were substantially outnumbered by commenters stating that burden would be decreased.

Many commenters stated generally that the proposal would reduce recordkeeping burden. Several commenters referred to the reduction in staff hours and resources used in recording home loan information. Another commenter stated that those resources could be used in other areas if the proposal was adopted.

Commenters stating that burden would be increased generally focused on the 30-day update requirement and the burden associated with changing procedures to meet the proposed time period. The OCC changed the 30-day update requirement in the proposed rule to a quarterly update requirement in the final rule to alleviate the potential burden increase identified by these commenters.

D. Accuracy of the Data

While the proposed rule was silent on the issue of data accuracy, several commenters were concerned about this issue. One commenter stated that currently the bank employed procedures to check the accuracy of the data annually, just before the bank must report its HMDA data. The commenter stated that the 30-day update requirement would require a significant change in the bank's procedures in order to ensure that the data are accurate. Another commenter suggested that a bank should only be held to a standard of reasonable diligence and good faith as to the accuracy of the data prior to the annual filing.

The OCC believes that updating quarterly rather than monthly will reduce the burden of ensuring the accuracy of the data entered onto the LAR. The OCC notes that Regulation C already contains a provision relating to data accuracy. Regulation C provides that an error in compiling or recording loan data is not a violation of the HMDA or Regulation C if it was unintentional and occurred despite the maintenance of procedures reasonably adapted to avoid such errors. See 12 CFR 203.6(b). The OCC believes that this standard is adequate and does not need to be restated. National banks subject to the HMDA that do not have this type of procedure in place should develop a procedure to meet this standard.

E. Compliance Alternatives

Under the proposed rule, national banks subject to the HMDA could not comply with the monthly recordkeeping requirement by completing the monthly home loan activity report in § 27.3(a)(2). Similarly, non-HMDA national banks could not comply with the monthly recordkeeping requirement by maintaining a HMDA–LAR in accordance with the requirements in § 27.3(a)(1).

One commenter suggested that all banks be given an alternative to comply with the FHHLDS monthly recordkeeping requirement by using either the HMDA–LAR or the monthly home loan activity report. Two other commenters suggested that non-HMDA banks be allowed to record their monthly home loan activity in the HMDA–LAR format in order to take advantage of available on-line automated systems for LAR preparation rather than requiring them to maintain a handwritten monthly home loan activity report.

The OCC believes that not all banks should be given a compliance alternative, particularly in light of the change to a quarterly update requirement in the final rule. However, the OCC believes that national banks not subject to HMDA should be allowed to comply with the quarterly recordkeeping requirement by maintaining either the monthly home loan activity report or the HMDA–LAR, in accordance with this final rule. This alternative will allow non-HMDA national banks that are subject to the FHHLDS to take advantage of available on-line automated systems for LAR preparation. The final rule reflects this change.

F. Frequency of Reporting

The proposed rule addressed only maintenance of home loan data and did not include provisions on the filing or reporting of the data. One bank was concerned that, while not stated as a purpose of the proposal, the increased processing and editing of the LAR could be the foundation for increasing the frequency of filing the HMDA data from the current annual requirement. According to the commenter, increased filing ran the risk of presenting an unrealistic snapshot of the bank's lending performance.

The quarterly recordkeeping requirement in § 27.3(a) is a records maintenance requirement and *not* a reporting requirement. The reporting requirement for the HMDA is located in Regulation C at 12 CFR 203.5(a). Changes in the frequency of reporting or filing HMDA data, if any, would be made to Regulation C, a FRB regulation.

G. Retroactivity

One commenter recommended that the final rule be promulgated on a retroactive basis, effective January 1, 1993. The OCC declines to accept the commenter's recommendation. While the OCC believes that the final rule reduces recordkeeping burden, certain national banks must be given time to change their procedures to comply with these requirements. Therefore, the final rule will become effective June 20, 1994.

H. Differences Between the FHHLDS and HMDA

Five commenters pointed out differences between the FHHLDS and the HMDA. One commenter submitted two exhibits detailing differences in coverage and information requirements. Another commenter suggested that the two systems should be subject to the same reporting standards. A third commenter suggested that the definition of "home loan" be the same for both regulations. Another commenter suggested that the loans covered in 12 CFR 202.13(a) should be used as a guide for the FHHLDS. Finally, one commenter pointed out that the FHHLDS does not have a mechanism to deal with cases where a mail or telephone applicant for a loan declines to provide information regarding race or sex. The commenter pointed out that Regulation C has this type of mechanism.

As noted in the proposed rule, the OCC is studying the FHHLDS to determine what data are most effective in identifying discrimination in home lending, to identify the most effective and least burdensome method for collecting home loan data, and to develop an improved statistical model that will enhance our ability to analyze home loan data. The OCC is considering, but chose not to implement these commenters' suggestions into this final rule because of the necessity and importance of enhancing the HMDA data and reducing regulatory burden as soon as possible. However, the issues raised by the commenters will be considered further in the context of the OCC's ongoing study of the FHHLDS. After the study is complete, the OCC expects to publish in the **Federal Register** a notice of proposed rulemaking to explain any further proposed changes to the FHHLDS.

I. The OMB Comment

In an official comment, the OMB stated that "the OCC should revise 12 CFR 27.3(b)(1)(xx) and 12 CFR 27.4(c)(5) so that the race and ethnic categories in its regulations are consistent with OMB Statistical Policy Directive No. 15, 'Race and Ethnic Standards for Federal Statistics and Administrative Reporting.' " The effect of the suggested revisions is to change the way the regulation refers to various racial and ethnic groups. The OCC determined that the suggested technical revisions are in keeping with the intent of the proposal. Therefore, the OCC has adopted OMB's suggested revisions of §§ 27.3(b)(1)(xx) and 27.4(c)(5) and has made conforming changes to Appendices II, III, and IV.

Paperwork Reduction Act

The collection of information contained in this final rule has been submitted to the Office of Management and Budget (OMB) under control number 1557–0159 in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3504(h)).

For those banks required to submit Home Loan Data Submission Forms, pursuant to § 27.7, the reporting burden for the estimated 13 banks filing reports will average approximately 100 hours annually, varying by the size and activity of the bank. The recordkeeping burden for the estimated 3,750 banks maintaining records will average approximately 1.3 hours annually.

Comments concerning the accuracy of these burden estimates and suggestions for reducing burden should be directed to the Office of the Comptroller of the Currency, Legislative, Regulatory, and International Activities, Attention: 1557–0159, 250 E Street SW., Washington, DC 20219, and the Office of Management and Budget, Paperwork

Reduction Project (1557–0159), Washington, DC 20503.

Regulatory Flexibility Act

It is hereby certified that this regulation will not have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required. This regulation relieves an unnecessary duplicative recordkeeping burden on banks that are subject to the recordkeeping requirements of both the FHHLDS and the HMDA.

Executive Order 12866

The OCC has determined that this regulation is not a significant regulatory action.

List of Subjects in 12 CFR Part 27

Civil rights, Credit, Fair housing, Mortgages, National banks, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set out in the preamble, part 27 of chapter I of title 12 of the Code of Federal Regulations is amended as set forth below:

PART 27—FAIR HOUSING HOME LOAN DATA SYSTEM

1. The authority citation for part 27 is revised to read as follows:

Authority: 5 U.S.C. 301; 12 U.S.C. 1 *et seq.*, 93a, 161, 481, and 1818; 15 U.S.C. 1691 *et seq.*; 42 U.S.C. 3601 *et seq.*; 12 CFR part 202.

2. In § 27.3, paragraphs (a) and (b)(1)(xx) are revised to read as follows:

§ 27.3 Recordkeeping requirements.

(a) *Quarterly recordkeeping requirement.* (1) A bank that is required to collect data on home loans under part 203 of this title shall present the data on Federal Reserve Form FR HMDA-LAR or in an automated format in accordance with the instructions, except that:

(i) A bank shall maintain the reason(s) it denied a loan application, using the codes provided in part 203 of this title; and

(ii) A bank shall record all information required by this paragraph and part 203 of this title within 30 calendar days after the end of each calendar quarter.

(2) A bank that receives 50 or more home loan applications a year, as measured by the previous calendar year, and that is not required to collect data under paragraph (a)(1) of this section, shall record and maintain for each decision center the following information on home loan activity:

(i) Number of applications received for each of the following: Purchase; construction-permanent; refinance.

(ii) Number of loans closed for each of the following: Purchase; construction-permanent; refinance.

(iii) Number of loans denied for each of the following: Purchase; construction-permanent; refinance.

(iv) Number of loans withdrawn by applicant, for each of the following: Purchase; construction-permanent; refinance.

(3) The information required to be maintained under paragraph (a)(2) of this section shall be updated quarterly, within 30 calendar days after the end of each calendar quarter, in a format consistent with the bank's recordkeeping procedures.

(4) A bank exempted under paragraph (a)(2) of this section shall be covered by that requirement beginning the month following any quarter in which their average monthly volume of home loan applications exceeds four applications per month. Banks which are subject to this paragraph may discontinue keeping this information beginning the month following two consecutive quarters in which their average monthly volume of home loan applications drops to four or fewer applications per month. A bank which is otherwise exempted under this paragraph may be required upon notification received from the Comptroller, to record and maintain such information where there is cause to believe that the bank is not in compliance with the fair housing laws based on prior examinations and/or has substantive consumer complaints, among other factors.

(5) A bank required to maintain information under paragraph (a)(2) or (a)(4) of this section may choose to comply with the quarterly recordkeeping requirement by maintaining information in accordance with paragraph (a)(1) of this section.

(b) * * *

(1) * * *

(xx) Race/national origin of applicant(s) using the categories: American Indian or Alaskan Native; Asian or Pacific Islander; Black, not of Hispanic origin; White, not of Hispanic origin; Hispanic; Other.

* * * * *

3. In § 27.4, paragraph (c)(5) is revised to read as follows:

§ 27.4 Inquiry/Application Log.

* * * * *

(c) * * *

(5) Race/national origin of the inquirer(s) or applicant(s) using the categories: American Indian or Alaskan Native; Asian or Pacific Islander; Black, not of Hispanic origin; White, not of Hispanic origin; Hispanic; Other. In the case of inquiries, this item shall be noted on the basis of visual observation or surname(s) only. In the case of applications, the information shall be obtained pursuant to § 27.3(b)(2).

* * * * *

4. In § 27.7, paragraph (b), the introductory text for paragraph (c), and paragraph (d) are revised to read as follows:

§ 27.7 Availability, submission and use of data.

* * * * *

(b) Prior to a scheduled bank examination, the Comptroller may request the information maintained under § 27.3(a). A bank required to maintain information under § 27.3(a)(2) shall submit the information to the Comptroller on the form prescribed in appendix I of this part. A bank which is exempt from maintaining the information required under § 27.3(a) shall notify the Comptroller of this fact in writing within 30 calendar days of its receipt of the Comptroller's request.

(c) If, upon review of the information maintained under § 27.3(a), the Comptroller determines that statistical analysis prior to examination is warranted, the bank will be notified.

* * * * *

(d) If there is cause to believe that a bank is in noncompliance with fair housing laws, the Comptroller may require submission of additional Home Loan Data Submission Forms. The Comptroller may also require submission of the information maintained under § 27.3(a) and Home Loan Data Submission Forms at more frequent intervals than specified in paragraphs (b) and (c) of this section.

5. A heading is added preceding Appendix I to read as follows:

Appendixes to Part 27

6. Appendix II is revised to read as follows:

Appendix II—Information for Government Monitoring Purposes

The following language is approved by the Comptroller of the Currency and will satisfy the requirements of 12 CFR part 27. It may be inserted to complete the "Information for Government Monitoring Purposes" section of the Residential Loan Application Form (FHLMC Form 65/FNMA 1003) or may be used separately. This information may also be provided orally by the applicant.

The following information is requested by the Federal Government if this loan is related to a dwelling, in order to monitor the lender's compliance with equal credit opportunity and fair housing laws. You are not required to furnish this information, but are encourage to do so. The law provides that a lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this lender is required to note race and sex on the basis of visual observation or surname. If you do not wish to furnish the above information, please initial below.

Borrower

I do not wish to furnish this information (initial)________.

Race/National Origin

☐ American Indian or Alaskan Native
☐ Asian or Pacific Islander
☐ Black, not of Hispanic origin
☐ Hispanic
☐ White, not of Hispanic origin
☐ Other (specify)________

Sex

☐ Female
☐ Male

Co-borrower

I do not wish to furnish this information (initial)________.

Race/National Origin

☐ American Indian or Alaskan Native
☐ Asian or Pacific Islander
☐ Black, not of Hispanic origin
☐ Hispanic
☐ White, not of Hispanic origin
☐ Other (specify)________

Sex

☐ Female
☐ Male

BILLING CODE 4810-33-P

6. Appendix III is revised to read as follows:

Appendix III

Bank Name	OCC Charter No.	COMPTROLLER OF THE CURRENCY FAIR HOUSING LENDING INQUIRY/APPLICATION LOG SHEET	City
Branch, Office or Subsidiary Name			County / State
Name of Person Responsible For Form	Phone Number		SMSA

INSTRUCTIONS: Use the codes listed below. Indicate by an asterisk (*) if the information recorded is the banker's observation rather than the borrower's statement.

Race Codes:
W - White, not of Hispanic origin
I - American Indian or Alaskan Native
A - Asian or Pacific Islander
B - Black, not of Hispanic origin
H - Hispanic
O - Other

Type of Loan:
P - Purchase
R - Refinance
C - Construction-Permanent
F - FHA (Federal Housing Admin)
V - VA (Veteran's Administration)
M - FMHA (Farmers Home Administration)

Date of Application or Inquiry	Type of Loan Code	Inquiry or Application (I) or (A)	Case Identification (Case Number or Name/Address)	Inquirer or Applicant		Co-Inquirer or Co-Applicant		LOCATION OF PROPERTY WHICH WILL SECURE LOAN			
				Sex (M or F)	Race Code	Sex (M or F)	Race Code	Street & Number, City, State	County	Zip Code	Census Tract

BILLING CODE 4810–33–C

7. Appendix IV is revised to read as follows:

Appendix IV

COMPTROLLER OF THE CURRENCY
HOME LOAN DATA SUBMISSION

NAME OF BANK ____________

CHARTER NUMBER ____________ (1-5)

DECISION CENTER NO. ____________ (6-9)

(Enter dollar amount as whole dollars)

APPLICATION FORM

1. Application file Number _ _ _ _ _ _ _ _ _ _ _ _ (10-21)
2. Amount of Loan Requested $ _ _ _ , _ _ _ (22-27)
3. Number of Months Requested to Maturity _ _ _ (28-30)
4. County _ _ _ _ _ _ _ (31-37)
5. State _ _ (38-39)
6. Number of Units 1 ☐ 2 ☐ 3 ☐ 4 ☐ (40)
7. Year House Was Built _ _ _ _ (41-44)
8. Purpose of Loan 1 ☐ Purchase 2 ☐ Construction-Permanent 3 ☐ Refinance (45)

Applicant	**11 Co-Applicant?** 1 ☐ Yes 2 ☐ No (49) (If #11 is No, proceed to #14)
9. Age _ _ (46-47)	12. Age _ _ (50-51)
10. Marital Status (48) 1 ☐ Married 2 ☐ Separated 3 ☐ Unmarried (Includes single divorced, widowed)	13. Marital Status (52) 1 ☐ Married 2 ☐ Separated 3 ☐ Unmarried (Includes single divorced, widowed)

14. Applicant Gross Monthly Income $ _ _ _ , _ _ _ (53-58)
15. Co-Applicant Gross Monthly Income $ _ _ _ , _ _ _ (59-64)
16. Proposed Monthly Housing Payments $ _ _ , _ _ _ (65-69)
17. Purchase/Sales Price $ _ _ _ , _ _ _ (70-75)
18. Other Total Monthly Payments $ _ _ _ , _ _ _ (76-81)

Applicant	**Co-Applicant?** (If none, proceed to #23)
19. Race (82) 1 ☐ American Indian or Alaskan Native 2 ☐ Asian or Pacific Islander 3 ☐ Black, not of Hispanic origin 4 ☐ White, not of Hispanic origin 5 ☐ Hispanic 6 ☐ Other	21 Race (84) 1 ☐ American Indian or Alaskan Native 2 ☐ Asian or Pacific Islander 3 ☐ Black, not of Hispanic origin 4 ☐ White, not of Hispanic origin 5 ☐ Hispanic 6 ☐ Other
20. Sex 1 ☐ Female 2 ☐ Male (83)	22. Sex 1 ☐ Female 2 ☐ Male (85)

23. Bank Relationship at Subject Bank (86)

1 ☐ Current Banking Relationship 2 ☐ Past Banking Relationship

Appraisal

24. Census Tract _ _ _ _ . _ _ . (87-92)
25. Appraised Value $ _ _ _ , _ _ _ . (93-98)

Action Taken

26. Description of Action (99)

1 ☐ Withdrawn Before Terms Were Offered
2 ☐ Denied
(If checked, skip remaining questions)

3 ☐ Withdrawn After Terms Were Offered
4 ☐ Approved and Loan Closed
(If checked, complete remaining questions)

Terms of Mortgage or of Mortgage Offer

27. Committment Date _ _ / _ _ / _ _ (100-105)
M M D D Y Y

28. Type of Mortgage (106)

1 ☐ Standard Fixed Payment 2 ☐ Variable Rate
3 ☐ Graduated Payment 4 ☐ Roll-Over 5 ☐ Other

29. Private Mortgage Insurance Required? (107)

1 ☐ No 2 ☐ Yes

30. Loan Amount $ _ _ _ , _ _ _ (108-113)

31. Note (Simple) Interest Rate _ _ _ _ % (114-117)

32. Points to Buyer _ _ _ (118-120)

33. Months to Maturity _ _ _ (121-123)

34. Downpayment Amount $ _ _ _ , _ _ _ . (124-129)

BILLING CODE 4810-33-C

Dated: May 16, 1994.

Eugene A. Ludwig,

Comptroller of the Currency.

[FR Doc. 94–12270 Filed 5–19–94; 8:45 am]

BILLING CODE 4810–33–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 93–ASW–8]

Alteration to Jet Route J–50

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; delay of effective date.

SUMMARY: On April 25, 1994, the Federal Aviation Administration (FAA) published a final rule altering Jet Route J–50 between Lufkin, TX, and Alexandria, LA. The final rule for Jet Route J–50 was inadvertently published without the completion of the required flight check to meet the June 23, 1994, effective date. This action delays the rule's effective date until August 18, 1994.

EFFECTIVE DATE: Effective May 20, 1994, the effective date of the Final Rule at 59 FR 19633 is delayed until 0901 u.t.c., August 18, 1994.

FOR FURTHER INFORMATION CONTACT: Norman W. Thomas, Airspace and Obstruction Evaluation Branch (ATP–240), Airspace-Rules and Aeronautical Information Division, Air Traffic Rules and Procedures Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267–9230.

SUPPLEMENTARY INFORMATION: On April 25, 1994, the FAA published a final rule altering Jet Route J–50 between Lufkin, TX, and Alexandria, LA (59 FR 19633). This final rule was inadvertently published without the completion of the required flight check to meet the June 23, 1994, effective date of the final rule. Therefore, the FAA intends to delay the effective date so that the required flight check can be completed.

In consideration of the foregoing, the effective date of the final rule altering Jet Route J–50 (59 FR 19633; April 25, 1994) is delayed from June 23, 1994, to August 18, 1994.

Issued in Washington, DC, on May 11, 1994.

Harold W. Becker,

Manager, Airspace-Rules and Aeronautical Information Division.

[FR Doc. 94–12382 Filed 5–19–94; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 74

[Docket No. 90C–0221]

Listing of Color Additives for Coloring Sutures; D&C Violet No. 2; Confirmation of Effective Date

AGENCY: Food and Drug Administration, HHS

ACTION: Final rule; confirmation of effective date.

SUMMARY: The Food and Drug Administration (FDA) is confirming the effective date of April 14, 1994, of the final rule published in the **Federal Register** of March 14, 1994 (59 FR 11718) that amended the color additive regulations to provide for the safe use of D&C Violet No. 2 to color poly(ε-caprolactone) absorbable sutures for general surgery.

DATES: Effective date confirmed: April 14, 1994.

FOR FURTHER INFORMATION CONTACT: Mitchell A. Cheeseman, Center for Food Safety and Applied Nutrition (HFS–216), Food and Drug Administration, 200 C St. SW., Washington, DC 20204–0001, 202–254–9511.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of March 14, 1994 (59 FR 11718), FDA amended 21 CFR 74.3602 to provide for the safe use of D&C Violet No. 2 to color poly(ε-caprolactone) absorbable sutures for general surgery.

FDA gave interested persons until April 13, 1994, to file objections or requests for a hearing. The agency received no objections or requests for a hearing on the final rule. Therefore, FDA finds that the final rule published in the **Federal Register** of March 14, 1994, should be confirmed.

List of Subjects in 21 CFR Part 74

Color additives, Cosmetics, Drugs.

Therefore, under the Federal Food, Drug, and Cosmetic Act (secs. 201, 401, 402, 403, 409, 501, 502, 505, 601, 602, 701, 721 (21 U.S.C. 321, 341, 342, 343, 348, 351, 352, 355, 361, 362, 371, 379e)) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.10), notice is given that no objections or requests for a hearing were filed in response to the March 14, 1994, final rule. Accordingly, the amendments promulgated thereby became effective April 14, 1994.

Dated: May 13, 1994.

Michael R. Taylor,

Deputy Commissioner for Policy.

[FR Doc. 94–12290 Filed 5–19–94; 8:45 am]

BILLING CODE 4160–01–F

21 CFR Part 177

[Docket No. 91F–0254]

Indirect Food Additives: Polymers

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the food additive regulations to provide for the safe use of petroleum hydrocarbon resins (cyclopentadiene-type), hydrogenated, as an adjuvant in the manufacture of polypropylene homopolymer or a copolymer of propylene and ethylene containing not less than 94 weight percent propylene for use in contact with food. This action is in response to a petition filed by Exxon Chemical Co.

DATES: Effective on May 20, 1994; written objections and requests for a hearing by June 20, 1994. The Director of the Office of the Federal Register approves the incorporations by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51 of certain publications in 21 CFR 177.1520(b), effective on May 20, 1994.

ADDRESSES: Submit written objections to the Dockets Management Branch (HFA–305), Food and Drug Administration, rm. 1–23, 12420 Parklawn Dr., Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: Julius Smith, Center for Food Safety and Applied Nutrition (HFS–216), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202–254–9500.

SUPPLEMENTARY INFORMATION: In a notice published in the **Federal Register** of August 1, 1991 (56 FR 36814), FDA announced that a food additive petition (FAP 1B4267) had been filed by Exxon Chemical Co., P.O. Box 241, Baton Rouge, LA 70821. The petition proposed that the food additive regulations be amended to provide for the safe use of hydrogenated cyclodiene resins for use as a component of polypropylene film intended to contact food.