

waiver would be to prejudice a Federal Reserve participant's rights.

II. Discussion

Section 17A(b)(3)(F)¹⁰ of the Exchange Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible. For the reasons set forth below, the Commission believes that PTC's proposed rule change is consistent with this obligation under the Exchange Act.

PTC was established in 1989 as a depository for mortgage-backed securities, primarily those guaranteed by the Government National Mortgage Association ("GNMAs"), in order to immobilize these securities and to allow them to be settled by book-entry. However, GNMAs, unlike other mortgage-backed securities such as those guaranteed by the Federal National Mortgage Association ("FNMA's") and the Federal Home Loan Mortgage Association ("FHLMCs"), are issued in certificated form and therefore cannot be transferred over the Fedwire.

Currently, in order to use GNMAs as collateral for discount window advances from Federal Reserve Banks, PTC participants must physically remove the certificates from PTC and deposit them with the Federal Reserve Banks. The proposed rule change will enable Federal Reserve Banks to maintain accounts at PTC for the purpose of accepting from PTC participants securities pledged as collateral for discount window advances and as collateral to secure Treasury tax and loan accounts. This will allow PTC participants to utilize GNMAs as collateral without having to physically remove the certificates from PTC. As a result, the Commission believes the proposed rule change facilitates the safeguarding of securities in the custody or control of PTC by reducing the physical movement of GNMAs and the risk of loss associated with the physical movement of these securities. Furthermore, the Commission believes that the proposal is consistent with industry efforts to immobilize securities certificates and maximize efficiencies in securities processing.

As previously stated, the proposed rule change also provides that Federal Reserve participants will be exempt from some of the obligations applicable to participants and limited purpose participants. The Commission believes that the special provisions applicable to Federal Reserve participants are consistent with the restricted nature of

the Federal Reserve Banks' participation at PTC.

PTC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for so approving the proposed rule change because accelerated approval will permit PTC and the FRBNY to immediately commence the pilot program. Furthermore, the Commission has not received any comment letters and does not expect to receive any comment letters on the proposal. In addition, the staff of the Board of Governors of the Federal Reserve System ("Board of Governors") has concurred with the Commission's decision to grant accelerated approval.¹¹

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act and in particular Section 17A of the Exchange Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act, that the proposed rule change (File No. SR-PTC-96-05) be and hereby is approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-26781 Filed 10-17-96; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2906]

Texas; Declaration of Disaster Loan Area

Tyler County and the contiguous counties of Angelina, Hardin, Jasper, and Polk in the State of Texas constitute a disaster area as a result of damages caused by flooding that occurred on September 26 and 27, 1996. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on December 9, 1996 and for economic injury until the close of business on July 9, 1997 at the address listed below: U.S. Small Business Administration, Disaster

¹¹ Telephone conversation between John Rudolph, Board of Governors, and Ari Burstein, Division of Market Regulation, Commission (October 3, 1996).

¹² 17 CFR 200.30-3(a)(12) (1996).

Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Fort Worth, Texas 76155, or other locally announced locations.

The interest rates are:

For physical damage:

Homeowners with credit available elsewhere—8.000%.
Homeowners without credit available elsewhere—4.000%.
Businesses with credit available elsewhere—8.000%.
Businesses and non-profit organizations without credit available elsewhere—4.000%.
Others (including non-profit organizations) with credit available elsewhere—7.125%.

For economic injury:

Businesses and small agricultural cooperatives without credit available elsewhere—4.000%.

The number assigned to this disaster for physical damage is 290606. For economic injury the number is 922100.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: October 9, 1996.

Ginger Lew,

Acting Administrator.

[FR Doc. 96-26765 Filed 10-17-96; 8:45 am]

BILLING CODE 8025-01-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Generalized System of Preferences (GSP); Initiation of a Review to Consider the Designation of Cambodia as a Beneficiary Developing Country Under the GSP; Solicitation of Public Comments relating to the Designation Criteria

AGENCY: Office of the United States Trade Representative.

ACTION: Notice and solicitation of public comment with respect to the eligibility of Cambodia for the GSP program.

SUMMARY: This notice announces the initiation of a review to consider the designation of Cambodia as a beneficiary developing country under the GSP program and solicits public comment relating to the designation criteria.

FOR FURTHER INFORMATION CONTACT: GSP Subcommittee, Office of the United States Trade Representative, 600 17th Street, NW., Room 518, Washington, DC 20506. The telephone number is (202) 395-6971.

SUPPLEMENTARY INFORMATION: The Trade Policy Staff Committee (TPSC) has initiated a review to determine if Cambodia meets the designation criteria of the GSP law and should be

¹⁰ 15 U.S.C. 78q-1(b)(3)(F) (1988).