

**DEPARTMENT OF AGRICULTURE****Animal and Plant Health Inspection Service****7 CFR Part 301**

[Docket No. APHIS–2010–0004]

**Asian Longhorned Beetle; Quarantined Area and Regulated Articles****AGENCY:** Animal and Plant Health Inspection Service, USDA.**ACTION:** Affirmation of interim rule as final rule.

**SUMMARY:** We are adopting as a final rule, without change, an interim rule that amended the Asian longhorned beetle regulations by adding a portion of Worcester County, MA, to the list of quarantined areas and restricting the interstate movement of regulated articles from that area. The interim rule also updated the list of regulated articles in order to reflect new information concerning host plants. The interim rule was necessary to prevent the artificial spread of Asian longhorned beetle to noninfested areas of the United States. As a result of the interim rule, the interstate movement of regulated articles from the quarantined area is restricted.

**DATES:** Effective on December 29, 2010, we are adopting as a final rule the interim rule published at 75 FR 34320–34322 on June 17, 2010.

**FOR FURTHER INFORMATION CONTACT:** Ms. Claudia Ferguson, Regulatory Policy Specialist, Regulations, Permits, and Import Manuals, APHIS, 4700 River Road Unit 133, Riverdale, MD 20737–1231; (301) 734–0754.

**SUPPLEMENTARY INFORMATION:****Background**

The Asian longhorned beetle (ALB, *Anoplophora glabripennis*), an insect native to China, Japan, Korea, and the Isle of Hainan, is a destructive pest of hardwood trees. It attacks many healthy hardwood trees, including maple, horse chestnut, birch, poplar, willow, and elm. In addition, nursery stock, logs, green lumber, firewood, stumps, roots, branches, and wood debris of half an inch or more in diameter are subject to infestation. The beetle bores into the heartwood of a host tree, eventually killing the tree. Immature beetles bore into tree trunks and branches, causing heavy sap flow from wounds and sawdust accumulation at tree bases. They feed on, and over-winter in, the interiors of trees. Adult beetles emerge in the spring and summer months from round holes approximately three-

eighths of an inch in diameter (about the size of a dime) that they bore through branches and trunks of trees. After emerging, adult beetles feed for 2 to 3 days and then mate. Adult females then lay eggs in oviposition sites that they make on the branches of trees. A new generation of ALB is produced each year. If this pest moves into the hardwood forests of the United States, the nursery, maple syrup, and forest product industries could experience severe economic losses. In addition, urban and forest ALB infestations will result in environmental damage, aesthetic deterioration, and a reduction of public enjoyment of recreational spaces.

In an interim rule<sup>1</sup> effective and published in the **Federal Register** on June 17, 2010 (75 FR 34320–34322, Docket No. APHIS–2010–0004), we amended the Asian longhorned beetle regulations in 7 CFR part 301 by adding a portion of Worcester County, MA, to the list of quarantined areas, restricting the interstate movement of regulated articles from that area, and updating the list of regulated articles to include the Katsura tree (*Cercidiphyllum* spp).

Comments on the interim rule were required to be received on or before August 16, 2010. We did not receive any comments. Therefore, for the reasons given in the interim rule, we are adopting the interim rule as a final rule without change.

This action also affirms the information contained in the interim rule concerning Executive Order 12866 and the Regulatory Flexibility Act, Executive Orders 12372 and 12988, and the Paperwork Reduction Act.

Further, for this action, the Office of Management and Budget has waived its review under Executive Order 12866.

**List of Subjects in 7 CFR Part 301**

Agricultural commodities, Plant diseases and pests, Quarantine, Reporting and recordkeeping requirements, Transportation.

**PART 301—DOMESTIC QUARANTINE NOTICES**

■ Accordingly, we are adopting as a final rule, without change, the interim rule that amended 7 CFR part 301 and that was published at 75 FR 34320–34322 on June 17, 2010.

<sup>1</sup>To view the interim rule, go to <http://www.regulations.gov/fdmspublic/component/main?main=DocketDetail&d=APHIS-2010-0004>.

Done in Washington, DC on December 22, 2010.

**Kevin Shea,***Acting Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 2010–32768 Filed 12–28–10; 8:45 am]

**BILLING CODE 3410–34–P****DEPARTMENT OF AGRICULTURE****Natural Resources Conservation Service****7 CFR Part 652****Technical Service Provider Assistance***CFR Correction*

In Title 7 of the Code of Federal Regulations, Parts 400 to 699, revised as of Jan. 1, 2010, on page 565, in § 652.2, the first definition for “Technical service” is removed.

[FR Doc. 2010–32945 Filed 12–28–10; 8:45 am]

**BILLING CODE 1505–01–D****DEPARTMENT OF AGRICULTURE****Farm Service Agency****7 CFR Part 707****RIN 0560–AH91****Prevention of Payments to Deceased Persons****AGENCY:** Farm Service Agency, USDA.**ACTION:** Final rule.

**SUMMARY:** The Farm Service Agency (FSA) is amending regulations as required by the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill) to clarify the regulations governing payments earned by persons who die, disappear, or are declared incompetent before the payment is made. The payments must have been timely requested by that person themselves or by an authorized representative. These amendments are intended to clarify payment provisions and to prevent incorrect payments, particularly with respect to instances where persons have died. Payment eligibility where the payment was earned by persons who have since died is the subject of a specific 2008 Farm Bill requirement addressed in this rule.

**DATES:** *Effective Date:* December 29, 2010.**FOR FURTHER INFORMATION CONTACT:**

Candace Thompson, Director, Production, Emergencies and Compliance Division, FSA, US Department of Agriculture (USDA), Mail Stop 0517, 1400 Independence Avenue,

SW., Washington, DC 20250-0517; telephone: (202) 720-3463; electronic mail: [Candy.Thompson@wdc.usda.gov](mailto:Candy.Thompson@wdc.usda.gov). Persons with disabilities who require alternative means for communication (Braille, large print, audio tape, etc.) should contact the USDA Target Center at (202) 720-2600 (voice and TDD).

#### SUPPLEMENTARY INFORMATION:

##### Background

Current FSA regulations in 7 CFR part 707 govern certain farm related payments earned by persons who have died, disappeared, or been declared incompetent before the payment was made. Section 1611 of the 2008 Farm Bill (Pub. L. 110-246, 7 U.S.C. 8786) requires, with respect to persons who have died, that FSA clarify these regulations to describe the circumstances in which such payments will be made. This rule, however, addresses all three subjects covered in the part 707 regulations (death, disappearance, and a finding of incompetency). The 2008 Farm Bill also requires the Secretary of Agriculture to reconcile data with the Social Security Administration (SSA) to determine if persons receiving payments are alive. As discussed below, by the time the 2008 Farm Bill was enacted, FSA had implemented that required data reconciliation process and other procedures intended to address previous Government Accountability Office (GAO) concerns with payments on behalf of deceased persons.

This rule adds a new paragraph to § 707.3 to specify payment eligibility for estates and surviving family members of deceased persons. The new paragraph makes explicit that payment will not be made on behalf of a deceased person unless the payment was earned by that person before the person died and was requested by the person themselves or their authorized representative before they died or after their death by a person authorized by law, independent of these FSA regulations, to act for that person. The rules in part 707 specify to whom the payment will be made if there is a proper application, but that issue is separate from the question of whether the payment has been properly applied for by the deceased or someone authorized by law to act for the deceased before or after the death. Payment must have been requested before the person died or requested after the death by someone authorized by law (independently of the part 707 regulations) to act for the deceased.

Assuming a proper application for payment has been made, § 707.3 specifies the order of precedence for potential payees, which includes

executors and surviving family members. That order is not changed in this rule. Again, that order of precedence applies only if there was a proper application for payment by someone authorized to act for the deceased (including the deceased prior to the death). For example, if a husband individually earned a disaster payment and applied for the payment before his death but the payment had not yet been made when the death occurred, there are some instances under § 707.3 in which the deceased's spouse could receive the payment under the terms of that section even though the spouse did not have the power under local law to act for the deceased. On the other hand, if the deceased had not applied for the payment, though had otherwise earned the payment, and there was no one legally authorized to act for the deceased, the payment rules of § 707.3 would not apply. They would only apply if someone could act for the deceased and then filed the application, at which point the payment rules of § 707.3 would apply. In this manner, the question of who can file the application and who can receive the payment can be two separate issues. One of those issues (the issue of who is legally authorized to act for the deceased) may have to be resolved independently of part 707. This is clarified in this rule for all matters covered in that part. Those three matters are death, disappearance, and a finding of incompetency. These amendments all clarify rather than change current FSA practice.

Also, because of changes in the 2008 Farm Bill on payment limitations, the term "person" is now taken to mean only individuals, as opposed to "entities," and payments are attributed to individuals through corporations. The regulations in this rule only provide the clarifications noted above. The regulations in this rule do not cover the attribution of payments for payment limitation purposes. The amount of an actual payment eligibility would be covered by the regulations that cover the specific program in which the payment was earned and the general payment limitation regulations found in 7 CFR part 1400.

Section 1611 of the 2008 Farm Bill, the authority for this rule concerning prevention of improper payments to the deceased, uses the term "individual." To be consistent with the payment limitation and attribution rules in 7 CFR part 1400 and with the existing 7 CFR part 707, and to provide needed clarity on payment eligibility, this rule uses the term "person" to mean an "individual."

##### Additional Information on Data Reconciliation Procedures

In addition to the specific amendments made in the rule, FSA has strengthened and will continue to strengthen data reconciliation procedures to ensure that payments made on behalf of deceased persons are not disbursed incorrectly. The rest of this preamble to the rule describes those activities and provides some background on why and how they were implemented.

The issuance of payments to deceased individuals was the subject of a 2007 GAO audit. In July 2007, the GAO released an audit report entitled "USDA Needs to Strengthen Controls to Prevent Improper Payments to Estates and Deceased Individuals" (GAO-07-818). Before the 2008 Farm Bill was enacted, FSA had already taken action to address the GAO audit. FSA started a data-matching process that compares program payment information to the SSA Death Master File (DMF), beginning with program payments issued in fiscal year (FY) 2007. In addition, FSA has strengthened documentation procedures at the State and local levels for outstanding payments earned by estates of deceased persons, to address GAO's concern that FSA was not following its own procedures requiring such documentation for payment to estates open more than two years after the date of death of the deceased person.

Review of the data-match report and of information on file in FSA offices revealed 121,527 payments in FY 2007 totaling \$108 million were disbursed on behalf of persons identified as deceased prior to the date payment was made. The data reconciliation review showed that relatively few payments made on behalf of deceased persons (less than two percent of the total dollar value of such payments) had any indication of circumstances that warranted further review to ensure a greater certainty of the accuracy of the payments. While no instances of deliberate fraud were found, the rules in our handbooks are being clarified with respect to the question of the limited circumstances in which payments may appropriately be made to estates and to surviving relatives of deceased persons. Related changes are being made in part 707 with respect to payments earned by persons who have disappeared or have been declared incompetent.

Further review of payments "flagged" during the review found that most of these payments were in fact correct in amount and appropriately directed. The review revealed that not all persons

identified as dead were in fact deceased, and that where an entity that included a deceased shareholder received a payment, the total payment made to the entity was in most cases correct and appropriately made. In cases where the entity had failed to notify FSA in a timely fashion that a person or entity member had died, the payment to the entity was nearly always correct and the same amount as if the current entity member information had been timely received. Since many small entities are well below the payment limits specified in 7 CFR part 1400 for one person, the death of a person with an interest in an entity does not necessarily reduce the payment to such entity even if that death would otherwise reduce the overall number of potential payment eligibilities for the entity such as a general partnership. Where the data reconciliation review revealed erroneous payments for FY 2007, FSA immediately started collection procedures. To reduce the number of questionable payments going forward, FSA now provides county offices with a list of persons who have been identified as deceased as a result of the data reconciliation process.

The data reconciliation review found many cases in which FSA had appropriately made payments on behalf of deceased persons, but where the source of potential concern about the appropriateness of the payment was that the amount of time between the death and the payment was more than a year. For example, most of the FY 2007 payments made on behalf of deceased persons were for the Direct and Counter-cyclical Program, where counter-cyclical payments may be disbursed 18 months after the final enrollment period for the applicable year, so a person could have earned payments more than a year before the payments were issued for that crop. For disaster program benefits, the payment could be several years after the loss. In many cases, the program benefits had been requested by the person before the date of the person's death. In this rule, the regulations are made more explicit to specify that even if the payment was not requested before the death, the payment may still be applied for by a person authorized by law to act for the deceased. If a proper application is filed, then the payment rules of § 707.3 apply. As a practical matter, this means that if the deceased did not file an application before the time of death, the payment will likely go to the executor or administrator of the estate of the deceased for the benefit of the estate. Presumably the administrator or

executor would be the only party authorized to act for the deceased. Section 707.3 provides that if there is an executor or administrator, then the payment will go to the estate. Payment to family members would only occur under § 707.3 if the payment was applied for prior to the death of the individual involved. The data reconciliation process also found that some payments that appeared to have been made to deceased persons were instead appropriately made to estates using the Social Security numbers of the deceased, or to trusts using Social Security numbers.

A few payments were found to be erroneous, and FSA took action to collect refunds of those payments. The causes of erroneous payments did not appear to be fraud, because while FSA did not have the correct or current information to determine payment eligibility, it did not appear that someone had deliberately provided FSA with information they knew was false. For example, the causes of erroneous or improper payments made on behalf of deceased persons for FY 2007 included the following:

- A person who had power of attorney for another person did not realize that person had died before the crop year for which the program payment applied, and that therefore the deceased person was not eligible for payment.
- FSA was not timely informed of a person's death, the formation of an estate for the deceased, or the settlement of an estate. The executor was not aware that FSA should have been notified, or the farm manager was not aware or informed of the death of an interest holder of the entity.

FSA has made the data reconciliation process and use of the SSA's DMF a part of its standard procedure for verifying payment eligibility. This is a change from previous procedures that depended on producers and their representatives to report producer deaths to FSA. For FY 2008 and subsequent years, quarterly reports of persons who have been identified as deceased based on the data reconciliation process have been made available to all FSA State and county offices. FSA offices are required to conduct additional data review and verification for such persons before issuing any payment, and must document in writing why the person, their estate, or their authorized representative is eligible for payment. These documentation procedures are specified in our updated handbooks.

## Notice and Comment

These regulations are exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553), as specified in section 1601(c) of the 2008 Farm Bill, which requires that the regulations be promulgated and administered without regard to the notice and comment provisions of section 553 of title 5 of the United States Code or the Statement of Policy of the Secretary of Agriculture effective July 24, 1971, (36 FR 13804) relating to notices of proposed rulemaking and public participation in rulemaking.

## Executive Order 12866

The Office of Management and Budget (OMB) designated this rule as significant under Executive Order 12866 and, therefore, OMB reviewed this final rule. A cost benefit assessment of this rule is summarized below and is available from the contact listed above.

## Cost Benefit Analysis

FSA analyzed payment records for FY 2007; as a result FSA categorized approximately \$2 million in FY 2007 payments issued to the deceased as payments that were "issued in error," but that were legitimate payments that would have been made correctly if paperwork had been updated. The "issued in error" categorization includes the instances where FSA was not informed of the original direct or indirect payment recipient's death. The FY 2007 analysis found no instances of use of identification numbers of deceased farmers to collect payments fraudulently, though the possibility remains that analysis of later years' results as they become available might uncover some such instances. These initial results suggest that FSA's institution of ongoing cross referencing of SSA data on the deceased and FSA payment records may result in some monetary recoveries for the Government, perhaps on the order of \$1 million annually or less. The annual cost of acquiring SSA data on the deceased is just \$6,000, but the cost of the time field staff dedicated to analyzing the reports could offset any amounts recovered. The largest benefit from the procedures clarified in this regulation will be FSA's enhanced ability to ensure that payments are being distributed in accordance with all laws and regulations.

## Regulatory Flexibility Act

This rule is not subject to the Regulatory Flexibility Act since FSA is not required to publish a notice of proposed rulemaking for this rule.

### Environmental Review

The environmental impacts of this rule have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321–4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500–1508), and FSA regulations for compliance with NEPA (7 CFR part 799). The changes in this rule to the eligibility requirements for deceased producers, required by the 2008 Farm Bill, that are identified in this final rule, are solely administrative. Therefore, FSA has determined that NEPA does not apply to this final rule and no environmental assessment or environmental impact statement will be prepared.

### Executive Order 12372

This program is not subject to Executive Order 12372, which requires consultation with State and local officials. See the notice related to 7 CFR part 3015, subpart V, published in the **Federal Register** on June 24, 1983 (48 FR 29115).

### Executive Order 12988

This rule has been reviewed under Executive Order 12988. This rule is not retroactive and it does not preempt State or local laws, regulations, or policies unless they present an irreconcilable conflict with this rule. Before any judicial action may be brought regarding the provisions of this rule the administrative appeal provisions of 7 CFR parts 11 and 780 must be exhausted.

### Executive Order 13132

The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the states is not required.

### Executive Order 13175

This rule has been reviewed for compliance with Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments.” This Executive Order imposes requirements on the development of regulatory policies that have tribal implications or preempt tribal laws. The policies contained in this rule do not preempt Tribal law. This rule was included in the October through December, 2010, Joint Regional Consultation Strategy

facilitated by USDA that consolidated consultation efforts of 70 rules from the 2008 Farm Bill. USDA sent senior level agency staff to seven regional locations and consulted with Tribal leadership in each region on the rules. When the consultation process is complete, USDA will analyze the feedback and then incorporate any required changes into the regulations.

### Unfunded Mandates

This rule contains no Federal mandates under the regulatory provisions of Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) for State, local, and Tribal governments or the private sector. In addition, CCC was not required to publish a notice of proposed rulemaking for this rule. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

### Small Business Regulatory Enforcement Fairness Act

In general, any rule designated by OMB under Executive Order 12866 as economically significant is also a major rule. As noted above, OMB designated this rule as significant, but not economically significant. As a result, this rule is not considered a major rule under SBREFA. Therefore, FSA is not required to delay the effective date for 60 days from the date of publication to allow for Congressional review and this rule is effective on the date of publication in the **Federal Register**.

### Paperwork Reduction Act

The regulations in this rule are exempt from the requirements of the Paperwork Reduction Act (44 U.S.C. chapter 35), as specified in section 1601(c)(2) of the 2008 Farm Bill, which provides that these regulations be promulgated and administered without regard to the Paperwork Reduction Act.

### E-Government Act Compliance

CCC is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

### List of Subjects in 7 CFR Part 707

Agriculture, Grant programs—agriculture, Loan programs—agriculture, Price support programs.

■ For the reasons discussed above, this rule amends 7 CFR part 707 as follows:

### PART 707—PAYMENTS DUE PERSONS WHO HAVE DIED, DISAPPEARED, OR HAVE BEEN DECLARED INCOMPETENT

■ 1. Revise the authority citation for part 707 to read as follows:

**Authority:** 7 U.S.C. 1385 and 8786.

■ 2. Amend § 707.3 by revising paragraph (a) introductory text, to read as set forth below:

#### § 707.3 Death.

(a) Where any person who would otherwise be eligible to receive a payment dies before the payment is received, payment may be released in accordance with this section so long as, and only if, a timely program application has been filed by the deceased before the death or filed in a timely way before or after the death by a person legally authorized to act for the deceased. Timeliness will be determined under the relevant program regulations. All program conditions for payment under the relevant program regulations must have been met for the deceased to be considered otherwise eligible for the payment. However, the payment will not be made under this section unless, in addition, a separate release application is filed in accordance with § 707.7. If these conditions are met, payment may be released without regard to the claims of creditors other than the United States, in accordance with the following order of precedence:

\* \* \* \* \*

■ 3. Amend § 707.4 by revising paragraph (a) introductory text, to read as set forth below:

#### § 707.4 Disappearance.

(a) Where any person who would otherwise be eligible to receive a payment disappears before the payment is received, payment may be released in accordance with this section so long as, and only if, a timely program application has been filed by that person before the disappearance or filed timely before or after the disappearance by someone legally authorized to act for the person involved. Timeliness will be determined under the relevant program regulations. All program conditions for payment under the relevant program regulations must have been met for the person involved to be considered otherwise eligible for the payment. However, the payment will not be made unless, in addition, a separate release application is filed in accordance with § 707.7. If these conditions are met, payment may be released without regard to the claims of creditors other than the

United States, in accordance with the following order of precedence:

\* \* \* \* \*

■ 4. Revise § 707.5 to read as set forth below:

**§ 707.5 Incompetency.**

(a) Where any person who would otherwise be eligible to receive a payment is adjudged incompetent by a court of competent jurisdiction before the payment is received, payment may be released in accordance with this section so long as, and only if, a timely and binding program application has been filed by the person involved while capable or by someone legally authorized to file an application for the person involved. Timeliness is determined under the relevant program regulations. In all cases, the payment application must have been timely under the relevant program regulations and all program conditions for payment must have been met by or on behalf of the person involved. However, the payment will not be made unless, in addition, a separate release application is filed in accordance with § 707.7. If these conditions are met, payment may be released without regard to the claims of creditors other than the United States, to the guardian or committee legally appointed for the person involved. In case no guardian or committee had been appointed, payment, if for not more than \$1,000, may be released without regard to claims of creditors other than the United States, to one of the following in the following order for the benefit of the person who was the subject of the adjudication:

- (1) The spouse.
- (2) An adult son, daughter, or grandchild.
- (3) The mother or father.
- (4) An adult brother or sister.
- (5) Such person as may be authorized under State law to receive payment for the person (see standard procedure prescribed for the respective region).

(b) In case payment is more than \$1,000, payment may be released only to such person as may be authorized under State law to receive payment for the incompetent, so long as all conditions for other payments specified in paragraph (a) of this section and elsewhere in the applicable regulations have been met. Those requirements include the filing of a proper and timely and legally authorized program application by or for the person adjudged incompetent. The release of funds under this paragraph will be made without regard to claims of creditors other than the United States unless the agency determines otherwise.

**§ 707.6 [Amended]**

- 5. Amend § 707.6 by removing the words “apply for a payment” and adding, in their place, the words “apply for a release of a payment”.
- 6. Amend § 707.7 as follows:
  - a. Revise the heading to read as set forth below, and
  - b. Remove the first sentence and add in its place the seven sentences set forth below.

**§ 707.7 Release application.**

No payment may be made under this part unless a proper program application was filed in accordance with the rules for the program that generated the payment. That application must have been timely and filed by someone legally authorized to act for the deceased, disappeared, or declared-incompetent person. The filer can be the party that earned the payment themselves—such as the case of a person who filed a program application before they died—or someone legally authorized to act for the party that earned the payment. All program conditions for payment must have been met before the death, disappearance, or incompetency except for the timely filing of the application for payment by the person legally authorized to act for the party earning the payment. But, further, for the payment to be released under the rules of this part, a second application must be filed. That second application is a release application filed under this section. In particular, as to the latter, where all other conditions have been met, persons desiring to claim payment for themselves or an estate in accordance with this part 707 must do so by filing a release application on Form FSA-325, “Application for Payment of Amounts Due Persons Who Have Died, Disappeared or Have Been Declared Incompetent.” \* \* \*

Signed in Washington, DC, on December 22, 2010.

**Jonathan W. Coppess,**  
*Administrator, Farm Service Agency.*  
 [FR Doc. 2010-32760 Filed 12-28-10; 8:45 am]  
**BILLING CODE 3410-05-P**

**FEDERAL RESERVE SYSTEM**

**12 CFR Part 226**

**[Regulation Z; Docket No. R-1366]**

**Truth in Lending**

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

**ACTION:** Interim rule; request for public comment.

**SUMMARY:** The Board is publishing for comment an interim rule amending Regulation Z, which implements the Truth in Lending Act (TILA). This interim rule revises the Board’s interim rule published on September 24, 2010, which implemented certain requirements of the Mortgage Disclosure Improvement Act of 2008. The September 2010 interim rule requires creditors who extend consumer credit secured by real property or a dwelling to disclose summary information about interest rates and payment changes in a tabular format. The Board is issuing this interim rule to clarify certain provisions of the September 2010 interim rule. Specifically, this rule clarifies the requirements for adjustable-rate transactions that are “5/1 ARM” loans. It corrects the requirements for interest-only loans to clarify that the disclosures should reflect the date of the interest rate change rather than the date the first payment is due under the new rate. This interim rule also revises the definition of “negative amortization loans” to clarify which transactions are covered by the special disclosure requirements for such loans.

**DATES:** This interim rule is effective January 30, 2011. Compliance with its provisions is optional, however, for transactions for which an application for credit is received by the creditor before October 1, 2011. This interim rule does not change the January 30, 2011 mandatory compliance date of the September 2010 interim rule. Comments on this interim rule must be received on or before February 28, 2011.

**ADDRESSES:** You may submit comments, identified by Docket No. R-1366, by any of the following methods:

- *Agency Web Site:* <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *E-mail:* [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the docket number in the subject line of the message.
- *Fax:* (202) 452-3819 or (202) 452-3102.
- *Mail:* Address to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments will be made available on the Board’s Web site at <http://www.federalreserve.gov/>