

(b) *Scope.* This section requires a national bank to obtain the approval of the OCC before changing the composition of all, or substantially all, of its assets through sales or other dispositions, or, having sold or disposed of all, or substantially all, of its assets, through subsequent purchases or other acquisitions or other expansions of its operations. This section does not apply to a change in composition of all, or substantially all, of a bank's assets that the bank undertakes in response to direction from the OCC (e.g., in an enforcement action pursuant to 12 U.S.C. 1818) or as part of a voluntary liquidation pursuant to 12 U.S.C. 181 and 182 and 12 CFR 5.48, if the liquidating bank has stipulated in its notice of liquidation to the OCC that its liquidation will be completed, the bank dissolved and its charter returned to the OCC within one year of the date it filed this notice, unless the OCC extends the time period. This section does not apply to changes in asset composition that occur as a result of a bank's ordinary and ongoing business of originating and securitizing loans.

(c) *Approval requirement.* (1) A national bank must file an application and obtain the prior written approval of the OCC before changing the composition of all, or substantially all, of its assets (i) through sales or other dispositions, or, (ii) having sold or disposed of all or substantially all of its assets, through subsequent purchases or other acquisitions or other expansions of its operations.

(2) In determining whether to approve an application under paragraph (c)(1) of this section, the OCC will consider the purpose of the transaction, its impact on the safety and soundness of the bank, and any effect on the bank's customers. The OCC may deny the application if the transaction would have a negative effect in any of these respects. The OCC's review of any change in asset composition through purchase or other acquisition or other expansions of its operations under paragraph (c)(1)(ii) of this section will include, in addition to the foregoing factors, the factors governing the organization of a bank under § 5.20.

(d) *Exceptions to Rules of General Applicability.* Sections 5.8, 5.10, and 5.11 do not apply with respect to applications filed pursuant to this section. However, if the OCC concludes that an application presents significant or novel policy, supervisory, or legal issues, the OCC may determine that some or all of the provisions of §§ 5.8, 5.10, and 5.11 apply.

Dated: August 4, 2004.

John D. Hawke, Jr.,

Comptroller of the Currency.

[FR Doc. 04-18681 Filed 8-13-04; 8:45 am]

BILLING CODE 4810-33-P

FEDERAL RESERVE SYSTEM

12 CFR Part 226

Regulation Z; Docket No. R-1208J

Truth in Lending

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; staff commentary.

SUMMARY: The Board is publishing a final rule amending the staff commentary that interprets the requirements of Regulation Z (Truth in Lending). The Board is required to adjust annually the dollar amount that triggers requirements for certain home mortgage loans bearing fees above a certain amount. The Home Ownership and Equity Protection Act of 1994 sets forth rules for home-secured loans in which the total points and fees payable by the consumer at or before loan consummation exceed the greater of \$400 or 8 percent of the total loan amount. In keeping with the statute, the Board has annually adjusted the \$400 amount based on the annual percentage change reflected in the Consumer Price Index that is in effect on June 1. The adjusted dollar amount for 2005 is \$510.

EFFECTIVE DATE: January 1, 2005.

FOR FURTHER INFORMATION CONTACT:

Minh-Duc T. Le, Senior Staff Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667. For the users of Telecommunications Device for the Deaf ("TDD") only, contact (202) 263-4869.

SUPPLEMENTARY INFORMATION:

I. Background

The Truth in Lending Act (TILA; 15 U.S.C. 1601-1666j) requires creditors to disclose credit terms and the cost of consumer credit as a dollar amount and as an annual percentage rate. The act requires additional disclosures for loans secured by a consumer's home, and permits consumers to cancel certain transactions that involve their principal dwelling. 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 Home Ownership and Equity Protection Act amendments to TILA were enacted in 1994 as part of the RiegleCommunity Development and Regulatory Improvement Act of 1994, Pub. L. 103-325, 108 Stat. 2160. In 1995, the Board published amendments to Regulation Z implementing HOEPA (60 FR 15463). These amendments, contained in §§ 226.32 and 226.34 of the regulation, impose substantive limitations and additional disclosure requirements on certain closed-end home mortgage loans bearing rates or fees above a certain percentage or amount. As enacted, the statute requires creditors to comply with the HOEPA rules if the total points and fees payable by the consumer at or before loan consummation exceed the greater of \$400 or 8 percent of the total loan amount. TILA and Regulation Z provide that the \$400 figure shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index (CPI) that was reported on the preceding June 1. (See 15 U.S.C. 1602(aa)(3) and 12 CFR 226.32(a)(1)(ii)). The Board adjusted the \$400 amount to \$499 for the year 2004.

The Bureau of Labor Statistics publishes consumer-based indices monthly, but does not "report" a CPI change on June 1; adjustments are reported in the middle of each month. The Board uses the CPI-U index, which is based on all urban consumers and represents approximately 87 percent of the U.S. population, as the index for adjusting the \$400 dollar figure. The adjustment to the CPI-U index reported by the Bureau of Labor Statistics on May 15, 2004, was the CPI-U index "in effect" on June 1, and reflects the percentage increase from April 2003 to April 2004. The adjustment to the \$400 figure below reflects a 2.29 percent increase in the CPI-U index for this period and is rounded to whole dollars for ease of compliance.

II. Adjustment and Commentary Revision

Effective January 1, 2005, for purposes of determining whether a home mortgage transaction is covered by 12 CFR 226.32 (based on the total points and fees payable by the consumer at or before loan consummation), a loan is covered if the points and fees exceed the greater of \$510 or 8 percent of the total loan amount. Comment 32(a)(1)(ii)-2, which lists the adjustments for each year, is amended to reflect the dollar adjustment for 2005. Because the timing and method of the adjustment is set by statute, the Board finds that notice and public comment on the change are unnecessary.

III. Regulatory Flexibility Analysis

The Board certifies that this amendment will not have a substantial effect on regulated entities because the only change is to raise the threshold for transactions requiring HOEPA disclosures.

List of Subjects in 12 CFR Part 226

Advertising, Federal Reserve System, Mortgages, Reporting and recordkeeping requirements, Truth in lending.

■ For the reasons set forth in the preamble, the Board amends Regulation Z, 12 CFR part 226, as set forth below:

PART 226—TRUTH IN LENDING (REGULATION Z)

■ 1. The authority citation for part 226 continues to read as follows:

Authority: 12 U.S.C. 3806; 15 U.S.C. 1604 and 1637(c)(5).

■ 2. In Supplement I to Part 226, under *Section 226.32—Requirements for Certain Closed-End Home Mortgages*, under Paragraph 32(a)(1)(ii), paragraph 2.x. is added.

SUPPLEMENT I TO PART 226—OFFICIAL STAFF INTERPRETATIONS

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Subpart E—Special Rules for Certain Home Mortgage Transactions

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§ 226.32—Requirements for Certain Closed-End Home Mortgages

32(a) Coverage

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Paragraph 32(a)(1)(ii)

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2. Annual adjustment of \$400 amount.

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x. For 2005, \$510, reflecting a 2.29 percent increase in the CPI-U from June 2003 to June 2004, rounded to the nearest whole dollar.

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By order of the Board of Governors of the Federal Reserve System, acting through the Director of the Division of Consumer and Community Affairs under delegated authority, August 10, 2004.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. 04-18650 Filed 8-13-04; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97-NM-235-AD; Amendment 39-12861; AD 2002-16-22]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 727 Series Airplanes Modified in Accordance With Supplemental Type Certificate SA1767SO or SA1768SO

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; correction.

SUMMARY: This document corrects an error that appeared in airworthiness directive (AD) 2002-16-22 that was published in the **Federal Register** on August 15, 2002 (67 FR 53434). The error resulted in an incorrect reference to a supplemental type certificate. This AD is applicable to certain Boeing Model 727 series airplanes that have been converted from a passenger- to a cargo-carrying ("freighter") configuration. This AD requires, among other actions, installation of a fail-safe hinge, redesigned main deck cargo door warning and power control systems, and 9g crash barrier.

DATES: Effective September 19, 2002.

FOR FURTHER INFORMATION CONTACT: M. Hassan Amani, Aerospace Engineer, Airframe Branch, ACE-117A, FAA, Atlanta Aircraft Certification Office, One Crown Center, 1895 Phoenix Boulevard, suite 450, Atlanta, Georgia 30349; telephone (770) 703-6080; fax (770) 703-6097.

SUPPLEMENTARY INFORMATION: Airworthiness Directive (AD) 2002-16-22, amendment 39-12861, applicable to certain Boeing Model 727 series airplanes that have been converted from a passenger- to a cargo-carrying ("freighter") configuration, was published in the **Federal Register** on August 15, 2002 (67 FR 53434). That AD requires, among other actions, installation of a fail-safe hinge, redesigned main deck cargo door warning and power control systems, and 9g crash barrier.

As published, Note 5 of AD 2002-16-22 states, "Installation of National Aircraft Service, Inc. (NASI), Vent Door System STC ST01438CH, is an acceptable means of compliance with the requirements of paragraph (e) of this AD." However, the correct supplemental type certificate (STC) is ST01270CH, as discussed in paragraph 13 of "Main Deck Cargo Door Systems" in the preamble of the final rule.

Paragraph 13 also contains an error in that it refers to "Pemco ST01270CH" rather than "NASI ST01270CH."

Since no other part of the regulatory information has been changed, the final rule is not being republished in the **Federal Register**.

The effective date of this AD remains September 19, 2002.

§ 39.13 [Corrected]

■ On page 53446, in the second column, Note 5 of AD 2002-16-22 is corrected to read as follows:

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Note 5: Installation of National Aircraft Service, Inc. (NASI), Vent Door System STC ST01270CH, is an acceptable means of compliance with the requirements of paragraph (e) of this AD.

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Issued in Renton, Washington, on August 9, 2004.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 04-18634 Filed 8-13-04; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION (DOT)

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2004-18648; Directorate Identifier 2004-NE-26-AD; Amendment 39-13773; AD 2004-15-03R1]

RIN 2120-AA64

Airworthiness Directives; General Electric Company CF34-3A1 and -3B1 Series Turbofan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: The FAA is revising an existing airworthiness directive (AD) for General Electric Company (GE) CF34-3A1 and -3B1 series turbofan engines with certain serial numbers (SNs) of stage 5 low pressure turbine (LPT) disks, part number (P/N) 6078T92P01, and/or certain SNs of stage 6 LPT disks, P/N 6078T89P01. That AD currently requires initial and repetitive visual and eddy current inspections of those disks. That AD also allows as optional terminating action to the repetitive inspections, replacement of those SN disks. Also, that AD requires replacement of certain stage 5 and stage 6 LPT disks. This AD results from the discovery that an