February 22, 1995 .....1,358,404 pounds
(2) Total Allotment Base
October 6, 1993 .....1,950,843 pounds
June 14, 1994.....1,951,032 pounds
October 5, 1994 .....1,951,032 pounds
February 22, 1995 .....1,951,032 pounds
(3) Allotment Percentage
October 6, 1993 .....46 percent
June 14, 1994.....56 percent
October 5, 1994 .....66 percent
February 22, 1995 .....70 percent

In making this latest recommendation the Committee considered all available information on supply and demand.

As of February 22, 1995, the Committee reports that of the 1994–95 marketing year Scotch and Native spearmint oil salable quantities of 811,516 pounds and 1,287,680 pounds, respectively, 154,375 pounds and 70,840 pounds remained available for handling. Handlers have indicated that the available supply of Scotch spearmint oil is adequate to meet anticipated demand through May 31, 1995. However, handlers have indicated that demand for Native spearmint oil may be as high as 100,000 pounds for the remainder of this marketing year. This level of demand was not anticipated by the Committee when it made its initial recommendation for the establishment of the Scotch and Native spearmint oil salable quantities and allotment percentages for the 1994–95 marketing year, nor was it foreseen when the Committee made its June 14 and October 5, 1994, recommendations for increasing the Native spearmint oil salable quantity and allotment percentage.

The recommended salable quantity of 1,358,404 pounds of Native spearmint oil (an increase of 70,724 pounds), combined with the June 1, 1994, carry-in of 19,139 pounds, results in a revised 1994–95 available supply of 1,377,543 pounds. The revised available supply of Native spearmint oil is approximately 300,000 pounds higher than the annual average of sales for the past five years. The Committee anticipates that foreseeable demand for Native spearmint oil will be adequately met for the remainder of the 1994–95 marketing year.

The Department, based on its analysis of available information, has determined that an allotment percentage of 70 percent should be established for Native spearmint oil for the 1994–95 marketing year. This percentage will provide an increased salable quantity of 1,358,404 pounds of Native spearmint oil.

Based on available information, the Administrator of the AMS has determined that the issuance of this interim final rule will not have a significant economic impact on a substantial number of small entities.

After consideration of all relevant matter presented, including that contained in the prior proposed, final, and interim final rules in connection with the establishment of the salable quantities and allotment percentages for Scotch and Native spearmint oils for the 1994–95 marketing year, the Committee's recommendation and other available information, it is found that to revise section 985.213 (60 FR 6392) to change the salable quantity and allotment percentage for Native spearmint oil, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to public interest to give preliminary notice prior to putting this rule into effect and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) This interim final rule increases the quantity of Native spearmint oil that may be marketed immediately; (2) Handlers and producers should be apprised as soon as possible of the salable quantity and allotment percentage of Native spearmint oil contained in this interim final rule; and (3) This rule provides a 30-day comment period and any comments received will be considered prior to finalization of this rule.

List of Subjects in 7 CFR Part 985

Marketing agreements, Oils and fats, Reporting and recordkeeping requirements, Spearmint oil.

For the reasons set forth in the preamble, 7 CFR part 985 is amended as follows:

PART 985—SPEARMINT OIL PRODUCED IN THE FAR WEST

1. The authority citation for 7 CFR part 985 continues to read as follows:

Authority: 7 U.S.C. 601–674.

2. Section 985.213 is amended by revising the introductory text and paragraph (b) to read as follows:

Note: This section will not appear in the annual Code of Federal Regulations.

§ 985.213 Salable quantities and allotment percentages—1994–95 marketing year.

The salable quantity and allotment percentage for each class of spearmint oil during the marketing year beginning on June 1, 1994, shall be as follows:

* * * * *

(b) Class 3 (Native) oil—a salable quantity of 1,358,404 pounds and an allotment percentage of 70 percent.

Dated: March 31, 1995.

Sharon Bomer Lauritsen,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 95–8426 Filed 4–5–95; 8:45 am]

BILLING CODE 3410–02–P

FEDERAL RESERVE SYSTEM

12 CFR Part 208

[Regulation H; Docket No. R–0873]

Membership of State Banking Institutions in the Federal Reserve System

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; interpretation.

SUMMARY: The Board is issuing an interpretation of the provisions of its Regulation H, Membership of State Banking Institutions in the Federal Reserve System, concerning the establishment of loan production offices and ''back office'' facilities by state member banks. The interpretation provides that a state member bank may establish a back office facility that is not accessible to the public without such a facility being considered to be a branch. The interpretation also provides that loans originated by a loan production office may be approved at a back office location, rather than at the main office or a branch of the bank, without the loan production office being considered to be a branch, if the proceeds of loans originated by the loan production office are received by customers at locations other than a loan production office or back office facility. This interpretation is intended to provide parity between state member banks and national banks with respect to the establishment of loan production offices and back office facilities.

EFFECTIVE DATE: April 6, 1995.

FOR FURTHER INFORMATION CONTACT: Lawranne Stewart, Senior Attorney (202/452–3513), Legal Division. For the hearing impaired *only*:, Telecommunications Device for the Deaf (''TDD''), Dorothea Thompson (202/452–3544).

SUPPLEMENTARY INFORMATION: In connection with the acquisition of a mortgage company by a state member bank, the Board has been asked to consider two issues with respect to the types of facilities that a state member bank may establish to engage in activities related to lending at locations that are not approved branches: (1) Whether a state member bank may establish a ''back office'' facility that is not accessible to the public without

such a facility being considered to be a branch of the bank; and (2) whether a loan production office will be considered to be a branch of the bank if it takes loan applications and performs related functions, but the loans are approved at locations other than an approved branch or main office of the bank. Under the Board's prior interpretation concerning loan production offices, published at 12 CFR 250.141, an office that engaged in loan origination activities was not considered to be a branch when the loans were approved and funds disbursed at the head office or a branch of the bank. ''Back office'' facilities that are not accessible to the public were not addressed in the prior interpretation.

State member banks are subject to the same limitations on branching as national banks.[1] Under the McFadden Act, national banks may establish branches only at locations at which a state bank would be permitted to establish a branch.[2] Interpreting the branching restrictions of the McFadden Act, the Supreme Court has stated that the purpose of the McFadden Act was to maintain competitive equality between national and state banks, and that the determination as to whether a facility was a branch must be based on the convenience of the customer, rather than on the technical or legal relationship between the customer and the bank.[3] In later cases addressing automated teller machines, the courts generally have rejected arguments that money is lent at the time and place where a loan or line of credit is approved, and instead found that money is lent for the purposes of the McFadden Act when the customer actually receives the funds and interest begins to run on the loan.[4]

The Board previously had determined that an office engaged in preliminary or servicing functions, such as soliciting loan applications and assembling credit information, is not lending money and therefore is not a ''branch'' for the purposes of the McFadden Act if the loans originated by the office are approved and the funds disbursed at the main office or an approved branch of the bank.[5] Whether a loan production office should be considered to be a branch if loans originated by the office are approved at locations other than the main office or a branch of the bank therefore depends on whether the location where loan approval takes place enhances the convenience to the customer and therefore provides a competitive advantage to the bank.

Back office facilities that are not accessible to the public are not visited by customers and do not appear to provide customers of the bank with any greater level of convenience. From the point of view of a customer whose loan has been originated at a loan production office, there does not appear to be any difference in the convenience based on whether the loan is approved at the back office facility or at a branch of a bank, as it is unlikely that the customer will visit either location.

Accordingly, the Board has concluded that, insofar as federal law is concerned, a state member bank may establish a back office facility without such a facility being considered to be a branch. The Board also has determined that loans originated by a loan production office may be approved at a back office location, rather than at the main office or a branch of the bank, without the loan production office being considered to be a branch under federal law, if the proceeds of loans originated by the loan production office are received by the customer at locations other than a loan production office or back office facility. This interpretation supersedes those portions of the Board's prior interpretation, published at 12 CFR 250.141, that concern loan production offices.

Administrative Procedures and Regulatory Flexibility Acts

The provisions of the Administrative Procedures Act concerning notice and comment are not applicable to interpretative rules. 5 U.S.C. 553(b). Because no notice of proposed rulemaking is required, a statement concerning the effects of the rule on small entities is also not required under the Regulatory Flexibility Act. 5 U.S.C. 604. The Board notes, however, that the interpretation provides greater flexibility to state member banks of all sizes in structuring their activities.

List of Subjects in 12 CFR Part 208

Accounting, Agriculture, Banks, Banking, Confidential business information, Crime, Currency, Federal Reserve System, Mortgages, Reporting and recordkeeping requirements, Securities.

For the reasons set forth in the preamble, 12 CFR part 208 is amended as set forth below:

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (REGULATION H)

1. The authority citation for part 208 continues to read as follows:

Authority: 12 U.S.C. 36, 248(a), 248(c), 321–338a, 371d, 461, 481–486, 601, 611, 1814, 1823(j), 1828(o), 1831o, 1831p–1, 3105, 3310, 3331–3351, and 3906–3909; 15 U.S.C. 78b, 781(b), 781(g), 781(i), 78o–4(c)(5), 78q, 78q–1, and w; 31 U.S.C. 5318.

2. In Subpart E, § 208.123 is added in numerical order to read as follows:

§ 208.123 Loan production offices and ''back office'' facilities.

(a) *Scope.* The Board has considered two issues:

(1) Whether a state member bank may establish a ''back office'' facility that is not accessible to the public and is not visited by customers without such a facility being considered to be a branch of the bank; and

(2) Whether a loan production office will be considered to be a branch of the bank if it takes loan applications and performs related functions, but the loans are approved at locations other than an approved branch or main office of the bank and funds are not disbursed at the loan production office.

(b) *Authority.* State member banks are subject to the same limitations on branching as national banks. Federal Reserve Act, section 9, paragraph 3 (12 U.S.C. 321). Under the McFadden Act (44 Stat. 1228), national banks may establish branches within a state only at locations at which a state bank would be permitted to establish a branch. 12 U.S.C. 36(c). For the purposes of the McFadden Act, ''branch'' is defined to include ''any branch bank, branch office, branch agency, additional office, or any branch place of business * * * at which deposits are received, or checks are paid, or money lent.'' 12 U.S.C. 36(f). Interpreting the branching restrictions of the McFadden Act, the Supreme Court has stated that the purpose of the McFadden Act was to

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[1] Federal Reserve Act, section 9, paragraph 3 (12 U.S.C. 321); Regulation H, § 208.9 (12 CFR 208.9).

[2] 12 U.S.C. 36(c). Under the McFadden Act, ''branch'' is defined to include ''any branch bank, branch office, branch agency, additional office, or any branch place of business . . . at which deposits are received, or checks are paid, or money lent.'' 12 U.S.C. 36(f).

[3] *First National Bank of Plant City v. Dickinson,* 396 U.S. 122 (1969).

[4] *E.g., IBAA v. Smith,* 534 F.2d 921 (D.C. Cir. 1976); *Colorado ex rel. State Bank Brd. v. First Nat'l Bank,* 540 F. 2d 497 (10th Cir. 1976); *Illinois v. Continental Illinois NT&SA,* 409 F. Supp. 1167 (N.D. Ill. 1975), aff'd in relevant part, 536 F.2d 176 (7th Cir. 1976), cert. denied, 429 U.S. 871 (1976). Only one federal district court case stands in which the court concluded that a loan is made at the time that the bank and its customer reach agreement on the terms of the loan, and not at a location where only the proceeds of the loan are disbursed. *See Oklahoma ex. rel. State Banking Board v. Utica Nat'l Bank and Trust,* 409 F. Supp. 71 (N.D. Okla. 1975). This decision was criticized in each of the appellate court opinions that have addressed this issue.

[5] 12 CFR 250.141

maintain competitive equality between national and state banks, and that the determination as to whether a facility was a branch must be based on the convenience of the customer, rather than on the technical or legal relationship between the customer and the bank. In later cases addressing automated teller machines, the courts generally have rejected arguments that money is lent at the time and place where a loan or line of credit is approved, and instead found that money is lent for the purposes of the McFadden Act when the customer actually receives the funds and interest begins to run on the loan. *See, e.g., IBAA* v. *Smith,* 534 F.2d 921 (D.C. Cir. 1976).

(c) *Interpretation.* The Board previously had determined that an office engaged in preliminary or servicing functions is not lending money and therefore is not a ''branch'' for the purposes of the McFadden Act if the loans originated by the office are approved and the funds disbursed at the main office or an approved branch of the bank. *See* 12 CFR 250.141. Whether a loan production office should be considered to be a branch if loans originated by the office are approved at locations other than the main office or a branch of the bank depends on whether the location where loan approval takes place enhances the convenience to the customer and therefore provides a competitive advantage to the bank. Back office facilities that are not accessible to the public are not visited by customers and do not appear to provide customers of the bank with any greater level of convenience. From the point of view of a customer whose loan has been originated at a loan production office, there does not appear to be any difference in the convenience based on whether the loan is approved at the back office facility or at a branch of a bank, as it is unlikely that the customer will visit either location. Based on this analysis, the Board has concluded that a state member bank may establish a back office facility without such a facility being considered to be a branch for the purposes of the McFadden Act. The Board also has determined that loans originated by a loan production office may be approved at a back office location, rather than at the main office or a branch of the bank, without the loan production office being considered to be a branch, provided that the proceeds of loans originated by the loan production office are received by the customer at locations other than a loan production office or back office facility. This interpretation supersedes the Board's prior interpretation, published at 12 CFR 250.141, as it applies to loan production offices.

By order of the Board of Governors of the Federal Reserve System, March 31, 1995.

Barbara R. Lowrey,

Associate Secretary of the Board.

[FR Doc. 95–8404 Filed 4–5–95; 8:45 am]

BILLING CODE 6210–01–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 107

Small Business Investment Companies; Accounting and Financial Reporting Standards

AGENCY: Small Business Administration.

ACTION: Interim final rule; reopening of comment period.

SUMMARY: On February 7, 1995, the Small Business Administration (SBA) published an interim final rule which updated the standards for accounting and financial reporting by Small Business Investment Companies (SBICs), as well as the guidelines for independent public accountants performing audits of SBIC financial statements. The interim final rule established a final date for comments to be submitted to SBA of March 9, 1995. SBA is reopening that comment period until April 30, 1995.

DATES: Written comments must be received on or before April 30, 1995.

ADDRESSES: Written comments should be sent to Robert D. Stillman, Associate Administrator for Investment, Small Business Administration, Suite 6300, 409 3rd Street SW., 6th floor, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Carol Fendler, Office of Program Support; telephone no. (202) 205–7559.

SUPPLEMENTARY INFORMATION: SBA published an interim final rule on February 7, 1995 (60 FR 7392) which updated and reorganized the accounting standards for the SBIC program. The purpose of the revisions was to reflect recent changes in the SBIC program mandated by the Small Business Investment Act of 1958, as amended, as well as changes in generally accepted accounting principles.

The publication of the interim final rule took place at a time when many SBICs were in the midst of preparing their audited year end financial statements. Thus, a number of SBICs and their independent public accountants may not have had sufficient time to review the rule and to prepare and submit comments to SBA. Therefore, the comment period is hereby reopened and SBA will accept comments on the interim final rule until April 30, 1995.

Dated: March 31, 1995.

Philip Lader,

Administrator.

[FR Doc. 95–8475 Filed 4–5–95; 8:45 am]

BILLING CODE 8025–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 95–NM–32–AD; Amendment 39–9185; AD 95–06–51]

Airworthiness Directives; Lockheed Model L–1011–385 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This document publishes in the **Federal Register** an amendment adopting Airworthiness Directive (AD) T95–06–51 that was sent previously to all known U.S. owners and operators of Lockheed Model L–1011–385 series airplanes by individual telegrams. This AD requires inspection to detect corrosion, severed braided strands, or fuel leakage of the fuel feed line hose assembly on engine number two; and subsequent inspection or replacement of the fuel hose with a serviceable part, if necessary. This AD also requires treatment of the ends of the fuel hose and modification of the heat-shrunk plastic cover and steel identification band area. This amendment is prompted by a report of failure of an aluminum-braided flexible fuel hose on a Model L–1011–385 series airplane due to corrosion. The actions specified by this AD are intended to prevent failure of a flexible fuel hose, which could result in failure of an engine, loss of fuel, and a resultant fire.

DATES: Effective April 21, 1995, to all persons except those persons to whom it was made immediately effective by telegraphic AD T95–06–51, issued March 9, 1995, which contained the requirements of this amendment.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of April 21, 1995.

Comments for inclusion in the Rules Docket must be received on or before June 6, 1995.