that if the FCA believes that the statute requires notice, such notice should be in the least burdensome means possible. The institution noted that the least burdensome requirement would be to require notice of an increase in conjunction with regularly scheduled billing notices, and that a less favorable alternative would be 30 days post notice for increases and no notice for decreases. The remaining Farm Credit institution commenter stated that changing the prior notification to a 10-day post notification would not reduce any administrative or cost burden on the institution because existing loan products and systems are designed to meet current regulations and would be contractually out of sync with a post-notification system. The commenter asserted that the proposed amendments do not help institutions that have loans tied to external indexes and Congress did not intend to require prior or post notice for such loans. The commenter contended that loans that are priced to an external index should be exempt from any notice requirements as long as: (1) The interest rate is tied to an index entirely outside the control of the Farm Credit System; (2) the index is widely publicized; (3) interest rate disclosures clearly referencing the index are made when the loan is originated and closed; and (4) disclosures are required for any change to the index or the margin points (or spread).

The state agriculture department commented that as a matter of principle, debtors ought to be notified in advance of interest rate increases on their loans. The commenter asserted that the minimum economic advantage that may be gained by lenders would be more than offset by the negative perception the proposed changes would create in the eyes of borrowers. Further, the commenter contended that many farmers do not receive financial publications containing external indexes, and if they did, they would not necessarily be able to determine the change in their interest rate from a change in the index. The commenter finally noted that it did not believe post-notification would significantly reduce burden on Farm Credit institutions and that if institutions are concerned about mailing costs, they could delay a change in interest rates so that the required notice could coincide with another regular mailing.

II. Response to Commenters and Discussion of Final Regulation

In response to the commenters who asserted that the FCA should eliminate any notification requirements for changes in interest rates, the plain language of section 4.13 of the Act, as recently amended, requires notification to borrowers of a change in their interest rates. Further, the FCA has reviewed the legislative history of the amendment and is not aware of any expressed Congressional intent to exempt loans tied to external indexes from the notice requirement. In addition, the recent amendment to section 4.13 clearly requires notification of an increase or decrease in the interest rate. Therefore, the FCA interprets the Act as requiring notification of increases or decreases in interest rates for all loans within a reasonable time of the effective date of the change. The final regulation contains what the FCA concludes to be a reasonable time for notification under the Act, after giving consideration to the views of the commenters, the needs of borrowers for timely notice, and the FCA's desire to reduce burden on Farm Credit institutions.

The final regulation requires a 10-day post notification for interest rate changes for administered rate loans. For loans tied to an external index, prompt notification is required, but must be given within 30 days of the change in interest rate. The FCA carefully considered the comments addressing the 30-day post notification requirement for all loans and finally determined that the need to provide timely information to borrowers outweighed the regulatory burden that a 10-day post notice may entail. Although administered rate loans may closely follow changes in the prime rate or the institution's cost of funds, many variables may go into a decision to change an administered rate. Thus a borrower with an administered rate loan cannot be as certain of a rate change merely by following the prime rate or other index as is the case of a loan that is clearly tied to an external index. For those loans that are clearly priced to an external index, however, the FCA believes that delaying the notice by 20 days does not seriously disadvantage the borrower and may result in less burden on the institutions, in part, by reducing mailing costs. In those situations, borrowers can likely determine the change in their rates sooner than 30 days by following the changes in the index. The final regulation, both where a 10-day and 30-day post notification is permitted, will allow the institutions to make changes in borrowers' interest rates more quickly than under a prior-notification requirement.

The FCA is also amending § 614.4367(a)(4) which addresses disclosures to purchasers of stock. All references to protected eligible borrower stock are eliminated because the issuance of such stock is no longer authorized.

List of Subjects in 12 CFR Part 614

Agriculture, Banks, banking, Flood insurance, Foreign trade, Reporting and recordkeeping requirements, Rural areas.

For the reasons stated in the preamble, part 614 of chapter VI, title 12 of the Code of Federal regulations is amended to read as follows:

PART 614—LOAN POLICIES AND OPERATIONS

1. The authority citation for part 614 continues to read as follows:

Authority: 42 U.S.C. 4012a, 4014a, 4104b, 4106, and 4128; secs. 1.3, 1.5, 1.6, 1.7, 1.9, 1.10, 2.0, 2.2, 2.3, 2.4, 2.10, 2.12, 2.13, 2.15, 3.0, 3.1, 3.3, 3.7, 3.8, 3.10, 3.20, 3.28, 4.12, 4.12A, 4.13, 4.13B, 4.14, 4.14A, 4.14C, 4.14D, 4.14E, 4.18, 4.19, 4.36, 4.37, 5.9, 5.10, 5.17, 7.0, 7.2, 7.6, 7.7, 7.8, 7.12, 7.13, 8.0, 8.5 of the Farm Credit Act (12 U.S.C. 2011, 2013, 2014, 2015, 2017, 2018, 2071, 2073, 2074, 2075, 2091, 2093, 2094, 2096, 2121, 2122, 2124, 2128, 2129, 2131, 2141, 2149, 2183, 2184, 2199, 2201, 2202, 2202a, 2202c, 2202d, 2202e, 2206, 2207, 2219a, 2219b, 2243, 2244, 2252, 2279a, 2279a–2, 2279b, 2279b–1, 2279b–2, 2279f, 2279f–1, 2279aa, 2279aa–5); sec. 413 of Pub. L. 100–233, 101 Stat. 1568, 1639; sec. 207 of Pub. L. 104–105, 110 Stat. 162.

Subpart K—Disclosure of Loan Information

§ 614.4367 [Amended]

2. Section 614.4367 is amended by removing the words ''Except with respect to eligible borrower stock under section 4.9A of the Act,'' and capitalizing the word ''a'' in paragraph (a)(4); by removing the words ''the effective date of a decrease in the interest rate and not later than 10 days before the effective date of an increase in the interest rate.'' and adding in its place, the words ''10 days after the effective date of a change in the interest rate. However, if the interest rate is directly tied to an external index that is widely publicized, the notice of change must be made promptly but not later than 30 days after the change in interest rate.'' at the end of paragraph (c)(3).

Dated: March 12, 1996.

Floyd Fithian,

Secretary, Farm Credit Administration Board.

[FR Doc. 96–6648 Filed 3–19–96; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF STATE

Bureau of Consular Affairs

22 CFR Part 40

[Public Notice 2361]

Regulations Pertaining to Both Nonimmigrants and Immigrants Under the Immigration and Nationality, as Amended; Failure to Comply With INA; Correction

AGENCY: Bureau of Consular Affairs, DOS.

ACTION: Correction to final rule.

SUMMARY: This document contains a correction to the final rule published on March 8, 1996 [61 FR 9325]. The regulation implements sec. 212(o) of the Immigration and Nationality Act (INA) as amended by section 506(b) of Pub. L. 103–317.

EFFECTIVE DATE: October 1, 1994.

FOR FURTHER INFORMATION CONTACT: Stephen K. Fischel, Chief, Legislation and Regulations Division, 202–663–1204.

SUPPLEMENTARY INFORMATION: On March 8, 1996 the Department published Public Notice 2345 [61 FR 9325] which finalized the interim rule published on October 11, 1994 at 59 FR 51367. The document contained an error in the third column of page 9325 in the final paragraph. This document corrects the Federal Register citation in that paragraph to read 59 FR 51367.

Dated: March 14, 1996.

Mary A. Ryan,

Assistant Secretary for Consular Affairs.

[FR Doc. 96–6699 Filed 3–19–96; 8:45 am]

BILLING CODE 4710–06–P

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

National Highway Traffic Safety Administration

23 CFR Part 1260

[Docket No. 96–06; Notice 1]

RIN 2125–AD77

Certification of Speed Limit Enforcement

AGENCY: Federal Highway Administration (FHWA) and National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Final rule.

SUMMARY: Section 205(d) of the National Highway System Designation Act of 1995 repealed the National Maximum Speed Limit (NMSL) Compliance Program. It made the repeal effective on December 8, 1995, but provided that the Governors of certain States could delay the effective date of the repeal. This Final Rule provides that 23 CFR Part 1260, which contains the procedures for implementing the NMSL, is now applicable only to those States whose Governor delayed the effective date of the repeal of the NMSL. In effect, the regulation is rescinded for all other States. This Final Rule also rescinds the provisions of Part 1260 concerning speed monitoring, certification requirements and compliance standards.

EFFECTIVE DATE: March 20, 1996.

FOR FURTHER INFORMATION CONTACT: In FHWA, Janet Coleman, Office of Highway Safety, 202–366–4668; or Raymond W. Cuprill, Office of the Chief Counsel, 202–366–1377. In NHTSA, J. Michael Sheehan, Police Traffic Services Division, 202–366–4295; or Heidi L. Coleman, Office of the Chief Counsel, 202–366–1834.

SUPPLEMENTARY INFORMATION:

Background

The 55 mph National Maximum Speed Limit (NMSL) was first instituted in 1974 as a temporary conservation measure in response to the oil embargo imposed by certain oil-producing nations. Because of the reduction in traffic fatalities that accompanied the institution of the speed limit, it was made permanent in 1975.

In 1978, Congress amended the law to require that, in addition to posting and enforcing the speed limit, States would have to achieve specific levels of compliance. In April 1987, Congress passed legislation which allowed States to post 65 mph maximum speed limits on rural Interstate highways. In December 1987, the President approved legislation enacting a limited demonstration program, which allowed the posting of speed limits as high as 65 mph on certain rural non-Interstate highways through the end of FY 1991.

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) made the demonstration program permanent, and allowed other rural non-Interstate highways that were not a part of the demonstration program to be posted at the 65 mph speed limit, provided they met certain criteria.

ISTEA also required the Secretary of Transportation to publish a rule to establish speed limit compliance requirements on 65 mph roads, in addition to 55 mph roads, and to include a formula for determining compliance by the States.

FHWA and NHTSA had shared responsibility for the implementation of the NMSL compliance program since 1980. To implement this program and the requirements of ISTEA, the agencies promulgated a joint regulation, 23 CFR Part 1260.

On November 28, 1995, the President signed into law the National Highway System Designation Act of 1995 (NHS Act). Section 205(d) of the NHS Act repealed the NMSL compliance program, as set forth in 23 U.S.C. §§ 141(a) and 154.

The NHS Act made the repeal effective on December 8, 1995, but provided some States with an option to delay this effective date. In any State whose legislature was not in session on November 28, 1995, the Governor could declare, before December 8, 1995, that the legislature was not in session and that the State preferred to delay the effective date until after the State's legislature next convenes. In accordance with the NHS Act, such a declaration would delay the effective date of the repeal of the NMSL until the 60th day following the date on which the legislature next convenes. The agencies are aware of five States that have chosen to exercise the option: Kansas, Louisiana, Mississippi, Missouri and Ohio.

Accordingly, as provided in the NHS, on December 8, 1995, the NMSL was repealed for all States other than these five States. In these five States, it remains in effect until the 60th day following the date on which the legislature of that State next convenes.

This final rule adds an applicability section to Part 1260 (section 1260.4), making the regulation applicable only to these five States. By adding this section, the agencies in effect rescind the regulation for all other States.

While Part 1260 will continue to apply to these five States, the agencies have decided to rescind the sections of the regulation that pertain to speed monitoring, certification requirements and compliance standards (sections 1260.9, 1260.11, 1260.13, 1260.15, 1260.17, 1260.19 and 1260.21). This recision will greatly reduce the regulatory burden on these States. The section of the regulation that pertains to the adoption of the NMSL (1260.7) will remain in effect. Conforming changes have been made to other sections of the regulation (1260.1, 1260.3 and 1260.5).

Once the legislature has convened in each of these five States, and 60 additional days have passed, the NMSL will be repealed for each State. The agencies plan to rescind 23 CFR Part 1260 in its entirety upon the expiration of the 60-day period for the last State.