

document if the employment is for less than three business days.

* * * * *

(v) * * *

(A) The following documents, so long as they appear to relate to the individual presenting the document, are acceptable to evidence both identity and employment eligibility:

(1) United States passport (unexpired or expired);

(2) Alien Registration Receipt Card or Permanent Resident Card, Form I-551;

(3) An unexpired foreign passport that contains a temporary I-551 stamp;

(4) An unexpired Employment Authorization Document issued by the Immigration And Naturalization Service which contains a photograph, Form I-766; Form I-688, Form I-688A, or Form I-688B;

(5) In the case of a nonimmigrant alien authorized to work for a specific employer incident to status, an unexpired foreign passport with an Arrival-Departure Record, Form I-94, bearing the same name as the passport and containing an endorsement of the alien's nonimmigrant status, so long as the period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the Form I-94.

* * * * *

(vi) *Special rules for receipts.* Except as provided in paragraph (b)(1)(iii) of this section, unless the individual indicates or the employer or recruiter or referrer for a fee has actual or constructive knowledge that the individual is not authorized to work, an employer or recruiter or referrer for a fee must accept a receipt for the application for a replacement document or a document described in paragraphs (b)(1)(vi)(B)(I) and (b)(1)(vi)(C)(I) of this section in lieu of the required document in order to comply with any requirement to examine documentation imposed by this section, in the following circumstances:

(A) *Application for a replacement document.* The individual:

(1) Is unable to provide the required document within the time specified in this section because the document was lost, stolen, or damaged;

(2) Presents a receipt for the application for the replacement document within the time specified in this section; and

(3) Presents the replacement document within 90 days of the hire or, in the case of reverification, the date employment authorization expires; or

(B) *Form I-94 indicating temporary evidence of permanent resident status.* The individual indicates in section 1 of

the Form I-9 that he or she is a lawful permanent resident and the individual:

(1) Presents the arrival portion of Form I-94 containing an unexpired "Temporary I-551" stamp and photograph of the individual, which is designated for purposes of this section as a receipt for Form I-551; and

(2) Presents the Form I-551 within 180 days of the hire or, in the case of reverification, the date employment authorization expires; or

(C) *Form I-94 indicating refugee status.* The individual indicates in section 1 of the Form I-9 that he or she is an alien authorized to work and the individual:

(1) Presents the departure portion of Form I-94 containing an unexpired refugee admission stamp, which is designated for purposes of this section as a receipt for either the Form I-766 or a social security account number card that contains no employment restrictions; and

(2) Presents, within 90 days of the hire or, in the case of reverification, the date employment authorization expires, either an unexpired Form I-766; or a social security account number card that contains no employment restrictions together with a document described under paragraph (b)(1)(v)(B) of this section.

* * * * *

Dated: September 25, 1997.

Doris Meissner,

Commissioner, Immigration and Naturalization Service.

[FR Doc. 97-25920 Filed 9-29-97; 8:45 am]

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FEDERAL RESERVE SYSTEM

12 CFR Part 213

[Regulation M; Docket No. R-0892]

Consumer Leading; Delay of Compliance Date

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; delay of compliance date.

SUMMARY: Following a review under the Board's Regulatory Planning and Review Program, the Board published a revised Regulation M, which implements the Consumer Leasing Act on October 7, 1996. The final rule contains a significant number of substantive revisions to the regulation. It essentially establishes a new disclosure scheme that should substantially improve consumer understanding of automobile

transactions. The new disclosure scheme required the preparation of new forms and the reprogramming of computer software. Mandatory compliance with the revised rule was to begin on October 1, 1997. The Board is delaying that compliance date until January 1, 1998, to facilitate compliance with the regulation and to ensure that consumers receive accurate and meaningful disclosures.

DATES: The mandatory compliance date for the final rule published at 61 FR 52246 (Oct. 7, 1996) is delayed until January 1, 1998.

FOR FURTHER INFORMATION CONTACT:

Kyung H. Cho-Miller or Obrea O. Poindexter, Staff Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551, at (202) 452-2412 or 452-3667. For users of Telecommunications Device for the Deaf (TDD), please contact Dorothea Thompson at (202) 452-3544.

SUPPLEMENTARY INFORMATION: The Consumer Leasing Act (CLA), 15 U.S.C. 1667-1667e, was enacted into law in 1976 as an amendment to the Truth in Lending Act (TILA), 15 U.S.C. 1601 *et seq.* The Board was given rulewriting authority, and its Regulation M (12 CFR part 213) implements the CLA.

The CLA generally governs consumer leases of personal property involving \$25,000 or less and a term of more than four months. An automobile lease is the most common type of consumer lease covered by the CLA. Like the credit provisions of the TILA, the CLA requires lessors to provide uniform cost and other disclosures in consumer lease transactions and in lease advertising. Prior to entering into a lease agreement, lessors must give consumers fifteen to twenty disclosures, including the amount of initial charges to be paid, an identification of leased property, a payment schedule, the responsibilities for maintaining the leased property, and the liability for terminating a lease early.

Following a review under the Board's Regulatory Planning and Review Program, the Board published a revised Regulation M on October 7, 1996 (61 FR 52246), and a new staff commentary on April 4, 1997 (62 FR 16053). The final rule, which contains a significant number of substantive revisions to the regulation, essentially establishes a new disclosure scheme that should substantially improve consumer understanding of automobile lease transactions. The new disclosure scheme required the preparation of new forms and the reprogramming of computer software.

The Board has been asked by representatives of the automobile leasing industry—including leasing companies, automobile dealerships, and vendor support services—to delay the mandatory compliance date of the new Regulation M rules beyond October 1, 1997. The request is based on the current state of implementation of the new leasing software at the 22,500 new-car dealerships that arrange for automobile leases provided through approximately 9,000 independent lessors. Based on the information that they have shared, less than half of the dealerships have the necessary software programs in place that would enable them to produce computer-generated disclosure statements by October 1, 1997. In some cases, they would have in place only one of the five or six lessor programs that they typically make available to consumers. The alternative is to complete the leasing forms manually, with resultant delays and a great potential for errors that would subsequently have to be corrected.

The Board believes that consumers will not be well served by proceeding on the October 1 schedule. Accordingly, to better ensure that consumers receive accurate and meaningful lease disclosures, the Board has delayed the mandatory compliance date to January 1, 1998.

By order of the Board of Governors of the Federal Reserve System, September 25, 1997.

William W. Wiles,

Secretary of the Board.

[FR Doc. 97-25921 Filed 9-29-97; 8:45 am]

BILLING CODE 6210-01-M

FARM CREDIT ADMINISTRATION

12 CFR Parts 614 and 619

RIN 3052-AB64

Loan Policies and Operations; Definitions; Loan Underwriting

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA), through the FCA Board (Board), issues a final rule amending its regulations relating to loan underwriting in response to comments received from the Board's initiative to reduce regulatory burden and in an effort to streamline the regulations and set clear minimum regulatory standards where appropriate. The Board's action eliminates unnecessary regulations, requires each Farm Credit System (System or FCS) institution to adopt loan underwriting policies and standards, and makes other changes to

the regulations governing prudent credit administration.

EFFECTIVE DATE: These regulations shall be effective upon the expiration of 30 days during which either or both Houses of Congress are in session. Notice of the effective date will be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT:

John J. Hays, Policy Analyst, Regulation Development Division, Office of Policy Development and Risk Control, (703) 883-4498, TDD (703) 883-4444;

or

Joy E. Strickland, Senior Attorney, Regulatory Enforcement Division, Office of General Counsel, (703) 883-4020, TDD (703) 883-4444.

SUPPLEMENTARY INFORMATION: On April 15, 1996, the Board published proposed amendments to the regulations relating to loan underwriting, loan sale and purchase transactions, and the lending authority of production credit associations (PCAs). The amendments were proposed largely in furtherance of comments received on the Board's request for public comment on the appropriateness of requirements that the FCA regulations impose on the System. See 58 FR 34003 (June 23, 1993). The FCA has addressed many of those comments in previous rulemakings. The proposed amendments addressed the remaining regulatory burden issues that relate to loan underwriting and the independent credit judgment rule for loan sale and purchase transactions through agents. In addition to responding to the regulatory burden comments, the FCA also proposed other amendments to refocus regulatory requirements for loan underwriting, make the regulations more understandable and useful to the reader, set minimum regulatory standards, and make conforming amendments.

The FCA received a total of 20 comments on the proposed amendments. Seventeen (17) Farm Credit institutions and the Farm Credit Council (FCC) submitted comments. The FCA also received comments from the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, and the American Society of Farm Managers and Rural Appraisers, Inc. (collectively, appraisal groups). In general, all of the System commenters expressed support for the proposed regulation and its goal of reducing regulatory burden. Most of the System commenters also supported FCA's proposals to streamline the regulations governing the bank/association relationship and place more decision-making authority and accountability with direct lender

associations. One association commented favorably on the entire proposal and suggested no changes. Other System commenters stated that although the proposal is a large step toward reducing regulatory burden, it did not reduce enough burden in certain areas. Also, some banks and associations requested clarification of the proposed new responsibilities of associations and the remaining areas of bank direction and supervision of associations. The appraisal groups commented that although they understood the FCA's reasons for the proposed changes to §§ 614.4245 and 614.4250, the changes were inconsistent with the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal groups suggested alternatives for the FCA to achieve its objectives and ensure that appraisals remain in compliance with USPAP.

Specific comments and changes to the proposed amendments will be addressed in the section-by-section analysis of the comments that follows. Except for changes noted in the section-by-section analysis, the FCA adopts the proposed amendments as final. Specific comments relating to proposed § 614.4200(b), which contained requirements for obtaining borrower financial statements, will be addressed in the discussion of Subparts C and D—Bank/Association Lending Relationship and General Loan Policies for Banks and Associations. In order to provide readers with a guideline for the amended regulations, the following is a list of changes this final rule will make to parts 614 and 619:

Subpart A—Lending Authorities

§§ 614.4000 through 614.4050—Revised.

Subpart C—Bank/Association Lending Relationship

§§ 614.4100, 614.4110, and 614.4130—No changes made.

§ 614.4120—Revised.

§§ 614.4135 through 614.4145—Deleted.

Subpart D—General Loan Policies for Banks and Associations

§ 614.4150—Revised.

§ 614.4160—Deleted.

§ 614.4165—Revised.

Subpart E—Loan Terms and Conditions

§ 614.4200—Revised.

§§ 614.4210 through 614.4230—Deleted.

§ 614.4231—Revised.

§§ 614.4232 and 614.4233—No changes made.

Subpart F—Collateral Evaluation Requirements

§ 614.4245—Revised.