

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF AGRICULTURE

### Animal and Plant Health Inspection Service

#### 7 CFR Part 319

[Docket No. 94-102-2]

#### Importation of Fruit Trees From France

**AGENCY:** Animal and Plant Health Inspection Service, USDA.

**ACTION:** Notice of reopening and extension of comment period.

**SUMMARY:** We are reopening and extending the comment period for our proposed rule to allow *Chaenomeles* spp., *Cydonia* spp., *Malus* spp., *Pyrus* spp., and certain *Prunus* spp. plants (except seeds) to be imported into the United States as restricted articles, if grown in private nurseries in France and certified by the French plant protection service to be free of various diseases. The same proposed rule also would remove Laredo, TX, from the list of ports equipped with plant inspection stations. This extension will provide interested persons with additional time in which to prepare comments on the proposed rule.

**DATES:** Consideration will be given only to written comments on Docket No. 94-102-1 that are received on or before May 26, 1995.

**ADDRESSES:** Please send an original and three copies of your comments to Docket No. 94-102-1, Regulatory Analysis and Development, PPD, APHIS, Suite 3C03, 4700 River Road Unit 118, Riverdale, MD 20737-1238. Please state that your comments refer to Docket No. 94-102-1. Comments received may be inspected at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect comments are requested to call ahead on (202) 690-2817 to facilitate entry into the comment reading room.

**FOR FURTHER INFORMATION CONTACT:** Mr. James Petit de Mange or Mr. Peter Grosser, Operations Officers, Port Operations, PPQ, APHIS, 4700 River Road Unit 139, Riverdale, MD, 20737-1236, (301) 734-8645.

#### SUPPLEMENTARY INFORMATION:

##### Background

On March 13, 1995, we published in the **Federal Register** (60 FR 13382-13384, Docket No. 94-102-1) a proposed rule to amend § 319.37-5(b) of the regulations to allow *Chaenomeles* spp., *Cydonia* spp., *Malus* spp., *Pyrus* spp., and certain *Prunus* spp. grown in private nurseries in France to be imported as restricted articles into the United States under the same conditions already applied to those same articles when grown in government nurseries in France. In addition, we proposed to amend § 319.37-14(b) of the regulations by removing the port of Laredo, TX, from the list of ports with plant inspection stations. Comments on the proposed rule were required to be received on or before April 12, 1995.

In response to a request, we are reopening and extending the public comment period on Docket No. 94-102-1 until 30 days after the date of publication of this notice in the **Federal Register**. During this period, other interested persons may also submit their comments for our consideration.

**Authority:** 7 U.S.C. 150dd, 150ee, 150ff, 151-167, and 450; 21 U.S.C. 136 and 136a; 7 CFR 2.17, 2.51, and 371.2(c).

Done in Washington, DC, this 20th day of April 1995.

**Lonnie J. King,**

*Acting Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 95-10243 Filed 4-25-95; 8:45 am]

BILLING CODE 3410-34-P

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 202

[Regulation B; Docket No. R-0876]

#### Equal Credit Opportunity

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Proposed rule.

**SUMMARY:** The Board is publishing for comment a proposed amendment to Regulation B (Equal Credit

Opportunity). The proposed amendment would eliminate the general prohibition on collecting data relating to an applicant's race, color, sex, religion, and national origin, giving creditors the option to ask applicants to provide the information on a voluntary basis. This amendment would allow data collection only; creditors still would be prohibited from considering an applicant's race, color, sex, religion, and national origin in their credit decisions.

**DATES:** Comments must be received on or before June 27, 1995.

**ADDRESSES:** Comments should refer to Docket No. R-0876, and may be mailed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, D.C. 20551. Comments also may be delivered to Room B-2222 of the Eccles Building between 8:45 a.m. and 5:15 p.m. weekdays, or to the guard station in the Eccles Building courtyard on 20th Street, NW. (between Constitution Avenue and C Street) at any time. Comments received will be available for inspection in Room MP-500 of the Martin Building between 9:00 a.m. and 5:00 p.m. weekdays, except as provided in 12 CFR 261.8 of the Board's rules regarding availability of information.

**FOR FURTHER INFORMATION CONTACT:** Jane Gell, Sheilah Goodman or Natalie Taylor, Staff Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667 or 452-2412; for the hearing impaired only, Dorothea Thompson, Telecommunications Device for the Deaf, at (202) 452-3544.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The Equal Credit Opportunity Act (ECOA), 15 U.S.C. 1691, makes it unlawful for creditors to discriminate in any aspect of a credit transaction on the basis of race, color, sex, religion, national origin, marital status, age (provided the applicant has the capacity to contract), because all or part of an applicant's income derives from any public assistance, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act. The act is implemented by the Board's Regulation B (12 CFR part 202).

When first passed in 1974, the ECOA barred discrimination based on sex and marital status only. The Board's regulation, issued in 1975, prohibited creditors from noting the sex of an applicant, or inquiring about an applicant's childbearing or childrearing intentions. The regulation also limited when creditors were allowed to inquire about marital status or ask for information about a spouse or former spouse. These provisions were opposed by creditors at the time, but received strong support from women's groups and others who believed that if creditors did not have this information, they could not use it to discriminate.

The ECOA was amended in 1976 to expand its coverage to the present scope. That year, the Board proposed amendments to Regulation B which extended the general prohibition on inquiries into an applicant's sex and marital status to most of the newly covered categories: race, color, religion, and national origin. The response to the proposal was mixed. Most consumer groups and regulatory agencies opposed the prohibition because they believed that it would be extremely difficult to detect discrimination without this information, while creditors generally favored the prohibition. The Board implemented the regulation as proposed, applying the same reasoning that supported the 1975 proposal—if creditors could not collect this information they would not be able to use it to discriminate against applicants.

At the same time, several exceptions to the general prohibition on data collection were added to Regulation B. The broadest exception relates to data notation in home purchase and refinance mortgage loan transactions involving the applicant's principal dwelling. Since 1976, Regulation B has required creditors to collect "monitoring information" (age, sex, marital status, and race or national origin) for mortgage loan applicants. This requirement was added to the regulation because of the concern expressed by consumer groups and regulatory agencies regarding the need for the data to help detect mortgage lending discrimination.

The regulation also allows creditors to collect data if required by another regulation, order, or agreement of a court or enforcement agency to monitor or enforce compliance with the ECOA, Regulation B, or any other federal or state statute or regulation. This exception was included in the regulation so that lenders would not have to choose between competing regulations or statutes. For example, the Small Business Administration (SBA) requires lenders participating in its 7(a),

or SBA guaranteed, loan program to collect race and sex information from each applicant. Under the regulatory exception, lenders can comply with the SBA requirements without violating Regulation B.

Similarly, creditors can collect data pursuant to the Home Mortgage Disclosure Act (HMDA) without concerns about violating Regulation B. Since 1990, HMDA has required creditors to collect race or national origin and sex data from applicants for home mortgage loans. HMDA's data collection requirement is broader than Regulation B's because it applies to most applications for home improvement loans, as well as applications for home purchase and refinance, received by lenders subject to HMDA.

For the past several years, various creditors, consumer groups, state and federal agencies, and congressional representatives have requested that the Board amend Regulation B to allow creditors to collect race and sex data, primarily in connection with small business loans but also for consumer credit, such as installment loans. These requests have increased with the current focus on credit discrimination and fair lending.

Creditors have expressed a variety of reasons for wanting to collect these data. Some say they would like to be able to better audit their lending programs to ensure that they are in compliance with fair lending laws. Others want the data so that they can respond more effectively to Community Reinvestment Act (CRA) protests. In addition, some creditors have indicated that they want to collect data so that they can better evaluate their community outreach programs and the effectiveness of their marketing programs.

Some regulatory agencies have expressed an interest in the data because they believe that it may increase their ability to detect discrimination. Community groups have expressed similar reasons for wanting the data, that is, so that they can monitor creditors' compliance with the CRA and fair lending laws. It should be noted, however, that the proposed amendment would not require creditors either to collect data or disclose the data that they collect to the public.

## II. Proposed Regulatory Provisions

The proposed amendment to Regulation B would eliminate the general prohibition on collecting data relating to an applicant's race, color, sex, religion, or national origin. The Board is soliciting comment on whether creditors should be allowed to collect

data concerning an applicant's religion. The Board has not received any requests to allow creditors to collect data on religion, and, as a general matter, government monitoring forms do not typically request such information. It would be unusual, however, to permit data collection for all protected characteristics except religion.

The Board believes that race, color, sex, or national origin data may be valuable to consumers and creditors alike, regardless of the product. The Board recognizes that for certain credit products the amount and quality of the data collected may be of limited use, for example with credit cards where most applications are taken by mail or telephone. Nonetheless, the Board's proposal would remove the prohibition for all credit products. The Board is concerned that removing the prohibition for only certain credit products would add needless complication to the regulation, and make compliance more burdensome for creditors. The Board is seeking comment on this approach.

The amendment would allow data collection only; consideration of an applicant's race, color, sex, religion, and national origin in a credit decision would still be prohibited. Consumers could not be required to provide this information and creditors would not be required to collect the information through visual observation. The amendment would prohibit creditors from collecting race, color, sex, religion, or national origin information by visual observation, surname, or otherwise, if the consumer chooses not to supply it. The Board is soliciting comment on this approach.

## III. Form of Comment Letters

Comment letters should refer to Docket No. R-0876, and, when possible, should use a standard Courier typeface with a type size of 10 or 12 characters per inch. This will enable the Board to convert the text in machine-readable form through electronic scanning, and will facilitate automated retrieval of comments for review. Also, if accompanied by an original document in paper form, comments may be submitted on 3½ inch or 5¼ inch computer diskettes in any IBM-compatible DOS-based format.

## IV. Regulatory Flexibility Analysis

Compliance with the proposed amendment is voluntary, and therefore the amendment does not of itself impose cost. For those institutions that choose to request the data, there will be some costs associated with redesigning application forms, developing or adapting software programs, training

personnel, and with developing systems to evaluate the information. Since it is unclear how many institutions will adopt these procedures, it is not possible to estimate the costs to institutions in general.

**V. Paperwork Reduction Act**

In accordance with section 3507 of the Paperwork Reduction Act of 1980 (44 U.S.C. 35; 5 CFR 1320.13), there is no reporting or recordkeeping burden associated with Regulation B or this amendment.

**List of Subjects in 12 CFR Part 202**

Aged, Banks, Banking, Civil rights, Consumer protection, Credit, Discrimination, Federal Reserve System, Marital status discrimination, Penalties, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination.

Certain conventions have been used to highlight the proposed revisions to the part. New language is shown inside bold-faced arrows, while language that would be removed is set off with bold-faced brackets.

For the reasons set forth in the preamble, the Board proposes to amend 12 CFR part 202 as set forth below:

**PART 202—EQUAL CREDIT OPPORTUNITY (REGULATION B)**

1. The authority citation for part 202 continues to read as follows:

**Authority:** 15 U.S.C. 1691–1691f.

2. Section 202.5 is amended as follows:

- a. Redesignating paragraph (b)(3) as paragraph (b)(5);
- b. Adding a new paragraph (b)(3);
- c. Adding a new paragraph (b)(4);
- d. Revising paragraph (d)(3); and
- e. Removing paragraph (d)(5).

The revisions and addition read as follows:

**§ 202.5 Rules concerning taking of applications.**

\* \* \* \* \*

(b) \* \* \*

(3) *Permitted inquiries and collection of information.* A creditor may request applicants to provide their race, color, sex, religion, and national origin as part of the application. Applicants may not be required to supply the requested information. If an applicant chooses not to supply the information, the creditor may not note or otherwise record the race, color, sex, religion, and national origin of the applicant based on visual observation, surname or other means.

(4) *Residency and immigration status.* A creditor may inquire about an

applicant's permanent residency and immigration status.

(5) *Race, color, religion, national origin.*

\* \* \* \* \*

(d) \* \* \*

(3) *Sex.* [A creditor shall not inquire about the sex of an applicant.] An applicant may be requested to designate a title on an application form (such as Ms., Miss, Mr., or Mrs.) if the form discloses that the designation of a title is optional. An application form shall otherwise use only terms that are neutral as to sex.

\* \* \* \* \*

[(5) *Race, color, religion, national origin.* A creditor shall not inquire about the race, color, religion, or national origin of an applicant or any other person in connection with a credit transaction. A creditor may inquire about an applicant's permanent residency and immigration status.]

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, April 20, 1995.

**Jennifer J. Johnson,**

*Deputy Secretary of the Board.*

[FR Doc. 95–10230 Filed 4–25–95; 8:45am]

BILLING CODE 6210–01–P

**NATIONAL CREDIT UNION ADMINISTRATION**

**12 CFR Parts 704 and 741**

**Corporate Credit Unions; Requirements for Insurance**

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Proposed rule.

**SUMMARY:** The proposed rule would strengthen the capital of corporate credit unions, reduce the risk of their investments, and improve asset-liability management. It would return corporate credit unions to their primary functions of serving as liquidity centers and service providers and would protect the safety and soundness of the corporate credit union system.

**DATES:** Comments must be postmarked or posted on NCUA's electronic bulletin board by June 26, 1995.

**ADDRESSES:** Mail comments to Becky Baker, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314–3428. Send comments to Ms. Baker via the bulletin board by dialing 703–518–6480.

**FOR FURTHER INFORMATION CONTACT:** H. Allen Carver, Director, Office of Corporate Credit Unions (703) 518–6640, at the above address.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

The corporate credit union system consists of 44 corporate credit unions serving the nation's 13,000 natural person credit unions, and U.S. Central Credit Union serving the corporate credit unions. Corporate credit unions provide liquidity, investment, and payment services to credit unions. Over the years, natural person and corporate credit unions have gradually evolved into quite different types of institutions. In 1977, NCUA first issued Part 704, which dealt specifically with corporate credit unions. However, it was not until 1992 that the agency broadened Part 704 to address a broad array of corporate credit union matters. See 57 FR 22626 (May 28, 1992). The regulation has been in effect for several years, during a time of great change in the credit union industry. The Agency has had an opportunity to see how the regulation has worked and to consider how it could be improved. Last year, the Board amended Section 704.12, governing representation issues. See 59 FR 59357 (Nov. 17, 1994). After consulting closely with the corporate credit union industry, credit union trade associations, and outside experts, the Board is now proposing to amend most of the remaining sections of Part 704 and to add several new sections.

Before analyzing the specific proposed changes, the Board wishes to draw the attention of interested parties to a gross inequity in the corporate credit union system. NCUA oversight and supervision of corporate credit unions has grown in complexity in the past few years, resulting in additional costs for NCUA's corporate credit union program. Although NCUA examines all of the corporate credit unions, only federally chartered corporates currently pay an operating fee to NCUA. Federally insured corporate credit unions maintain a deposit of one percent of insured shares with the NCUSIF, but corporates have minimal insured shares, and the income generated is not significant. Of course, non federally insured corporate credit unions neither pay operating fees to NCUA nor maintain deposits with the NCUSIF.

The Board is concerned that the additional monetary burden on federal credit unions puts them at a competitive disadvantage and is considering ways to level the playing field. One option is to assess all corporate credit unions an annual examination fee, to be based on the expenses associated with the NCUA corporate program. Alternatively, the Board could abolish the operating fee for federal corporate credit unions,