

evidence. By clarifying the burden of proof that the Service has been adhering to in practice, this interim rule provides full protection of the naturalization citizen's rights. For this reason, the Commissioner finds that it would be contrary to the public interest for the Service to observe the 30-day delay that must ordinarily apply before a new regulation may enter into force. The Commissioner, therefore, also finds that good cause exists for making this rule effective upon publication in the **Federal Register**.

**Regulatory Flexibility Act**

The Commissioner of the Immigration and Naturalization Service, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed this regulation and, by approving it, certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule proposes a procedure for the Service to revoke grants of naturalization. The affected parties are not small entities, and the impact of the regulation is not an economic one.

**Unfunded Mandates Reform Act of 1995**

This rule will not result in the expenditure, in the aggregate, of \$100 million of more in any 1 year, by State, local, and tribal government, or by the private sector, and the rule will not significantly or uniquely affect small government. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

**Small Business Regulatory Enforcement Fairness Act of 1996**

This rule is not a major rule as defined by section 804 of the Small Business Regulatory Enforcement Fairness Act of 1996. This rule will not result in an annual effect on the economy of \$100 million or more; a major increase in cost or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based companies to compete with foreign-based companies in domestic and export markets.

**Executive Order 12866**

This rule is considered by the Office of Management and Budget to be a "significant regulatory action" under Executive Order 12866, section 3(f), Regulatory Planning and Review. Accordingly, the Service has submitted this regulation to the Office of Management and Budget for review.

**Executive Order 13132**

This regulation 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 section 6 of Executive Order 13132, it is determined that this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

**Executive Order 12988 Civil Justice Reform**

This rule meets the applicable standards provided in sections 3(a) and 3(b)(2) of Executive Order 12988.

**List of Subjects in 8 CFR Part 340**

Citizenship and naturalization, Law enforcement.

Accordingly, part 340 of chapter I of title 8 of the Code of Federal Regulations is amended as follows:

1. The authority citation for part 340 continues to read as follows:

**Authority:** 8 U.S.C. 1103, 1443.

- 2. Section 340.1 is amended by:
  - a. Revising paragraph (a) introductory text;
  - b. Revising paragraph (b)(6); and by
  - c. Revising paragraph (d)(1), to read as follows:

**§ 340.1 Reopening of a naturalization application by a district director pursuant to section 340(h) of the Act.**

(a) *Reopening general.* On its own motion, the Service may reopen a naturalization proceeding and revoke naturalization in accordance with this section, if the Service obtains clear, convincing, and unequivocal evidence which:

- \* \* \* \*
- (b) \* \* \*

(6) *Burden of proof.* Upon service of a notice of intent to reopen naturalization proceedings and to revoke naturalization, the Service bears the burden of proof by clear, convincing, and unequivocal evidence that the grounds for reopening and revoking set forth in the notice have been met.

- \* \* \* \*
- (d) \* \* \*

(1) The district director shall render, where practicable, a written decision on the reopened naturalization application within 180 days of service of the notice of intent to reopen naturalization proceedings and to revoke naturalization. The decision shall consist of findings of fact, conclusions

of law, and a final determination on the naturalization application. Notice of decision shall be served on the applicant or his or her attorney or representative, if applicable.

\* \* \* \* \*  
Dated: March 24, 2000.

**Doris Meissner,**  
*Commissioner, Immigration and Naturalization Service.*

[FR Doc. 00-7963 Filed 3-30-00; 8:45 am]

**BILLING CODE 4410-10-M**

**DEPARTMENT OF AGRICULTURE**

**Food Safety and Inspection Service**

**9 CFR part 424**

[Docket No. 99-028N]

**Food Additives for Use in Meat and Poultry Products: Sodium Diacetate, Sodium Acetate, Sodium Lactate and Potassium Lactate**

**AGENCY:** Food Safety and Inspection Service, USDA.

**ACTION:** Affirmation of effective date for direct final rule.

**SUMMARY:** On January 20, 2000, the Food Safety and Inspection Service (FSIS) published a direct final rule "Food Additives for Use in Meat and Poultry Products: Sodium Diacetate, Sodium Acetate, Sodium Lactate and Potassium Lactate" in the **Federal Register**. This direct final rule notified the public of FSIS' intention to amend the Federal meat and poultry products inspection regulations to allow the use of these additives in meat and poultry products.

**EFFECTIVE DATE:** March 20, 2000.

**FOR FURTHER INFORMATION CONTACT:** Robert Post, Director, Labeling and Additives Policy Division, Office of Policy, Program Development and Evaluation, Food Safety and Inspection Service, U.S. Department of Agriculture, Washington, DC 20250-3700; (202) 205-0279.

**SUPPLEMENTARY INFORMATION:**

**Background**

FSIS published a direct final rule, "Food Additives for Use in Meat and Poultry Products: Sodium Diacetate, Sodium Acetate, Sodium Lactate and Potassium Lactate" (65 FR 3121, 1/20/00). This direct final rule amended the Federal meat and poultry products inspection regulations by increasing the permissible levels of sodium acetate as a flavor enhancer in meat and poultry products and of sodium diacetate as a flavor enhancer and as an inhibitor of the growth of pathogens. This direct

final rule also permitted the use of sodium lactate and potassium lactate in meat and poultry products, except for infant formulas and infant food, for purposes of inhibiting the growth of certain pathogens. This direct final rule was in response to petitions received by Armour Swift-Ekrich and Purac America, Inc.

FSIS provided for a 30-day comment period ending on February 22, 2000. FSIS received no comments in response to the direct final rule. Therefore, the amendments to the regulations will be effective on March 20, 2000.

Done at Washington, DC, on: March 27, 2000.

**Thomas J. Billy,**  
*Administrator.*

[FR Doc. 00-8007 Filed 3-30-00; 8:45 am]

BILLING CODE 3410-DM-P

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 226

[Regulation Z; Docket No. R-1050]

#### Truth in Lending

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board is publishing revisions to the official staff commentary to Regulation Z (Truth in Lending). The commentary applies and interprets the requirements of Regulation Z. The revisions address short-term cash advances commonly called "payday loans." The Board is also publishing technical corrections to the commentary and regulation.

**DATES:** This rule is effective March 24, 2000. Compliance is optional until October 1, 2000.

**FOR FURTHER INFORMATION CONTACT:**

Natalie E. Taylor, Counsel, or Michael L. Hentzel or David A. Stein, Staff Attorneys; Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667 or 452-2412; for users of Telecommunications Device for the Deaf (TDD) *only*, contact Janice Simms at (202) 872-4984.

**SUPPLEMENTARY INFORMATION:**

#### I. Background

The purpose of the Truth in Lending Act (TILA; 15 U.S.C. 1601 *et seq.*) is to promote the informed use of consumer credit by providing for disclosures about its terms and cost. The act requires creditors to disclose the cost of credit as a dollar amount (the finance charge) and as an annual percentage rate (APR).

Uniformity in creditors' disclosures is intended to assist consumers in comparison shopping. TILA requires additional disclosures for loans secured by consumers' homes and permits consumers to rescind certain transactions that involve their principal dwelling. The act also regulates certain practices of creditors.

TILA is implemented by the Board's Regulation Z (12 CFR part 226). The Board's official staff commentary (12 CFR part 226 (Supp. I)) interprets the regulation, and provides guidance to creditors in applying the regulation to specific transactions. The commentary is a substitute for individual staff interpretations; it is updated periodically to address significant questions that arise.

In November 1999, the Board published proposed amendments to the commentary (64 FR 60368, November 5, 1999). The Board received more than 50 comment letters. Most of the comments were from financial institutions, other creditors, and their representatives. Comments were also received from state attorneys general, state regulatory agencies, and consumer advocates. The comment letters were focused on the proposed comment concerning payday loans. Most commenters supported the proposal. A few commenters, mostly payday lenders and their representatives, were opposed.

As discussed below, the commentary is being adopted substantially as proposed. Some revisions have been made for clarity in response to commenters' suggestions. The commentary revision concerning payday loans clarifies that when such transactions involve an agreement to defer payment of a debt, they are within the definition of credit in TILA and Regulation Z. Several technical corrections are being made to the commentary and regulation.

#### II. Regulatory Revisions

##### *Subpart B—Open-End Credit*

Section 226.5a—Credit and Charge Card Applications and Solicitations

###### *5a(a) General Rules.*

###### *5a(a)(3) Exceptions.*

Section 226.5a(a)(3) is republished to correct a technical error. This section was published in its entirety in 1989. (54 FR 13865, April 6, 1989.) A portion of the text was inadvertently omitted from subsequent publications of the Code of Federal Regulations (54 FR 24670, June 9, 1989).

Section 226.12—Special Credit Card Provisions

###### *12(g) Relation to Electronic Fund Transfer Act and Regulation Z.*

Section 226.12(g) contains a reference and citation to the Board's Regulation E (Electronic Fund Transfers), 12 CFR Part 205. Technical amendments have been made to conform the citation in section 226.12(g) with organizational changes made to Regulation E in 1996. The references to sections 205.5 and 205.6 of Regulation E are replaced by a reference to section 205.12(a).

#### III. Commentary Revisions

##### *Subpart A—General*

Section 226.2—Definitions and Rules of Construction

###### *2(a) Definitions.*

###### *2(a)(14) Credit.*

The Board proposed to add comment 2(a)(14)-2 to clarify that transactions commonly known as "payday loans" constitute credit for purposes of TILA. These transactions may also be known as "cash advance loans," "check advance loans," "post-dated check loans," "delayed deposit checks," or "deferred deposit checks."

Typically in such transactions, a cash advance is made to a consumer in exchange for the consumer's personal check, or the consumer's authorization to debit the consumer's deposit account electronically. In either case, the consumer pays a fee in connection with the advance. Both parties understand that the amount advanced is not, or may not be, available from the consumer's deposit account at the time of the exchange. The parties agree, therefore, that the consumer's check will not be cashed or deposited for collection (or the consumer's deposit account debited) until a designated future date. On that date, the consumer may have the option of repaying the obligation or further deferring repayment of the advance. The consumer may repay the obligation in various ways, for example, by providing cash or by allowing the obligee to deposit the consumer's check or electronically debit the consumer's deposit account.

Most commenters supported the proposal because they believed that payday loans are credit transactions. A few commenters opposed the proposal. These commenters questioned whether payday loans should be covered under TILA when applicable state law does not treat such transactions as credit. They were concerned that Regulation Z would preempt state law where, for example, the transactions are regulated under check-cashing laws, and they also