a drought that does not meet the criteria in paragraph (a) of this section to result in production losses that constitute a natural disaster.

(3) The Secretary or the Secretary’s designee will make disaster area determinations. The Secretary may delegate the authority to the SED. In such case, the SED will act on behalf of the Secretary, subject to review by DAFP as may be appropriate and consistent with the delegation. The delegation of authority to the SED may be revoked by the authority making that delegation or by other authorized person. In all cases, DAFP may reverse any SED determination made in accordance with this section unless the delegation to the SED specifies that such review is not allowed.

(c) Eligible production losses. For purposes of making determinations under paragraph (b) of this section, in order for an area to be declared a disaster area under paragraph (b) of this section based on production losses, the count must have had production losses of 30 percent of at least one crop in the county as the result of a natural disaster.

(d) Discretionary exception to production losses for designating a county as a disaster county. For purposes of the EM program only, unless otherwise specified in the designation, a county may be designated by DAFP as a designated disaster county even though the conditions specified in paragraphs (a) through (c) of this section are not present so long as the disaster has otherwise produced such significant production losses, or other such extenuating circumstances so as to justify, in the opinion of the Secretary, the designation of a county as a disaster area. In making this determination, the Secretary may consider all relevant factors including such factors as the nature and extent of production losses; the number of farmers who have sustained qualifying production losses; the number of farmers that other lenders in the county indicate they will not be in position to provide emergency financing; whether the losses will cause undue hardship to a certain segment of farmers in the county; whether damage to particular crops has resulted in undue hardship; whether other Federal or State benefit programs, which are being made available due to the same disaster, will consequently lessen undue hardship and the demand for EM; and any other factors considered relevant.

§ 759.6 EM to be made available.

(a) For purposes of the EM Program under part 764, subpart 1, of this chapter, a county will be considered an eligible disaster area as designated by FSA for coverage of the EM Program as follows:

(1) Secretarial designations. When production losses meet the requirements in § 759.5 and the county has been designated as a disaster area for that reason, or when the discretionary exception to production losses for EM under § 759.5(d) has been exercised, the primary and contiguous counties will be in which otherwise eligible producers can receive EM loans.

(2) Physical loss notification. When only qualifying physical losses occur, the SED will submit a request to the FSA Administrator to make a determination that a natural disaster has occurred in a county, resulting in severe physical losses. If the FSA Administrator determines that such a natural disaster has occurred, then EM can be made available to eligible farmers for physical losses only in the primary county (the county that was the subject of that determination) and the counties contiguous to that county.

(3) USDA quarantine. Any quarantine imposed by the Secretary of Agriculture under the Plant Protection Act or the animal quarantine laws, as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990, automatically authorizes EM for production and physical losses resulting from the quarantine in a primary county (the county in which the quarantine was in force) and (where the quarantine effects extend beyond that county) the counties contiguous to that primary county.

(4) Presidential declaration. Whenever the President declares a Major Disaster Declaration or an Emergency Declaration, FSA will make EM available to eligible applicants in declared and contiguous counties, provided:

(i) The Presidential declaration is not solely for Category A or Category B Public Assistance or Hazard Mitigation Grant Assistance, and

(ii) The Presidential Major Disaster declaration is for losses due to severe, general disaster conditions including but not limited to conditions such as flood, hurricane, or earthquake.

(b) [Reserved]

PART 762—GUARANTEED FARM LOANS

2. The authority citation for part 762 would continue to read as follows:


§ 762.106 [Amended]

3. Amend § 762.106(b)(2) and (c)(4) by removing the reference “part 1945, subpart A of this title” and adding in its place each time it appears “§ 761.2(b) and part 759 of this chapter”.

CHAPTER XVIII—RURAL HOUSING SERVICE, RURAL BUSINESS-COOPERATIVE SERVICE, RURAL UTILITIES SERVICE, AND FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE

PART 1945 [REMOVED]

4. Remove part 1945.

Signed on July 10, 2012.

Karis T. Gutter,
Under Secretary, Farm and Foreign Agricultural Services.

Signed on July 10, 2012.

Dallas Tonsager,
Under Secretary, Rural Development.

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BILLING CODE 3410–05–P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Rural Business-Cooperative Service

Rural Utilities Service

Farm Service Agency

7 CFR Part 1902

RIN 0575–AC94

Federal Deposit Insurance Corporation

Limit Change

AGENCY: Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service and Farm Service Agency, USDA.

ACTION: Direct final rule.

SUMMARY: Rural Development is amending its regulations to address the change in the standard maximum deposit insurance amount under the Federal Deposit Insurance Corporation (FDIC).

DATES: This rule is effective without further action September 26, 2012 unless we receive written adverse comments on or before September 11, 2012. If adverse comment is received, we will publish a timely withdrawal of the rule in the Federal Register.

ADDRESSES: You may submit comments to this rule by any of the following methods:

• Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.

• Mail: Submit written comments via the U.S. Postal Service to the Branch Chief, Regulations and Paperwork Management Branch, U.S. Department of Agriculture, STOP 0742, 1400
systems for rural communities—ARRA, 10.788 Very low to moderate income housing loans—direct, 10.864 grant program to establish a fund for financing water and wastewater projects.

Non-Discrimination Statement

The U.S. Department of agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because of all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at (202) 720-6500 (voice and TDD). To file a complaint or discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue SW., Washington, DC 20250-9419, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender.

Civil Rights Impact Statement

No major civil rights impact is likely to result from the announcement of this Notice. It will not have a negative civil rights impact on very-low income, low-income, moderate income and minority populations.

Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1904, subpart G. “Environmental Program.” Rural Development has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment and, in accordance with the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321 et seq., an Environmental Impact Statement is not required.

Executive Order 12372, Intergovernmental consultation

The program is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. Consultation will be completed at the time of the action performed.

Executive Order 12988, Civil Justice

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. The Agency has determined that this rule meets the applicable standards provided in section 3 of the Executive Order. Additionally, (1) all State and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given to the rule; and (3) administrative appeal procedures, if any, must be exhausted before litigation against the Department or its Agencies may be initiated, in accordance with the regulations of the National Appeals Division of USDA at 7 CFR part 11.
If a tribe determines that this rule has implications of which Rural Development is not aware and would like to engage with Rural Development on this rule, please contact Rural Development’s Native American Coordinator at AIAN@wdc.usda.gov.

Paperwork Reduction Act
This rule contains no new reporting or recordkeeping burdens under OMB control number 0575–0158 that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

E-Government Act Compliance
Rural Development 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 citizens to access Government information and services electronically.

I. Background
Section 335(a), of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111–203, July 21, 2010) (“Act”) increased the standard maximum deposit insurance amount to $250,000 under the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(E)). This change is also reflected in FDIC’s regulations at 12 CFR 330.1(o). The change made under the Act was in response to the instability of the financial markets. The permanent increase from $100,000 to $250,000 took a measure of insecurity out of the market. Rural Development funds, disbursed to a financial institution on behalf of a Rural Development borrower, are now protected up to $250,000. Similar to what is currently stated in 7 CFR 1902.6 and 1902.7, anything above the FDIC maximum insured amount will be required to be secured by pledging collateral.

II. Discussion of Change
The Agency is revising 7 CFR 1902.6(d) and 1902.7(a), to reflect the FDIC’s change in the standard maximum deposit insurance amount. Accordingly, the Agency is revising the above referenced regulations in this final rule to change the reference from $100,000 to a more general reference of the maximum amount insurable by the Federal government. By making this change, Rural Development’s regulations will remain consistent with the FDIC regulations even if the FDIC limit is revised again or the authority for deposit insurance is transferred to another Federal government entity.

List of Subjects in 7 CFR Part 1902
Accounting; Banks, banking; Grant programs—Housing and community development; Loan programs—Agriculture; Loan programs—Housing and community development.

For the reasons set forth in the preamble, chapter XVIII, title 7, of the Code of Federal Regulations is amended as follows:

CHAPTER XVIII—RURAL HOUSING SERVICE, RURAL BUSINESS-COOPERATIVE SERVICE, RURAL UTILITIES SERVICE, AND FARM SERVICE AGENCY
DEPARTMENT OF AGRICULTURE

PART 1902—SUPERVISED BANK ACCOUNTS

1. The authority citation for part 1902 continues to read as follows:

Subpart A—Supervised Bank Accounts of Loan, Grant, and Other Funds

2. Paragraph (d) § 1902.6 is revised to read as follows.

§ 1902.6 Establishing supervised bank accounts.
   * * * * *
   (d) For each borrower, if the amount of any loan and grant funds, plus any borrower contributions and funds from other sources to be deposited in the supervised bank account will exceed the maximum amount insurable by the Federal government, the financial institution will be required to pledge collateral for the excess over that limit before the deposit is made (see §1902.7 of this subpart). If the supervised bank account is a joint account, any amount over the maximum amount insurable by the federal government must be collateralized.
   * * * * *
   3. Paragraph (a) of §1902.7 is revised to read as follows:

§ 1902.7 Pledging collateral for deposit of funds in supervised bank accounts.
   (a) Funds in excess of the maximum amount insurable by the Federal government, per financial institution, deposited for borrowers in supervised bank accounts, must be secured by pledging acceptable collateral with the Federal Reserve Bank (FRB) in an amount not less than the excess. If the supervised bank account is a joint account, any amount over the maximum amount insurable by the federal government must be collateralized.
   * * * * *

Dated: June 8, 2012.

Dallas Tonsager,
Under Secretary, Rural Development.
Dated: June 1, 2012.

Michael T. Scuse,
Under Secretary, Farm and Foreign Agriculture Services.

[FR Doc. 2012–17061 Filed 7–12–12; 8:45 am]
BILLING CODE 3410–XV–P