favorable decision, the district director will designate the lender by executing with the 503 Company the PCLP Agreement. Before it can operate as a Premier Certified Lender, the 503 company must execute such PCLP Agreement.

§ 108.509–3 Eligibility.

In making the determination of whether a 503 company may become a Premier Certified Lender, SBA shall consider, but is not limited to, the following factors:

(a) Whether the 503 company has been an active participant in the Accredited Lenders Program under § 108.508 for not less than the preceding 12 months, and whether the 503 company has demonstrated ability to work with the local SBA office in a cooperative and constructive manner. Prior to January 1, 1996, SBA may waive the requirement for prior activity in the Accredited Lenders Program if such company is otherwise qualified to participate in that program;

(b) Whether the 503 company has a history of submitting to SBA complete, accurate and adequately analyzed debenture guaranty application packages;

(c) Whether the 503 company agrees to assume and to reimburse SBA for 10 percent of any loss sustained by the SBA as a result of a default by the company in the payment of principal or interest on a debenture issued by such company and guaranteed by SBA under the PCLP Program; and

Whether the 503 company has a historical loss rate acceptable to SBA.

§ 108.509–4 Loss reserve.

Each Premier Certified Lender shall establish a loss reserve for financings approved pursuant to the PCL Program.

(a) *Amount.* The amount of the loss reserve shall be the greater of:

(1) The historic loss rate on all debentures issued by such company; or

(2) 10 percent of the amount of the company's exposure on debentures issued under the PCL Program.

(b) *Assets.* The loss reserve shall be comprised of segregated assets of the company which shall be securitized in favor of the SBA.

(c) *Contributions.* For each debenture issued by a Premier Certified Lender, the company shall make a contribution proportionate to the total amount of loss reserve required in the following amounts and at the following intervals:

(1) 50 percent when the debenture is funded,

(2) 25 percent not later than one year after the debenture is funded, and

(3) 25 percent not later than two years after the debenture is funded.

§ 108.509–5 Suspension or revocation.

(a) *Cause.* The designation of a 503 Company as a Premier Certified Lender may be suspended or revoked if the SBA determines that:

(1) The 503 company has not continued to meet the criteria for eligibility under § 108.509–3; or

(2) The 503 company has not established or maintained the loss reserve required under § 108.509–4; or

(3) The 503 company has failed to adhere to the SBA's rules and regulations or has violated any other applicable provision of law.

(b) *Review.* At intervals not greater than 12 months, SBA shall review the financings made by each Premier Certified Lender. The review shall include the lender's credit decisions and general compliance with the eligibility requirements for each financing approved under the program authorized by this section.

(c) *Procedure.* SBA reserves the unilateral right to suspend or revoke the designation of any Premier Certified Lender as a result of any violation of SBA regulations, any breach of any agreement with SBA, or any change of circumstance resulting in the Lender's inability to meet the operational requirements set forth herein: Provided, however, that such suspension or revocation shall not invalidate any guaranty previously entered into by SBA. Proceedings for such purposes will be initiated by a determination to suspend or revoke issued by the Director of the Office of Rural Affairs and Economic Development. Such determination may be appealed to the Associate Deputy Administrator for Economic Development whose decision on any appeal shall be the final decision of SBA.

Catalog of Federal Domestic Assistance 59.036 Certified Development Company Loans (503 Loans); 59.041 Certified Development Company Loans (504 Loans).

Dated: March 17, 1995.

Philip Lader,

Administrator.

[FR Doc. 95–10178 Filed 4–25–95; 8:45 am]

BILLING CODE 8025–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 94–NM–158–AD; Amendment 39–9205; AD 95–09–01]

Airworthiness Directives; Boeing Model 737–300, –400, and –500 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Boeing Model 737–300, –400, and –500 series airplanes, that requires an inspection to determine the type of topcoat material currently on the insulation of the inner wall of the fan duct cowl (the firewall) of the thrust reversers, and application of an improved topcoat material, if necessary. This amendment is prompted by tests, which demonstrated that flames can penetrate the firewall if certain combinations of insulation and topcoat materials are used. The actions specified by this AD are intended to prevent failure of the fireproof insulation top coat installed on the firewalls of the thrust reverser fan cowls, which could result in degradation or loss of the firewall and lead to an uncontained engine fire.

DATES: Effective May 26, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of May 26, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124–2207. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Stephen Bray, Aerospace Engineer, Propulsion Branch, ANM–140S, Seattle Aircraft Certification Office, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (206) 227–2681; fax (206) 227–1181.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD)

that is applicable to certain Boeing Model 737–300, –400, and –500 series airplanes was published in the **Federal Register** on December 8, 1994 (59 FR 63277). That action proposed to require an inspection to determine the type of topcoat material currently on the insulation of the inner wall of the fan duct cowl (the firewall) of the thrust reversers, and application of an improved topcoat material, if necessary.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

Several commenters request that the rule be revised so that, if the inspection reveals that the suspect topcoat material is present, operators would not be required to apply the improved topcoat material immediately prior to further flight. These commenters state that the application of the improved topcoat material should be permitted at the operator's convenience after a positive inspection finding. This would encourage operators to conduct the inspection promptly, and then allow them to schedule the time and materials necessary for accomplishing the topcoat application at their subsequent heavy maintenance check. One commenter contends that in-service experience has shown that the risk of an engine fire resulting from the problems associated with the topcoat material is very low; in light of this, it is appropriate to allow an extended interval of time between conducting the inspection and applying the improved top coat.

The FAA does not concur with the request to permit application of the improved topcoat material at an extended interval after the inspection findings. It is the FAA's general policy that, once an unsafe condition has been determined to exist, that condition cannot be allowed to continue in the fleet. Therefore, it is essential that, if the inspection reveals that application of the improved topcoat is necessary, such application must be accomplished prior to further flight after the inspection.

However, in light of the fact that there have been no in-service incidents associated with the addressed unsafe condition, and because the topcoat application procedures may be extensive for some operators, the FAA considers that the compliance time for the required actions can be extended somewhat. It is the FAA's intent that, if the application of the improved topcoat is necessary, it should be performed during a regularly scheduled maintenance interval when the airplane is at a base where special equipment, necessary parts, and trained personnel are available. If the compliance time for the action required by this AD is parallel to the operator's regular maintenance interval, the operator can easily schedule both the inspection and any necessary topcoat application to be performed during the same maintenance hold. In consideration of these factors, the FAA finds that the compliance time may be extended from the proposed 24 months to 30 months without compromising safety. This extension will allow the majority of affected operators to accomplish the required actions during scheduled maintenance visits.

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the change previously described. The FAA has determined that this change will neither increase the economic burden on any operator nor increase the scope of the AD.

There are approximately 135 Model 737–300, –400, and –500 series airplanes of the affected design in the worldwide fleet. The FAA estimates that 18 airplanes of U.S. registry will be affected by this AD, that it will take approximately 13 work hours per airplane to accomplish the required actions, and that the average labor rate is $60 per work hour. Required parts will be provided by the manufacturer at no charge to the operators. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $14,040, or $780 per airplane.

The total cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. App. 1354(a), 1421 and 1423; 49 U.S.C. 106(g); and 14 CFR 11.89.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

95–09–01 Boeing: Amendment 39–9205. Docket 94–NM–158–AD.

Applicability: Model 737–300, –400, and –500 series airplanes; line numbers 2137 through 2271, inclusive; certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (b) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition; or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any airplane from the applicability of this AD.

Compliance: Required as indicated, unless accomplished previously.

To prevent the failure of the fireproof insulation topcoat installed on the firewalls for the thrust reverser fan cowls, which can result in degradation or loss of the firewall and lead to an uncontained engine fire, accomplish the following:

(a) Within 30 months after the effective date of this AD, inspect the inner wall of the

fan duct cowl (the firewall) of the thrust reversers to determine the type of topcoat material installed, in accordance with Boeing Alert Service Bulletin 737–78A1056, dated August 11, 1994.

(1) If the existing topcoat has silica fibers in it, no further action is required by this AD.

(2) If the existing topcoat does not have silica fibers in it, prior to further flight, accomplish the application of the DC92–010 topcoat to the firewall of the thrust reversers in accordance with the service bulletin.

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

(c) Special flight permits may be issued in accordance with §§ 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

(d) The inspection and application shall be done in accordance with Boeing Alert Service Bulletin 737–78A1056, dated August 11, 1994. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124–2207. Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(e) This amendment becomes effective on May 26, 1995.

Issued in Renton, Washington, on April 14, 1995.

John J. Hickey,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 95–9771 Filed 4–25–95; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF THE TREASURY

Office of the Under Secretary for Domestic Finance

17 CFR Parts 404 and 405

RIN 1505–AA47

Amendments to Regulations for the Government Securities Act of 1986

AGENCY: Office of the Under Secretary for Domestic Finance, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury (''Department'' or ''Treasury'') is publishing, as a final rule, amendments to the recordkeeping rules in part 404 and the reporting rules in part 405 of the regulations issued under the Government Securities Act of 1986 (''GSA''). The recordkeeping amendment requires entities registered with the Securities and Exchange Commission (''SEC'') as specialized government securities brokers and dealers (''registered government securities brokers and dealers'') under section 15C(a)(2) of the Securities Exchange Act of 1934 (the ''Exchange Act'') (15 U.S.C. 78o–5(a)(2)) to maintain and preserve records concerning the financial and securities activities of affiliates whose business activities are reasonably likely to have a material impact on the financial or operational condition of the registered government securities brokers and dealers. The reporting amendment requires registered government securities brokers and dealers to file with the SEC quarterly summary reports of the information required to be maintained and preserved by the recordkeeping amendment. The amendments (''risk assessment rules'') parallel the SEC's final temporary risk assessment rules applicable to brokers and dealers that conduct general or municipal securities businesses (''registered brokers and dealers''). The Department's risk assessment rules are being promulgated pursuant to the authority granted to the Department by the Market Reform Act of 1990 (the ''Reform Act'') and are intended to provide regulators with access to information concerning the financial risk posed to registered government securities brokers and dealers—and to the securities markets as a whole—as a result of certain financial and securities activities conducted by affiliates within holding company structures. The Department is adopting the amendments essentially unchanged from their proposed form.

DATES: The effective date is June 30, 1995. The rules are being implemented in accordance with a phase-in schedule. See Section III of this preamble for the entire schedule.

FOR FURTHER INFORMATION CONTACT: Kerry Lanham (Government Securities Specialist) or Lee Grandy (Government Securities Specialist) at 202–219–3632. (TDD for hearing impaired: 202–219–3988.)

SUPPLEMENTARY INFORMATION:

I. Background

In response to the stock market disruption of October 1987, the bankruptcy of Drexel Burnham Lambert Group, Inc. (''Drexel'') in February 1990, and other developments in the securities markets, Congress passed the Reform Act in September 1990.[1] Among other things, the Reform Act provided the SEC and Treasury separate but parallel authority to promulgate risk assessment rules for certain broker-dealer holding company structures. The Reform Act authorized Treasury to require registered government securities brokers and dealers to maintain and report information on the financial and securities activities of certain affiliates that had the potential to pose material amounts of risk to the brokers and dealers. The Reform Act did not authorize Treasury to require financial institutions that have filed notice (or are required to file notice) as government securities brokers and dealers to maintain and report risk assessment information, although registered government securities brokers and dealers that are subject to the rules must maintain records and submit reports pertaining to the financial and securities activities of certain affiliates that are financial institutions.

The Drexel failure demonstrated that financial difficulties or liquidity problems of parent companies or affiliates of brokers and dealers could have a material and adverse effect on brokers and dealers themselves; risk assessment authority was therefore intended to help regulators monitor such developments. The primary focus of the risk assessment authority was the financial health of large holding companies whose potential failures pose risks to their affiliated brokers and dealers, as well as to the securities markets and the financial system as a whole. The Department believes that these rules will enhance the safety of the government securities market and provide for more effective regulatory oversight.

The legislative history[2] of the Reform Act indicated that risk assessment rules would require information concerning several particular types of potentially risky financial and securities activities conducted by affiliates of brokers and dealers, including bridge loans, interest rate swaps, foreign currency transactions, other derivatives (e.g., forwards and futures), and real estate

[1] Pub. L. 101–432, 104 Stat. 963 (1990).

[2] H.R. Rep. No. 101–524 and 101–477, 101st Cong., 2nd Sess. (1990).