

Section 6 of the Act⁵ in general, and in particular, with Section 6(b)(5),⁶ in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, as well as to protect investors and the public interest, by creating a back-up and alternative determination of index values on the Exchange. This, in turn, promotes the integrity of the index settlement process by improving both the responsiveness to erroneous values as well as providing a replacement value to ensure the accuracy of disseminated index values.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has neither solicited nor received written comments.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve the proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and

arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Also, copies of such filing will be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-96-36 and should be submitted by October 31, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-26065 Filed 10-9-96; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Notice; Interest Rates

The Small Business Administration publishes an interest rate called the optional "peg" rate (13 CFR 122.8-4(d)) on a quarterly basis. This rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. This rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. This rate will be 6 $\frac{7}{8}$ percent for the October-December quarter of FY 97.

Pursuant to 13 CFR 108.503-8(b)(4), the maximum legal interest rate for a commercial loan which funds any portion of the cost of a project (see 13

CFR 108.503-4) shall be the greater of 6% over the New York prime rate or the limitation established by the constitution or laws of a given State. The initial rate for a fixed rate loan shall be the legal rate for the term or the loan.

John R. Cox,

Associate Administrator for Financial Assistance.

Calculation of SBA's Peg Rate and Direct Lending Rate

SBA's PEG RATE is a Weighted Average of the last three months like-maturity rates from the Treasury Department, as follows:

Month	Weight	Rate	Weighted rate
July	1	7	7
August	2	7	14
September	3	6.75	20.25
Sum			41.25

Divide by 6 to get peg rate 6.875=peg rate; round to the nearest eighth=6 $\frac{7}{8}$

SBA's direct rate is last month's like-maturity Treasury Rate plus 1%, as follows:

September—6.75+1

Direct Rate=Last Month+1=7.75

Peg Rate: 6 $\frac{7}{8}$

Direct Rate: 7.750%

Average Maturity Calculation

Of EOL Loans, 1404—12.5 Average Maturity of EOL Loans

Of HAL Loans, 954—14.42 Average Maturity of HAL Loans

Of VET Loans, 816—10.92 Average Maturity of VET Loans

	Weighted Average	
Weight-EOL Loans.	0.442344	5.529300
Weight-HAL Loans.	0.300567	4.334177
Weight-VET Loans.	0.257088	2.807410
Sum	1	12.67088 =Average Maturity.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 17 C.F.R. 200.30-3(a)(12).

TABLE 1.—INTEREST RATES FOR SPECIFIC MATURITIES

	Used for August 1996 (percent)	Indicated for September 1996 (percent)	Changes
1 year	5 ⁷ / ₈	5 ³ / ₄	— 1 ¹ / ₈
5 years	6 ⁵ / ₈	6 ³ / ₈	— 1 ¹ / ₄
15 years	7	6 ⁷ / ₈	— 1 ¹ / ₈
20 years	7 ¹ / ₈	7	— 1 ¹ / ₈

TABLE 2.—RANGE OF MATURITIES TO WHICH THE RATES FOR SEPTEMBER 1996 APPLY

From	To	Rate (percent)
0 years—3 months	0 years—4 months	5 ¹ / ₄
0 years—5 months	0 years—6 months	5 ³ / ₈
0 years—7 months	0 years—9 months	5 ¹ / ₂
0 years—10 months	0 years—11 months	5 ⁵ / ₈
1 year—0 months	1 year—2 months	5 ³ / ₄
1 year—3 months	1 year—6 months	5 ⁷ / ₈
1 year—7 months	1 year—11 months	6
2 years—0 months	2 years—6 months	6 ¹ / ₈
2 years—7 months	3 years—7 months	6 ¹ / ₄
3 years—8 months	5 years—2 months	6 ³ / ₈
5 years—3 months	7 years—4 months	6 ¹ / ₂
7 years—5 months	10 years—6 months	6 ⁵ / ₈
10 years—7 months	14 years—0 months	6 ³ / ₄
14 years—1 month	17 years—10 months	6 ⁷ / ₈
17 years—11 months	23 years—5 months	7
23 years—6 months	30 years—0 months	6 ⁷ / ₈

The rates shown for September are based on average market yields from July 21, 1996 through August 20, 1996.

TABLE 1.—INTEREST RATES FOR SPECIFIC MATURITIES

	Used for July 1996 (percent)	Indicated for August 1996 (percent)	Changes
1 year	5 ³ / ₄	5 ⁷ / ₈	+1 ¹ / ₈
5 years	6 ⁵ / ₈	6 ⁵ / ₈	Unchanged.
15 years	7	7	Unchanged.
20 years	7 ¹ / ₈	7 ¹ / ₈	Unchanged.

TABLE 2.—RANGE OF MATURITIES TO WHICH THE RATES FOR AUGUST 1996 APPLY

From	To	Rate (percent)
0 years—3 months	Only	5 ¹ / ₄
0 years—4 months	0 years—5 months	5 ³ / ₈
0 years—6 months	0 years—7 months	5 ¹ / ₂
0 years—8 months	0 years—9 months	5 ⁵ / ₈
0 years—10 months	0 years—11 months	5 ³ / ₄
1 year—0 months	1 year—2 months	5 ⁷ / ₈
1 year—3 months	1 year—5 months	6
1 year—6 months	1 year—8 months	6 ¹ / ₈
1 year—9 months	2 years—1 months	6 ¹ / ₄
2 years—2 months	2 years—9 months	6 ³ / ₈
2 years—10 months	4 years—0 months	6 ¹ / ₂
4 years—1 month	5 years—7 months	6 ⁵ / ₈
5 years—8 months	8 years—1 month	6 ³ / ₄
8 years—2 months	11 years—11 months	6 ⁷ / ₈
12 years—0 months	16 years—0 months	7
16 years—1 month	27 years—1 month	7 ⁷ / ₈
27 years—2 months	29 years—7 months	7

TABLE 1.—INTEREST RATES FOR SPECIFIC MATURITIES

	Used for June 1996 (percent)	Indicated for July 1996 (percent)	Changes
1 year	5 ⁵ / ₈	5 ³ / ₄	+1 ¹ / ₈
5 years	6 ³ / ₈	6 ⁵ / ₈	+1 ¹ / ₄

TABLE 1.—INTEREST RATES FOR SPECIFIC MATURITIES—Continued

	Used for June 1996 (percent)	Indicated for July 1996 (percent)	Changes
15 years	6 ⁷ / ₈	7	+1 ¹ / ₈
20 years	7 ¹ / ₈	7 ¹ / ₈	Unchanged

TABLE 2.—RANGE OF MATURITIES TO WHICH THE RATES FOR JULY 1996 APPLY

From	To	Rate
0 years–3 months	0 years–4 months	5 ¹ / ₄
0 years–5 months	0 years–6 months	5 ³ / ₈
0 years–7 months	0 years–8 months	5 ¹ / ₂
0 years–9 months	0 years–10 months	5 ⁵ / ₈
0 years–11 months	1 year–1 month	5 ³ / ₄
1 year–2 months	1 year–3 months	5 ⁷ / ₈
1 year–4 months	1 year–6 months	6
1 year–7 months	1 year–10 months	6 ¹ / ₈
1 year–11 months	2 years–3 months	6 ¹ / ₄
2 years–4 months	3 years–2 months	6 ³ / ₈
3 years–3 months	4 years–3 months	6 ¹ / ₂
4 years–4 months	5 years–8 months	6 ⁵ / ₈
5 years–9 months	8 years–4 months	6 ³ / ₄
8 years–5 months	12 years–7 months	6 ⁷ / ₈
12 years–8 months	16 years–1 month	7
16 years–2 months	26 years–0 months	7 ¹ / ₈
26 years–1 month	29 years–8 months	7

The rates shown for July are based on average market yields from May 21, 1996 through June 20, 1996.

AVERAGE LOAN MATURITY BY LOAN PROGRAM; LOAN PORTFOLIO BASIS

[Quarter ended 06/30/96]

Loan program	Number of loans	Total maturity months	Average maturity months	Average maturity years
Business 7(A):				
Direct	1,123	233,852	208	17.33
Immed Part	35	7,603	217	18.08
Guaranty	175,191	24,441,973	140	11.67
Total	176,349	24,683,428	140	11.67
EOL:				
Direct	1,404	211,096	150	12.50
Immed Part	4	833	208	17.33
Guaranty	379	56,968	150	12.50
Total	1,787	268,897	150	12.50
Handicapped:				
Direct	954	164,866	173	14.42
Immed Part	38	7,526	198	16.50
Guaranty	7	1,613	230	19.17
Total	999	174,005	174	14.50
Veterans:				
Direct	816	106,847	131	10.92
Immed Part	2	480	240	20.00
Guaranty	0			.00
Total	818	107,327	131	10.92
SBIC:				
Direct	117	16,485	141	11.75
Immed Part	0			.00
Guaranty	212	26,832	127	10.58
Total	329	43,317	132	11.00
Displ Bus:				
Direct	393	125,707	320	26.67
Immed Part	39	11,513	295	24.58
Guaranty	2	546	273	22.75
Total	434	137,766	317	26.42

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DEPARTMENT OF STATE

[Public Notice 2450]

Privacy Act of 1974; Creation of a New System of Records

Notice is hereby given that the Department of State proposes to create a new system of records, STATE-61, pursuant to the provisions of the Privacy Act of 1974, as amended (5 U.S.C. 552a(r)), and Office of Management and Budget Circular No. A-130, Appendix I. The Department's report was filed with the Office of Management and Budget on September 25, 1996.

This system of records is being created by the Department of State to support its responsibilities with regard to garnishments of certain employees' wages, retirement benefits and other payments under 42 U.S.C. 659 and 5 U.S.C. 5520a. The information included in the system of records is directly related to garnishment actions.

Any persons interested in commenting on this new system of records may do so by submitting comments in writing to Jacquelyn Lilly, Acting Chief, Privacy, Plans, and Appeals Division, Office of Freedom of Information, Privacy and Classification Review, Room 1239, Department of State, 2201 C Street, NW, Washington, DC 20520-1239. This system of records will be effective 40 days from the date of publication, (November 19, 1996), unless the Department receives comments which will result in a contrary determination.

The new system description, "Garnishment of Wages Records, STATE-61" will read as set forth below.

Dated: September 25, 1996.

Ralph Frank,
Acting Assistant Secretary for the Bureau of Administration.

STATE-61

SYSTEM NAME:

Garnishment of Wages Records.

SECURITY CLASSIFICATION:

Unclassified and classified.

SYSTEM LOCATION:

Department of State, 2201 C Street, NW, Washington, DC 20520.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Department of State employees (current and retired); employees of the

Agency for International Development, United States Information Agency and the U.S. Arms Control and Disarmament Agency; and other employees and personal services contractors listed on the Department's payroll and/or Foreign Service retirement records who have been the subject of court orders to garnish the employee's wages or retirement benefits.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 U.S.C. 301 (Management of Executive Agencies); 22 U.S.C. 2651a (Organization of the Department of State); 22 U.S.C. 3921 (Management of service); 42 U.S.C. (Child support and alimony garnishment); 5 U.S.C. 5520a (Commercial garnishment).

CATEGORIES OF RECORDS IN THE SYSTEM:

Communications between the Office of the Legal Adviser and the Bureau of Finance and Management Policy regarding the employee's garnishment; communications between the Office of the Legal Adviser and the employee who is the subject of the garnishment; communications between the Office of the Legal Adviser and courts or agencies regarding the employee's garnishment proceeding; communications between the Office of the Legal Adviser and a party named in or affected by the garnishment action; and court or agency orders, summons and other documents related to the garnishment action against the employee.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

Information in the records system is used by the Office of the Legal Adviser to provide advice and services to the Bureau of Finance and Management Policy and other bureaus and offices in order to comply with court or agency ordered garnishments. The principal users of this information outside the Department of State are: Federal, state and local courts; state and local tax collection and child enforcement offices; the Internal Revenue Service; private collection agencies, law firms and/or other individuals authorized to receive garnished wages or benefits by court or agency order or otherwise involved in a garnishment proceeding. The information may also be released to other federal, state and local government agencies having statutory or other lawful authority to maintain such information. Also see the "Routine Uses" paragraph of the Prefatory Statement published in the Federal Register.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Electronic media; hard copy.

RETRIEVABILITY:

By individual name and Social Security Number.

SAFEGUARDS:

All employees of the Department of State have undergone background investigations. Access to the Department and its annexes is controlled by security guards and admission is limited to those individuals possessing a valid identification card or individuals under proper escort. All records containing personal information are maintained in secured file cabinets or in restricted areas, access to which is limited to authorized personnel. Access to computerized files is password-protected and under the direct supervision of the system manager. The system manager has the capability of printing audit trails of access from the computer media, thereby permitting regular and *ad hoc* monitoring of computer usage.

RETENTION AND DISPOSAL:

These records will be maintained until they become inactive, at which time they will be retired or destroyed in accordance with published record schedules of the Department of State and as approved by the National Archives and Records Administration. More specified information may be obtained by writing to the Director, Office of Freedom of Information, Privacy, and Classification Review; Room 1239, Department of State; 2201 C Street, NW., Washington, DC 20520-1239.

SYSTEM MANAGER AND ADDRESS:

Executive Director; Office of the Legal Adviser; Room 5519A; Department of State; 2201 C Street, NW; Washington, DC 20520.

NOTIFICATION PROCEDURE:

Individuals who have reason to believe that the Office of the Legal Adviser might have records pertaining to them should write to the Director, Office of Freedom of Information, Privacy and Classification Review, Room 1239, Department of State, 2201 C Street, NW, Washington, DC 20520-1239. The individual must specify that he/she wishes the Garnishment of Wages Records to be checked. At a minimum, the individual must include: Name; date and place of birth; current mailing address and zip code; bureau/