

who is not subject to the provisions of the final rule.

The final rule regarding tethering of dogs was issued under the authority of the Animal Welfare Act. The Animal Welfare Act authorizes APHIS to license, register, and regulate animal dealers, animal transporters, animal exhibitors, and research facilities that sell, transport, exhibit, or use certain kinds of animals, including dogs. Regulations established under the Act are contained in 9 CFR parts 1, 2, and 3. Subpart A of 9 CFR part 3 contains requirements concerning dogs and cats.

With regard to dogs sold, transported, exhibited, or used in research by persons subject to the Animal Welfare Act, APHIS' regulations are intended to ensure that the dogs are given proper and humane care. Persons subject to the Animal Welfare Act include persons who sell dogs wholesale or breed dogs to sell wholesale, sell dogs to laboratories for research purposes or breed dogs for sale to laboratories for research purposes, broker dogs, operate an auction at which dogs are sold, or give dogs as prizes as part of a promotion. Transporters of dogs, such as airlines, railroads, motor carriers, and handlers contracted to transport dogs, are also subject to the Animal Welfare Act. Additionally, persons who exhibit dogs (such as circuses or carnivals) and laboratories that use dogs for research are subject to the Animal Welfare Act. These are the groups that must comply with the final rule prohibiting permanent tethering of dogs as a means of primary enclosure. However, any person required to comply with the final rule may request approval from APHIS to temporarily tether a dog.

Any person who is not subject to the Animal Welfare Act does not have to comply with the final rule on tethering, and may continue to tether their dogs. Persons who own dogs as pets are not subject to the Animal Welfare Act. Persons who breed dogs as a hobby, and do not sell them wholesale, are not subject to the Animal Welfare Act. Dog mushers and owners of guard dogs or hunting dogs are not subject to the Animal Welfare Act. Therefore, these entities are not subject to and do not have to comply with APHIS' final rule regarding tethering of dogs. APHIS has no authority under the Animal Welfare Act to prohibit tethering of dogs by persons who are not subject to the Act.

Individuals most likely to be affected by the final rule on tethering are those licensed by APHIS as Class A and Class B dealers of dogs. This includes persons who sell dogs wholesale, breed dogs to sell wholesale, sell dogs to laboratories for research purposes, or breed dogs for

sale to laboratories for research purposes. Most dog breeder and wholesale industry organizations agree that tethering is not a humane means of primary enclosure for dogs when used under the circumstances typical to breeding and wholesale facilities. Many of these organizations already prohibit member facilities from using tethering as a means of primary enclosure. For this reason, using tethering as a means of primary enclosure is rare among licensed Class A and Class B dog dealers. We recognize that many persons not subject to the Animal Welfare Act do tether their dogs. Persons not regulated under the Animal Welfare Act who tether their dogs are likely to be using this means of restraint under circumstances different than those typical to breeding and wholesale facilities. In these cases, tethering may be a humane method of restraint. Regardless, APHIS does not have the authority to regulate the activities of dog owners who are not subject to the Animal Welfare Act.

Authority: 7 U.S.C. 2131-2159; 7 CFR 2.22, 2.80, and 371.2(g).

Done in Washington, DC, this 22nd day of September 1997.

Terry L. Medley,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 97-25482 Filed 9-24-97; 8:45 am]

BILLING CODE 3410-34-P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Chapter VII

Interpretive Rulings and Policy Statements

AGENCY: National Credit Union Administration (NCUA).

ACTION: Withdrawal of outdated and unnecessary Interpretive Rulings and Policy Statements (IRPS).

SUMMARY: NCUA is withdrawing several of its Interpretive Rulings and Policy Statements (IRPS) that have become outdated or unnecessary or have been superseded by other IRPS or NCUA regulations. This is the first step in NCUA's ongoing project to update and streamline its IRPS. The intended purpose of withdrawing these IRPS is to ease the compliance burden on federally chartered and federally insured credit unions and provide more valuable guidance by eliminating IRPS that no longer effectively advance NCUA's regulatory goals or statutory responsibilities.

EFFECTIVE DATE: September 25, 1997.

ADDRESSES: National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

FOR FURTHER INFORMATION CONTACT: Nicole Sippial Williams, Staff Attorney, Division of Operations, Office of the General Counsel, (703) 518-6540, or at the above address.

SUPPLEMENTARY INFORMATION:

A. Background

As part of its Regulatory Review Program, NCUA conducted a review of its IRPS to determine their current effectiveness. Several of the IRPS were found to be outdated and unnecessary and, thus, could be withdrawn. On March 13, 1997, the NCUA Board issued an advance notice of proposed rulemaking soliciting comments on a proposal to revise NCUA's existing IRPS. As part of the proposal, NCUA recommended withdrawing 17 IRPS, redesignating 9 IRPS into the NCUA Rules and Regulations, transferring 1 IRPS into a NCUA instructional manual or directive, and preserving 12 IRPS.

NCUA received a total of 17 comments from federal credit unions, state-chartered credit unions, trade organizations, state leagues, and state credit union regulators. The commenters were overwhelmingly in support of NCUA's efforts to revise and streamline its IRPS and the proposed action to be taken with regard to each IRPS, but suggested a few specific changes.

One commenter suggested that IRPS 80-10, When Federal Credit Unions Can Charge More Than 15% Per Annum on Government Insured or Guaranteed Loans, should not be withdrawn. We disagree. The guidance provided in this IRPS is adequately addressed in Section 701.21(e) of NCUA Rules and Regulations. One commenter suggested that IRPS 82-6, Corporate Federal Credit Union Chartering Guidelines, should not be withdrawn, but should remain for credit unions that believe they would be better served by a new corporate credit union or for state chartered credit unions that want to convert to federal charters. We disagree. The guidance provided in IRPS 82-6 is no longer relevant to chartering corporate credit unions. Applications for new corporate charters will be handled on a case-by-case basis with the NCUA Chartering and Field of Membership Manual (IRPS 94-1, as amended by IRPS 96-1) used as guidance where applicable.

NCUA thoroughly evaluated the comments and has incorporated some of the suggested changes into this

withdrawal of IRPS and will continue to do so as the IRPS are further revised.

IRPS that were marked for redesignation into NCUA Rules and Regulations, according to the March 13, 1997, proposal, will be redrafted as proposed rules and submitted to the public for notice and comment at a later date. IRPS to be preserved, will be further reviewed for possible revision, and if any changes are made, the IRPS will be reissued.

B. IRPS To Be Withdrawn

At this time NCUA is withdrawing 18 IRPS that it considers either outdated, since they no longer provide relevant or useful guidance, or unnecessary, since the guidance provided has already been incorporated into NCUA regulations or manuals. In addition, 10 IRPS are being withdrawn because they have been superseded by other IRPS or NCUA regulations and NCUA wants to reemphasize to the public that these IRPS are no longer viable.

IRPS No. 79-1, Statement of Policy Regarding Relationship of Credit Union Service Corporations and Existing Accounting Service Centers, 44 FR 21762, Apr. 12, 1979, provides that in order to assist existing accounting service centers and "leeway" organizations in complying with a new CUSO rule implemented by NCUA, NCUA agrees to forego taking any action for a period of one year. IRPS 79-1 is outdated because it addresses a specific NCUA policy to allow a one-year phase-in period for a new CUSO rule implemented by NCUA at that time.

IRPS No. 79-2, Share Accounts, 44 FR 39382, July 6, 1979, provides that as a result of a rule change deregulating share accounts, NCUA no longer requires share draft accounts to be identical to regular share accounts and confirms that share draft accounts are regular share accounts with terms and dividend rates that can vary from other regular share accounts. IRPS 79-2 is unnecessary because the guidance provided is restated in Section 701.35 of NCUA Rules and Regulations.

IRPS No. 79-3, Amortization of Long Term Real Estate Loans, 44 FR 39182, July 5, 1979, states that absent NCUA approval, federal credit unions must amortize real estate loans by "substantially equal monthly installments" with two exceptions. The total of principal and interest for the first and last monthly installment may differ slightly from the total of the other installments. IRPS 79-3 is outdated because it is superseded by Sections 5040.5.2.1.1 and 5040.5.2.1.2 of the NCUA Accounting Manual. The Accounting Manual establishes two

methods of amortizing loans that may be used by federal credit unions.

IRPS No. 79-4, Investment Activities, 44 FR 51195, Aug. 31, 1979, established certain accounting procedures for permissible investment activities. IRPS 79-4 is unnecessary because the guidance provided is restated in the current, as well as, the newly revised version of Part 703 NCUA of Rules and Regulations and in the NCUA Accounting Manual.

IRPS No. 79-5, Insurance Activities, 44 FR 43711, July 26, 1979, provides that participation in a draft payment system that involves the presentment and settlement of claims by a federal credit union, with subsequent reimbursement to the federal credit union by the insurer is impermissible. Thus, a federal credit union's involvement with an insurance vendor is limited to the forwarding of claim forms to the vendor for processing. IRPS 79-5 is outdated because it interprets an obsolete provision. In addition Part 721 of NCUA Rules and Regulations, addressing rules governing insurance, limits a federal credit union's insurance activities to performing administrative functions on behalf of a vendor.

IRPS No. 79-7, Liquidity Reserve, 44 FR 61172, Oct. 24, 1979, provides guidance on NCUA's position on (1) provisions of Part 742, (2) the calculation and disclosure of liquidity reserves, and (3) procedures for requesting additional time to meet the liquidity reserve. IRPS 79-7 is outdated because Part 742 has been removed from NCUA Rules and Regulations. The NCUA Board believed that efficient liquidity management varies among credit unions, and liquidity decisions should be the responsibility of individual credit unions boards of directors.

IRPS No. 79-8, Public Observance and Availability of Information Regarding Board Meetings; Interim Sunshine Act Policy Statement, 44 FR 70709, Dec. 10, 1979, sets forth NCUA's policy governing the implementation of the Sunshine Act. IRPS 79-8 is unnecessary because the guidance provided is restated in §§ 791.9-791.18 of NCUA Rules and Regulations.

IRPS No. 79-9, Rate of Interest, 44 FR 74799, Dec. 18, 1979, provides that the effect of a compensating balance must be considered in determining usury limits on federal credit union member loans. IRPS 79-9 is outdated because the permissible interest rate that credit union may charge has changed from 12% to 15%, and the practice of requesting compensating balances is no longer prevalent among credit unions. Any potential questions from a federal

credit union, relating to compensating balances, can be handled without the continuing need for this IRPS.

IRPS No. 79-10, Notice of Proposed Consumer Program, 45 FR 7738, Feb. 4, 1980, sets forth NCUA's proposed consumer program as requested by Executive Order 12160. IRPS 79-10 is outdated because it is superseded by IRPS 80-7, the Final Notice of Consumer Program, 45 FR 50260, July 28, 1980.

IRPS No. 80-7, Final Notice of Consumer Program, 45 FR 50260, July 28, 1980, sets forth NCUA's final consumer program which was to be governed by the Office of Consumer Affairs. IRPS 80-7 is outdated because it is superseded by NCUA Instruction 12400.2, Compliance Activities: Complaint Handling and Documentation of Violations, which sets forth NCUA's current policy for handling consumer affairs.

IRPS No. 80-10, When Federal Credit Unions Can Charge More Than 15 Percent Per Annum on Government Insured or Guaranteed Loans, 45 FR 71353, Oct. 28, 1980, provides that government insured and guaranteed loans may exceed the federal usury rate for federal credit unions. IRPS 80-10 is unnecessary because the guidance provided is restated in § 701.21(e) of NCUA Rules and Regulations.

IRPS No. 80-11, State Chartered Federally Insured Credit Unions as Most Favored Lenders, 45 FR 78624, Nov. 26, 1980, sets forth the conditions upon which federally insured state chartered credit unions (FISCUs) are granted most favored lender status pursuant to the Federal Credit Union Act. IRPS 80-11 is outdated because it has been superseded by IRPS 81-3, State Chartered Federally Insured Credit Unions as "Most Favored Lenders," 45 FR 78624, Nov. 26, 1980, which removed the conditions set forth in IRPS 80-11 so that most favored lender status would apply to any loan that an FISCU grants.

IRPS No. 80-12, Verification of Member Accounts, 46 FR 9919, Jan. 30, 1981, provides that federal credit unions are allowed to use statistical sampling in satisfaction of statutory and regulatory member account verification requirements. IRPS 80-12 is unnecessary because the guidance provided is restated in Chapter 24 of NCUA's Supervisory Committee Guide.

IRPS No. 81-1, Definitions—Exclusions from Gross Income in Computing Reserve Requirements, 46 FR 13204, Feb. 20, 1981, provides that credit unions receiving Central Liquidity Fund dividends may exclude those dividends in computing federally-imposed reserve requirements. IRPS 81-

1 is unnecessary because the guidance provided is restated in Section 6090.5 of the NCUA Accounting Manual.

IRPS No. 81-2, Federal Funds, 46 FR 14887, Mar. 3, 1981, authorizes certain federal funds transactions for federal credit unions and establishes guidelines and accounting procedures for the same. IRPS 81-2 is unnecessary because the guidance provided is restated in § 703.100(g) of NCUA Rules and Regulations.

IRPS No. 81-4, Developing Government Regulations, 46 FR 29248, June 1, 1981, sets forth NCUA's procedures for developing and reviewing its regulations. IRPS 81-4 was drafted in response to the passage of the Financial Simplification Act of 1980, the Regulatory Flexibility Act of 1980, 5 U.S.C. *et seq.*, and the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 *et seq.* IRPS 81-4 is now outdated due to changes in the law, including the repeal of the Financial Simplification Act of 1980, and is superseded by IRPS 87-2 which sets forth NCUA's current procedures for developing and reviewing its regulations.

IRPS No. 81-5, Proposed Policy Statement Release of Consumer Examination Reports, 46 FR 29575, June 2, 1981, sets forth conditions under which individual federal credit unions may release consumer compliance examination reports to third parties. IRPS 81-5 is outdated because consumer compliance examinations are no longer performed as separate examinations, but are performed in conjunction with safety and soundness examinations producing one examination report. This examination report is an exempt document. The release of an exempt document is addressed in Part 792 of NCUA Rules and Regulations.

IRPS No. 81-8, Full and Fair Disclosure Requirements, 47 FR 23685, June 1, 1982, provides that compliance with Section 2000 of the Accounting Manual will place a federal credit union in compliance with the full and fair disclosure requirements of Part 702 of the NCUA Regulations. IRPS 81-8 is unnecessary because the guidance provided is restated in § 702.3 of NCUA Rules and Regulations and Section 1000 of the NCUA Accounting Manual.

IRPS No. 81-9, Share, Share Draft and Share Certificate Accounts, 46 FR 57668, Nov. 25, 1981, sets forth NCUA's position regarding the calculation and assessment of premature withdrawal penalties for variable-rate and multiple-addition share certificate accounts. IRPS 81-9 is outdated because NCUA deregulated § 701.35 of the NCUA Rules and Regulations, 47 FR 17979, Apr. 27,

1982, giving a federal credit union's board of directors the responsibility for determining the terms and conditions governing share, share draft, and share certificate accounts, including premature withdrawal penalties.

IRPS No. 82-1, Membership in Federal Credit Unions, 47 FR 16775, Apr. 20, 1982, provides that federal credit unions may offer membership to borrowers whose loans have been purchased from a liquidated credit union and that they may serve multiple occupational group. IRPS 82-1 is outdated because it is superseded by IRPS 82-3, Membership in Federal Credit Unions, 47 FR 26808, June 22, 1982.

IRPS No. 82-3, Membership in Federal Credit Unions, 47 FR 26808, June 22, 1982, provides further guidance on field of membership issues and authorizes multiple associational group charters. IRPS 82-3 is outdated because it is superseded by IRPS 89-1, Chartering and Field of Membership Policy, 54 FR 31165, July 27, 1989.

IRPS No. 83-2, Membership in Federal Credit Unions, 48 FR 22899, May 23, 1983, clarified that the definition of a "well-defined area" stated in IRPS 82-3 includes home offices and branch offices for purposes of adding additional associational and occupational groups. IRPS 83-2 is outdated because it is superseded by IRPS 89-1, Chartering and Field of Membership Policy, 54 FR 31165, July 27, 1989.

IRPS No. 84-1, Membership in Federal Credit Unions, 49 FR 46536, Nov. 27, 1984, combines IRPS 82-3 and IRPS 83-2, sets out modifications made since the two IRPS were published, incorporates several unwritten policies, and sets forth a new policy on service to senior citizens and retirees. IRPS 84-1 is outdated because it is superseded by IRPS 89-1, Chartering and Field of Membership Policy, 54 FR 31165, July 27, 1989.

IRPS No. 85-1, Trustees and Custodians of Pension Plans, 50 FR 48176, Nov. 22, 1985, provides guidelines for federal credit unions involved with self-directed IRA and Keogh accounts. IRPS 85-1 is unnecessary because the guidance provided is restated in Part 724 of NCUA Rules and Regulations.

IRPS No. 86-2, Joint Policy Statement on Basic Financial Services, 51 FR 42083, Nov. 21, 1986, provides that NCUA has adopted FFIEC's recommendation encouraging credit unions to offer basic financial services accessible to low and moderate-income members. IRPS 86-2 is unnecessary because it restates the basic mission of

credit unions. As stated in the Federal Credit Unions Act, 12 U.S.C. 1751, the Act was established "to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping stabilize the credit structure of the United States."

IRPS No. 88-1, Policy on Selection of Securities Dealers and Unsuitable Investment Practices, 53 FR 18268, May 23, 1988, provides that NCUA will adopt a modified version of the FFIEC's Supervisory Policy containing guidance to federal credit unions concerning selection of securities brokers and the avoidance of unsound investment practices. IRPS 88-1 is outdated because it is superseded by IRPS 92-1, Supervisory Policy Statement on Securities Activities, 57 FR 22157, May 27, 1992, which provides additional information on the development of a portfolio policy and strategies for securities and on securities practices that are inappropriate for an investment account.

IRPS No. 89-1, Chartering and Field of Membership Policy, 54 FR 31165, July 27, 1989, provides membership and chartering policies. IRPS 89-1 is outdated because it is superseded by IRPS 94-1, Chartering and Field of Membership Policy, 59 FR 29066, June 3, 1994, as amended by IRPS 96-1, 61 FR 11721, Mar. 22, 1996.

By the National Credit Union Administration Board on September 17, 1997.

Becky Baker,

Secretary to the Board.

[FR Doc. 97-25261 Filed 9-24-97; 8:45 am]

BILLING CODE 7535-01-P

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 950

[No. 97-57]

RIN 3069-AA57

Revision of Financing Corporation Operations Regulation

AGENCY: Federal Housing Finance Board.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is amending its regulation on Financing Corporation (FICO) operations to comply with new statutory requirements, eliminate provisions that have been rendered obsolete by statutory changes, and clarify the practices and procedures of the Finance Board and FICO. The final rule is consistent with the goals of the