

# Rules and Regulations

Federal Register

Vol. 61, No. 132

Tuesday, July 9, 1996

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## FEDERAL DEPOSIT INSURANCE CORPORATION

### 5 CFR Part 3201

RIN 3064-AA08, 3209-AA15

### Supplemental Standards of Ethical Conduct for Employees of the Federal Deposit Insurance Corporation

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Final rule.

**SUMMARY:** The Federal Deposit Insurance Corporation, with the concurrence of the Office of Government Ethics (OGE), is amending the Supplemental Standards of Ethical Conduct for Employees of the Federal Deposit Insurance Corporation in order to allow employees' spouses and minor children to acquire otherwise prohibited securities when they are acquired as part of compensation packages in connection with their employment. The amendment is being made retroactively effective as of the effective date of the FDIC's supplemental standards.

**EFFECTIVE DATE:** May 25, 1995.

**FOR FURTHER INFORMATION CONTACT:** Richard M. Handy, Assistant Executive Secretary (Ethics), (202) 898-7271, in the Office of the Executive Secretary of the FDIC.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

On April 25, 1995, with the concurrence of OGE, the FDIC published as a final rule the Supplemental Standards of Ethical Conduct for Employees of the Federal Deposit Insurance Corporation which were effective May 25, 1995 (codified at 5 CFR part 3201). The final rule was issued to supplement OGE's Standards of Ethical Conduct for Employees of the Executive Branch that established uniform standards of ethical conduct for

executive branch employees (effective February 3, 1993, and codified at 5 CFR part 2635).

Upon the determination of the Board of Directors and with the concurrence of OGE, part 3201 is being amended to provide an additional exception to the prohibitions on the ownership of securities of FDIC-insured depository institutions. The amendment allows spouses and minor children of employees to acquire otherwise prohibited securities when they are acquired as part of compensation packages in connection with their employment. The Board of Directors determined that the provision, without the revised language, was unnecessarily restrictive.

This rule is being issued as a final rule since it reduces the restrictions placed on employees and their families by the existing rule. Further, the amended rule will be made retroactively effective to May 25, 1995.

##### II. Matters of Regulatory Procedure

###### *Administrative Procedure Act*

Pursuant to 5 U.S.C. 553 (a)(2), (b) and (d), the Board of Directors has found that good cause exists for waiving the regular notice of proposed rulemaking and 30-day delayed effective date as to this final rule amendment, and further making it retroactively effective to May 25, 1995, the effective date of the overall part 3201. This action is being taken because it is in the public interest that this rule, which concerns matters of agency organization, practice and procedure and which relieves certain restrictions placed on FDIC employees and their families, become effective retroactively on the effective date of the original final rule.

###### *Regulatory Flexibility Act*

The Board of Directors has concluded that the amendment to the rule will not impose a significant economic hardship on small institutions. Therefore, the Board of Directors hereby certifies pursuant to section 605 of the Regulatory Flexibility Act (5 U.S.C. 605) that the amended regulation will not have a significant economic impact on a substantial number of small business entities within the meaning of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

### *Paperwork Reduction Act*

The Board of Directors has determined that the amended regulation does not contain any information collection requirements that require the approval of the Office of Management and Budget pursuant to the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

### List of Subjects in 5 CFR Part 3201

Administrative practice and procedure, Conflict of interests, Government employees, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Federal Deposit Insurance Corporation, with the concurrence of the Office of Government Ethics, is amending 5 CFR part 3201 as follows:

### **PART 3201—SUPPLEMENTAL STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION**

1. The authority citation for part 3201 continues to read as follows:

Authority: 5 U.S.C. 7301; 5 U.S.C. App. (Ethics in Government Act of 1978); 12 U.S.C. 1819(a), 1822; 26 U.S.C. 1043; E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306; 5 CFR 2635.105, 2635.403, 2635.502, and 2635.803.

2. In § 3201.103, paragraph (b)(4) is amended by revising the first sentence to read as follows:

#### **§ 3201.103 Prohibitions on ownership of securities of FDIC-insured depository institutions.**

\* \* \* \* \*

(b) \* \* \*

(4) Acquiring, owning, or controlling a security of an FDIC-insured depository institution or the affiliate of an FDIC-insured depository institution where the security was acquired by inheritance, gift, stock split, involuntary stock dividend, merger, acquisition, or other change in corporate ownership, exercise of preemptive right, or otherwise without specific intent to acquire the security, or, by an employee's spouse or minor child as part of a compensation package in connection with his or her employment. \* \* \*

\* \* \* \* \*

Dated at Washington, D.C. this 17th day of June 1996.

By Order of the Board of Directors.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

*Deputy Executive Secretary.*

Concurred in this 1st day of July 1996.

Stephen D. Potts,

*Director, Office of Government Ethics.*

[FR Doc. 96-17304 Filed 7-8-96; 8:45 am]

BILLING CODE 6714-01-P

## DEPARTMENT OF AGRICULTURE

### Rural Housing Service

### Rural Business-Cooperative Service

### Rural Utilities Service

### Farm Service Agency

**7 CFR Parts 1910, 1924, 1941, 1943, 1945, 1951, 1955, 1962, 1965, and 1980**

**RIN 0575-AB45**

### Loan Assessment, Market Placement, and Graduation of Direct Loan Borrowers

**AGENCIES:** Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, and Farm Service Agency, USDA.

**ACTION:** Interim rule with request for comments.

**SUMMARY:** The issuing USDA agencies are amending the direct and guaranteed farm loan regulations to implement changes to the Consolidated Farm and Rural Development Act (CONACT) as a result of the Food, Agriculture, Conservation, and Trade Act of 1990 (1990 Act) and the Agricultural Credit Improvement Act of 1992 (1992 Act). These amendments implement and coordinate "loan assessment," "market placement," and the "graduation of seasoned direct loan borrowers to the loan guarantee program." The intended outcome is to improve the success rate of borrowers receiving Farm Service Agency (FSA) assistance and to facilitate their transitions to commercial credit.

**DATES:** Effective July 9, 1996. Comments must be submitted by October 7, 1996.

**ADDRESSES:** Submit written comments to Steven R. Bazzell, Senior Loan Officer, Farm Credit Programs Loan Making Division, Farm Service Agency (FSA) United States Department of Agriculture (USDA), Ag Box Code 0522, Room 5438 South Building, 14th Street and Independence Avenue, SW., Washington, DC. 20250-0522. Written comments made pursuant to this rule will be available for public inspection at the above address between 8:15 am and 4:45 pm, Monday through Friday, except holidays.

**FOR FURTHER INFORMATION CONTACT:** Mr. Bazzell of the Farm Credit Programs Loan Making Division at telephone (202) 720-3889, fax (202) 690-1117, or e-mail sbazzell@wdc.fsa.usda.gov.

#### SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been determined "not significant" for the purpose of complying with Executive Order 12866, and therefore, it has not been reviewed by the Office of Management and Budget (OMB).

Executive Order 12372

1. For the reasons set forth in the Notice related to 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), Farm Ownership Loans, Farm Operating Loans, and Emergency Loans are excluded from the scope of Executive Order 12372, which requires intergovernmental consultation with State and local officials.

2. The Soil and Water Loan Program is subject to and has complied with the provisions of Executive Order 12372 and FmHA Instruction 1940-J.

#### Federal Assistance Programs

These changes affect the following FSA Farm Credit programs as listed in the Catalog of Federal Domestic Assistance:

10.404—Emergency Loans

10.406—Farm Operating Loans

10.407—Farm Ownership Loans

10.416—Soil and Water Loans

#### Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." The issuing agencies have determined that this action does not significantly affect the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, Public Law 91-190, an Environmental Impact Statement is not required.

Executive Order 12778

This interim rule has been reviewed under Executive Order 12778, Civil Justice Reform. In accordance with this rule: (1) All State and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings in accordance with the National Appeals Division appeal regulations at 7 CFR part 11 must be exhausted before bringing suit in court challenging action taken under this rule unless those regulations specifically allow bringing suit at an earlier time.

#### Paperwork Reduction Act

The information collection or recordkeeping requirements contained in these regulations have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB control numbers 0575-0134, 0575-0061, 0575-0141, 0575-0085, 0575-0083, 0575-0090, 0575-0093, 0575-0079 and 0575-0111 in accordance with the Paperwork Reduction Act of 1995. This interim rule does not revise or impose any new information collection or recordkeeping requirement from those approved by OMB.

This regulatory action is being taken as part of the National Performance Review program to eliminate unnecessary regulations and improve those that remain in force.

#### Discussion of the Interim Rule

On December 30, 1993, the Farmers Home Administration (FmHA) published a proposed rule in the Federal Register (58 FR 69274-69298) with a comment period that ended February 28, 1994. The purpose of this interim rule is to implement statutory provisions on loan assessment, market placement, and graduation of seasoned direct loan borrowers to the guaranteed loan program. These provisions were contained in the 1990 Act and the 1992 Act and affect former FmHA Farmer Programs. Due to the reorganization of USDA, responsibility for administering FmHA Farmer Programs has been transferred to FSA. Other loan programs formerly administered by FmHA will only be affected by general, conforming administrative revisions made to the regulations on receiving and processing applications and analyzing credit needs and graduation of borrowers. These programs include: Rural Housing loans now administered by the Rural Housing Service (RHS), Water and Waste Facility loans now administered by the Rural Utilities Service (RUS), and Business and Industrial loans and Intermediary Relending Program loans now administered by the Rural Business-Cooperative Service (RBS). FSA, RHS, RUS, and RBS are jointly issuing this interim rule since substantial administrative revisions have been made to regulations affecting their programs in an effort to reduce Agency regulations.

The issuing agencies are publishing these regulations as an interim rule and providing a 90-day comment period. The comment period will provide the public, including Agency field staff, the opportunity to use and evaluate the new