

2. Is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a summary of the costs to comply with this AD and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under **ADDRESSES**. Include "AD Docket No. 2003-NE-58-AD" in your request.

#### List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

#### Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

#### PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701.

##### § 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new airworthiness directive:

**2003-26-05 General Electric Company:**  
Amendment 39-13402. Docket No. 2003-NE-58-AD.

##### Effective Date

(a) This airworthiness directive (AD) becomes effective January 20, 2004.

##### Affected ADs

(b) None.

##### Applicability

(c) This AD applies to General Electric Company (GE) CF34-8C1 series and CF34-8C5 series turbofan engines, with master variable geometry (VG) actuators, part number 4120T02P02, serial number (SN) APM238AE, and SNs APM242AE and up, installed. These engines are installed on, but not limited to, Bombardier Inc. Model CL-600-2C10 (CRJ-700 & 701) and CL-600-2D24 (CRJ-900) airplanes.

##### Unsafe Condition

(d) This AD results from nine reports of master VG actuator electrical signal faults, one report of which was a dual-channel fault, resulting in the Full Authority Digital Engine Control (FADEC) commanding the engine power to idle. We are issuing this AD to prevent VG master actuator dual-channel electrical signal faults:

(1) Which will cause an uncommanded reduction of thrust to idle with a subsequent

loss of the ability to advance thrust above idle; and

(2) Could result in a multi-engine loss of thrust if dual-channel faults occur on more than one engine simultaneously.

##### Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified unless the actions have already been done.

##### Initial Review

(f) Within 10 days after the effective date of this AD, initially review the Maintenance Data Computer (MDC) fault history, and if the MDC is inoperative, review the Engine Indication and Crew Alerting System (EICAS) for fault messages, and replace actuators with faults reported by the FADEC. Follow the review and replacement requirements of paragraph 3 of the Accomplishment Instructions of GE Alert Service Bulletin (ASB) No. CF34-8C-AL S/B 75-A0007, Revision 1, dated November 7, 2003.

##### Repetitive Review

(g) At intervals not to exceed 10 days, repetitively review the MDC fault history, and if the MDC is inoperative, review the EICAS for fault messages, and replace actuators with faults reported by the FADEC. Follow the review and replacement requirements of paragraph 3 of the Accomplishment Instructions of GE ASB No. CF34-8C-AL S/B 75-A0007, Revision 1, dated November 7, 2003.

##### Alternative Methods of Compliance

(h) The Manager, Engine Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

##### Special Flight Permits

(i) Under 39.23, the FAA imposes the following conditions and limitations on the issuance and use of Special Flight Permits for this AD:

(1) If both engines report FADEC fault 1 messages at the same time, whether intermittent or continuous, the MDC must be reviewed for master VG actuator faults before further flight. If actuator faults are still present for both engines, then at least one master VG actuator must be replaced before further flight.

(2) If a master VG actuator switches channels, the actuator must be replaced before further flight.

##### Material Incorporated by Reference

(j) You must use GE Alert Service Bulletin No. CF34-8C-AL S/B 75-A0007, Revision 1, dated November 7, 2003, to perform the reviews and actuator dispositions required by this AD. The Director of the Federal Register approved the incorporation by reference of this service bulletin in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. You can get a copy from General Electric Company via Lockheed Martin Technology Services, 10525 Chester Road, Suite C, Cincinnati, Ohio 45215, telephone (513) 672-8400, fax (513) 672-8422. You may review copies at the Federal Aviation Administration (FAA), New

England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA 01803-5299; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

##### Related Information

(k) None.

Issued in Burlington, Massachusetts, on December 17, 2003.

**Peter A. White,**

*Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.*

[FR Doc. 03-31665 Filed 12-31-03; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### 24 CFR Part 203

[Docket No. FR-4835-C-02]

RIN 2502-A100

#### FHA TOTAL Mortgage Scorecard

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Interim rule; technical correction.

**SUMMARY:** On November 21, 2003, HUD published an interim rule to codify the procedures that mortgagees and automated underwriting system (AUS) vendors must observe if they opt to use the "Technology Open To Approved Lenders" mortgage scorecard offered by the Federal Housing Administration (FHA). This document corrects the interim rule by changing certain references to "mortgage" to read "mortgagee" and to remove "FHA-approved" as a modifier of "AUS" in a certain instance.

**DATES:** *Effective Date:* December 22, 2003.

**FOR FURTHER INFORMATION CONTACT:** Vance T. Morris, Director, Office of Single Family Program Development, Room 9278, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000; telephone (202) 708-2121. (This is not a toll-free number.) Hearing- or speech-impaired persons may access this number by calling the toll-free Federal Information Relay Service number at 1-800-877-8339.

**SUPPLEMENTARY INFORMATION:** On November 21, 2003 (68 FR 65824), HUD published an interim rule providing requirements for the use of the "Technology Open To Approved Lenders" mortgage scorecard (TOTAL Mortgage Scorecard, or Scorecard). The preamble to this rule, in the third

column of page 65824, states: "Only AUSs developed, operated, owned, or used by FHA-approved Direct Endorsement mortgages, Fannie Mae, or Freddie Mac will be able to access the scorecard, and only FHA-approved mortgagees will be able to obtain risk assessments using the TOTAL Mortgage Scorecard." The reference in this sentence to "Direct Endorsement mortgages" should have read "Direct Endorsement mortgagees" instead. A conforming change removing "FHA-approved" as a modifier of "automatic underwriting systems (AUSs)" and changing "Direct Endorsement mortgages" to "Direct Endorsement mortgagees" is also made to the regulation, at § 203.255(b)(5)(i)(A).

■ Accordingly, FR Doc. 03-29055, FHA TOTAL Mortgage Scorecard, (FR-4835-I-01), published in the **Federal Register** on November 21, 2003 (68 FR 65824), is corrected as follows:

■ 1. On page 65824, third column, the fourth complete sentence under the heading, "II. This Interim Rule," is revised to read as follows: "Only AUSs developed, operated, owned, or used by FHA-approved Direct Endorsement mortgagees, Fannie Mae, or Freddie Mac will be able to access the scorecard, and only FHA-approved mortgagees will be able to obtain risk assessments using the TOTAL Mortgage Scorecard."

■ 2. On page 65827, second column, § 203.255(b)(5)(i)(A) is revised to read as follows:

**§ 203.255 Insurance of mortgage.**

\* \* \* \* \*

(b) \* \* \*

(5) \* \* \*

(i) \* \* \*

(A) *Permissible users.* Only automatic underwriting systems (AUSs) developed, operated, owned, or used by FHA-approved Direct Endorsement mortgagees, Fannie Mae, or Freddie Mac, may access TOTAL, and only FHA-approved mortgagees will be able to obtain risk-assessments using TOTAL;

\* \* \* \* \*

Dated: December 23, 2003.

**Aaron Santa Anna,**

*Assistant, General Counsel for Regulations.*

[FR Doc. 03-32021 Filed 12-31-03; 8:45 am]

**BILLING CODE 4210-27-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9105]

**RIN 1545-BC17**

**Changes in Computing Depreciation**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final and temporary regulations.

**SUMMARY:** This document contains regulations relating to a change in computing depreciation or amortization as well as a change from a nondepreciable or nonamortizable asset to a depreciable or amortizable asset (or vice versa). Specifically, these regulations provide guidance to any taxpayer that makes a change in depreciation or amortization on whether such change is a change in method of accounting under section 446(e) of the Internal Revenue Code and on the application of section 1016(a)(2) in determining whether the change is a change in method of accounting. The text of these temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section in this issue of the **Federal Register**.

**DATES:** *Effective Dates:* These regulations are effective January 2, 2004.

*Applicability Dates:* For dates of applicability, see §§ 1.167(e)-1T(e), 1.446(e)-1T(e)(4), and 1.1016-3T(j).

**FOR FURTHER INFORMATION CONTACT:** Sara Logan or Douglas Kim, (202) 622-3110 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

This document contains amendments to 26 CFR part 1 to provide regulations under sections 167, 446(e), and 1016(a)(2) of the Internal Revenue Code (Code). These regulations provide the changes in depreciation or amortization that are, and are not, a change in method of accounting under § 1.446-1(e). Additionally, these regulations amend § 1.167(e)-1 to provide that certain changes in depreciation method for property for which depreciation is determined only under section 167 are made without the consent of the Commissioner of Internal Revenue, and amend § 1.1016-3 to provide that section 1016(a)(2) does not permanently affect a taxpayer's lifetime income for purposes of determining whether a

change in depreciation or amortization is a change in method of accounting.

**Explanation of Provisions**

*Background*

Section 446 provides in general that taxable income shall be computed under the method of accounting on the basis of which the taxpayer regularly computes the taxpayer's income in keeping the taxpayer's books. Section 446(e) provides that, except as otherwise expressly provided in chapter 1 of the Code, a taxpayer who changes the method of accounting on the basis of which the taxpayer regularly computes the taxpayer's income in keeping the taxpayer's books shall, before computing the taxpayer's taxable income under the new method, secure the consent of the Secretary.

Section 1.446-1(e)(2)(ii)(a) provides in pertinent part that a change in method of accounting includes a change in the overall plan of accounting for gross income or deductions or a change in the treatment of any material item used in such overall plan. A material item is any item that involves the proper time for the inclusion of the item in income or the taking of a deduction. However, § 1.446-1(e)(2)(ii)(b) provides in pertinent part that a change in method of accounting does not include an adjustment in the useful life of a depreciable asset. Although such adjustment may involve the question of the proper time for the taking of a deduction, such item is traditionally corrected by adjustments in the current and future years.

Section 1.167(e)-1(a) provides that in general, any change in the method of computing the depreciation allowances with respect to a particular account (other than a change in method permitted or required by reason of the operation of former section 167(j)(2) and § 1.167(j)-3(c)) is a change in method of accounting, and such a change will be permitted only with the consent of the Commissioner, except that certain changes to the straight line method of depreciation will be permitted without consent as provided in former section 167(e)(1), (2), and (3). Any request for a change in method of depreciation shall be made in accordance with section 446 and the regulations under section 446.

In 1996, the IRS issued Rev. Proc. 96-31 (1996-1 C.B. 714), providing that a change from not claiming the depreciation or amortization allowable to claiming the depreciation or amortization allowable is a change in method of accounting for which the consent of the Commissioner of Internal Revenue is required.