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NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 701, 707, 714, 748, and 749

RIN 3133–AE13

Regulations Affecting Credit Unions; Technical Amendments

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is making a number of technical amendments to NCUA’s regulations to conform them to the changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and based on NCUA’s rolling, three-year regulatory review.

DATES: This rule is effective on November 29, 2012.

FOR FURTHER INFORMATION CONTACT: Frank Kressman, Associate General Counsel, or Justin Anderson, Staff Attorney, Office of General Counsel, (703) 518–6556, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314.

SUPPLEMENTARY INFORMATION:

I. Background

II. Regulatory Amendments

I. Background

Why Is NCUA issuing this rule?

The Dodd-Frank Act, among other things, transferred rulemaking authority related to the Alternative Mortgage Transaction Parity Act (AMTPA) for state-chartered credit unions from NCUA to the CFPB.3

In addition, the Board is making this opportunity to make amendments, unrelated to the Dodd-Frank Act, based on its rolling, three-year review of NCUA’s regulations. The Board reviews one-third of its regulations each year to “update, clarify and simplify existing regulations and eliminate redundant and unnecessary provisions.”4 Through this process, NCUA has identified an incorrect citation in Appendix B to part 707 and outdated or unnecessary requirements in NCUA’s security and records preservation program requirements in parts 748 and 749.

Accordingly, this rule updates citation references to former FRB rules in parts 701, 707, and 714, and removes the reference to AMTPA in § 701.21(a). The rule also makes technical amendments to parts 707, 748, and 749. The Board is issuing these amendments as a final rule because they are technical in nature and some changes are statutorily mandated by the Dodd-Frank Act.

II. Regulatory Amendments

1. Parts 701, 707, and 714—Updated Citations to CFPB Regulations

This rule updates citations to CFPB regulations in parts 701, 707, and 714. Specifically, in part 701, the Board is amending citations to Regulation B.6 Similarly, the Board is amending citations in part 707 and in the appendices to part 707 to Regulations E, Z, and DD.6 In part 707, the Board is clarifying references to the FRB’s Regulation D,7 as the Dodd-Frank Act created a separate Regulation D under the purview of the CFPB.8 Finally, in part 714, the Board is amending the citation to Regulation M.9

5. Part 749, Appendix A

This rule removes the reference to AMTPA in section 701.21(a) as required by section 1083 of the Dodd-Frank Act.10 This reference authorized state-chartered credit unions to follow NCUA’s lending regulations for alternative mortgage transactions. Based on the Dodd-Frank Act amendments, state-chartered credit unions must now follow the CFPB’s Regulation D for alternative mortgage transactions.11

Accordingly, the Board is removing the reference to AMTPA in § 701.21(a).

3. Part 707, Appendix B

The rule amends an incorrect citation to the FRB’s Regulation D in the note to sample form B–5.

4. Part 748, Appendix A

Part 748 requires a federally insured credit union to develop a written security program and also sets forth Bank Secrecy Act compliance programs and procedures. In 2001, the Board amended part 748 and issued Appendix A to part 748, Guidelines for Safeguarding Member Information, to fulfill a requirement in section 501(b) of the Gramm-Leach-Bliley Act (GLBA).12 The GLBA directed financial institution regulators, including NCUA, and several other government agencies to consult and coordinate with each other to prescribe consistent and comparable regulations to establish standards for financial institutions relating to certain administrative, technical, and physical safeguards of member records and information.13

In addition, in 2001 amendments were section III(G) of Appendix A to part 748, which set forth the schedule for implementing Appendix A. All of the dates in the schedule expired at least six years ago. Accordingly, the Board is removing that section of Appendix A to part 748 as the implementation schedule is no longer necessary or helpful to credit unions.

5. Part 749, Appendix A

Part 749 sets out the procedures that federally insured credit unions must follow for records preservation and retention. Section E(1)(c) of Appendix A to part 749 states that credit unions should permanently retain all current manuals, circular letters, and other official instructions of a permanent

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11 71 FR 44226 (July 22, 2011).
12 66 FR 8161 (Jan. 20, 2001).
character received from NCUA and other governmental agencies. This requirement has become outdated. All publications noted in this section are maintained electronically on NCUA’s Web site and other governmental agencies’ Web sites or are otherwise available to credit unions. Accordingly, the Board is removing this section, which will help reduce the burden and cost on credit unions for the storage and retention of these items.

III. Regulatory Procedures

Final Rule

Generally, the Administrative Procedure Act (APA) requires a Federal agency to provide the public with notice and the opportunity to comment on agency rulemakings. The amendments in this rule are non-substantive and technical. They make minor changes, some of which are statutorily required by the Dodd-Frank Act. The APA permits an agency to forego the notice and comment period under certain circumstances, such as when a rulemaking is technical and non-substantive. NCUA finds good cause that notice and public comment are unnecessary under section 553(b)(3)(B) of the APA. NCUA also finds good cause to dispense with the 30-day delayed effective date requirement under section 553(d)(3) of the APA. The rule will, therefore, be effective immediately upon publication.

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis on any significant economic impact any regulation may have on a substantial number of small entities (primarily those under $10 million in assets). NCUA has determined that these technical amendments will not have a significant economic impact on a substantial number of small credit unions.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) applies to rulemakings in which an agency by rule creates a new paperwork burden on regulated entities or modifies an existing burden. For purposes of the PRA, a paperwork burden may take the form of either a reporting or a recordkeeping requirement, both referred to as information collections. These technical corrections do not impose any paperwork burden.

Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests. NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the Executive Order to adhere to fundamental federalism principles. This rule would not have a substantial direct effect 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 because it simply makes technical corrections to existing regulations. NCUA has determined this rule does not constitute a policy that has federalism implications for purposes of the Executive Order.


NCUA has determined that this rule would not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act of 1999.

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121)

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) provides generally for congressional review of agency rules. A reporting requirement is triggered in instances where NCUA issues a final rule as defined by section 551 of the APA. The Office of Management and Budget has determined that this rule is not a “major rule” within the meaning of SBREFA.

List of Subjects

12 CFR Part 701

Credit unions, Mortgages.

12 CFR Part 707

Advertising, Credit unions, Reporting and recordkeeping requirements, Truth in savings.

12 CFR Part 714

Credit unions, Leasing.

12 CFR Part 748

Credit unions, Reporting and recordkeeping requirements, Security measures.

12 CFR Part 749

Credit unions, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board on November 19, 2012.

Mary F. Rupp,
Secretary of the Board.

For the reasons stated above, NCUA amends 12 CFR parts 701, 707, 714, 748, and 749 as follows:

PART 701—ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS

§ 701.21 Loans to members and lines of credit to members.

(a) * * * Also, while §701.21 generally applies to Federal credit unions only, certain provisions apply to loans made by federally insured, state-chartered credit unions as specified in §741.203 of this chapter. * * * * * * * * * *

§ 701.31 [Amended]

§ 701.31 Loans to members and lines of credit to members.

3. In §701.31, amend paragraph (a)(1) by removing “12 CFR 202.2(f)” and adding in its place “12 CFR 1002.2(f)”.

PART 707—TRUTH IN SAVINGS

§ 707.3 [Amended]

§ 707.3 In §707.3, amend paragraph (c) in two places by removing “12 CFR part 205” and adding in its place “12 CFR part 1005”.

§ 707.11 [Amended]

§ 707.11 Amend §707.11 in paragraphs (b)(2)(i) and (c) by removing “part 226” and adding in its place “part 1026”.

Appendix B to Part 707 [Amended]

§ 707.11 Amend §707.11 in paragraphs (b)(2)(i) and (c) by removing “part 226” and adding in its place “part 1026”.


Federal Reserve Board’s” between the words “Io” and “Regulation.”; and
■ c. In the note to sample form B–5 by removing “12 CFR 204.2(c)(2)” and adding in its place “12 CFR 204.2(c)(2)”.

Appendix C to Part 707 [Amended]

■ 8. Amend appendix C to part 707 as follows:
   ■ a. In the entry for section 707.2, under “(a),” paragraph 5 v by removing “12 CFR 230.2(u)” and adding in its place “12 CFR 1030.2(u)” and adding to the last sentence the words “Federal Reserve Board’s” between the words “in” and “Regulation D”;
   ■ b. In the entry for section 707.2, under “(b),” paragraph 1 by removing “12 CFR 205.2(j)” and adding in its place “12 CFR 1005.2(k)”;
   ■ c. In the entry for section 707.2, under “(s),” paragraph 1 heading by adding the words “the Federal Reserve Board’s” before the words “Regulation D” and adding in the first sentence of this section the words “The Federal Reserve Board’s” before the words “Regulation D permits,”;
   ■ d. In the entry for section 707.3, under “(c),” paragraph 1 introductory text by removing “12 CFR part 205” and adding in its place “12 CFR part 1005”;
   ■ e. In the entry for section 707.3, under “(c),” paragraph 1 ii by removing “12 CFR 205.7” and adding in its place “12 CFR 1005.7”;
   ■ f. In the entry for section 707.4, under “(b)(4),” paragraph 5 by removing “12 CFR 205.7” and adding in its place “12 CFR 1005.7”;
   ■ g. In the entry for section 707.6, under “(a),” paragraph 2 by removing “12 CFR 205.9” and adding in its place “12 CFR 1005.9”;
   ■ h. In the entry for section 707.8, under “(a),” paragraph 10 i by removing “12 CFR part 226” and adding in its place “12 CFR part 1026”;
   ■ i. In the entry for section 707.11, under “(a)(1),” paragraph 1 1 i by removing “12 CFR part 226” and adding in its place “12 CFR part 1026”;
   ■ j. In the entry for section 707.11, under “(a)(1),” paragraph 2 by removing the words “the Federal Reserve Board’s” and removing “12 CFR part 226” and adding in its place “12 CFR part 1026”;
   ■ k. In the entry for section 707.11, under “(b),” paragraph 1 i by removing “12 CFR part 226” and adding in its place “12 CFR part 1026”;
   ■ l. In the entry for section 707.11, under “(b)”, paragraph 4 by removing “12 CFR part 226” and adding in its place “12 CFR part 1026”;
   ■ m. In the entry for section 707.11, under “(c),” paragraph 1 by removing the words “part 226” and adding in its place the words “part 1026”; and

n. In the entry for section 707.11, under “(c),” by removing in two places in paragraph 3 “12 CFR part 226” and adding in its place “12 CFR part 1026” and by removing in two place in paragraph 3 the phrase “the Federal Reserve Board’s” before the words “Regulation Z”.

PART 714—LEASING

9. The authority citation for part 714 continues to read as follows:


§714.10 [Amended]

10. Amend §714.10 by removing “12 CFR part 213” and adding in its place “12 CFR part 1013”.

PART 748—SECURITY PROGRAM, REPORT OF SUSPECTED CRIMES, SUSPICIOUS TRANSACTIONS, CATASTROPHIC ACTS AND BANK Secrecy ACT COMPLIANCE

11. The authority citation for part 748 is revised to read as follows:


Appendix A to Part 748 [Amended]

12. Amend appendix A to part 748 by removing paragraph III.G.

PART 749—RECORDS PRESERVATION PROGRAM AND APPENDICES—RECORD RETENTION GUIDELINES; CATASTROPHIC ACT PREPAREDNESS GUIDELINES

13. The authority citation for part 749 continues to read as follows:


Appendix A to Part 749 [Amended]

14. Amend appendix A to part 749 by removing paragraph E.1.(c).

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39


RIN 2120–AA64

Airworthiness Directives; Rolls-Royce Deutschland Ltd & Co KG Turbopfan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: We are adopting a new airworthiness directive (AD) for certain serial number (S/N) Rolls-Royce Deutschland Ltd & Co KG (RRD) TAY 620–15 turbopfan engines. This AD requires initial and repetitive general inspections and ultrasonic inspections (UI) of low-pressure compressor (LPC) fan blades for cracks. If any fan blade is found cracked, this AD requires replacement of the LPC fan blade set and the LPC fan disc. This AD was prompted by a report of an LPC fan blade separation. We are issuing this AD to detect cracks in the LPC fan blades, which could lead to uncontrolled failure of the LPC fan blades and LPC fan disc, and damage to the airplane.

DATES: This AD becomes effective December 14, 2012.

We must receive comments on this AD by January 14, 2013.

ADDRESSES: You may send comments by any of the following methods:

- Federal eRulemaking Portal: Go to http://www.regulations.gov and follow the instructions for sending your comments electronically.
- Hand Delivery: Deliver to Mail addresses above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this AD, contact Rolls-Royce Deutschland Ltd & Co KG, Eschenweg 11, Dahlewitz, 15827 Blankenfelde-Mahlow, Germany; phone: 49 0 33–7086–1944; fax: 49 0 33–7086–3276. You may view this service information at the FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803. For information on the availability of this material at the FAA, call 781–238–7125.