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DEPARTMENT OF AGRICULTURE

Rural Housing Service

Rural Business-Cooperative Service

Rural Utilities Service

Farm Service Agency

7 CFR Part 1951

RIN 0560—AF89

Providing Notice to Delinquent Farm Loan Program Borrowers of the Potential for Cross-Servicing

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

ACTION: Final rule.

SUMMARY: The Debt Collection Improvement Act of 1996 requires Federal agencies to transfer delinquent nontax debt to the Department of the Treasury for debt collection action, known as cross-servicing. The Farm Service Agency is revising to provide notice to delinquent Farm Loan Program borrowers of the potential for referral of their debt for cross-servicing. The revisions also establish time limits for applying for debt settlement in order to implement the Government wide cross-servicing program.

EFFECTIVE DATE: November 18, 1999.

FOR FURTHER INFORMATION CONTACT: David Spillman, Chief, Direct Loan Servicing Branch, telephone (202) 720-0900, electronic mail: david_spillman@wdc.fsa.usda.gov.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been reviewed under Executive Order 12866 and has been determined to be not significant and has not been reviewed by OMB.

Regulatory Flexibility Act

In compliance with the Regulatory Flexibility Act (5 U.S.C. 601–602), the undersigned has determined and certified by signature of this document that this rule will not have a significant economic impact on a substantial number of small entities. New provisions included in this rule will not impact small entities to a greater extent than large entities. Therefore, a regulatory flexibility analysis was not performed.

Executive Order 12612

It has been determined that under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. The provisions contained in this rule will not have a substantial direct effect on States or their political subdivisions or on the distribution of power and responsibilities among the various levels of government.

Environmental Evaluation

It is the determination of FSA that this action is not a major Federal action significantly affecting the environment. Therefore, in accordance with the National Environmental Policy Act of 1969, and 7 CFR part 1940, subpart G, an Environmental Impact Statement is not required.

Executive Order 12988

This rule has been reviewed in accordance with Executive Order 12988, Civil Justice Reform. In accordance with this order: (1) all State and local laws and regulations that are in conflict with this rule will be preempted; (2) except as specifically stated in this rule, no retroactive effect will be given to this rule; and (3) administrative proceedings in accordance with 7 CFR parts 11 and 780 must be exhausted before seeking judicial review.

Executive Order 12372

For reasons contained in the Notice related to 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), the programs within this rule are excluded from the scope of Executive Order 12372, which requires intergovernmental consultation with State and local officials.

The Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), requires Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments or the private sector of \$100 million or more in any 1 year. When such a statement is needed for a rule, section 205 of the UMRA requires FSA to prepare a written statement, including a cost benefit assessment, for proposed and final rules with “Federal mandates” that may result in such expenditures for State, local, or tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandates, as defined under Title II of the UMRA, for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Paperwork Reduction Act

The amendments to 7 CFR part 1951, subpart S contained in this rule require no revisions to the information collection requirements that were previously approved by OMB (0560–0161) under the provisions of 44 U.S.C. chapter 35.

Federal Assistance Program

These changes affect the following FSA programs as listed in the Catalog of Federal Domestic Assistance:

- 10.404—Emergency Loans
- 10.406—Farm Operating Loans
- 10.407—Farm Ownership Loans

Background

Section 331D of the Consolidated Farm and Rural Development Act (CONACT), requires the Farm Service Agency (FSA) to provide delinquent Farm Loan Program (FLP) borrowers with a summary of FSA’s delinquency loan servicing and debt settlement programs and an explanation of all filing requirements and deadlines. Section 331D(c) of the CONACT requires this notice to be published in the agency’s regulations. Attachment 1 to Exhibit A of 7 CFR part 1951, subpart S was issued to meet these statutory

requirements. Attachment 1 to Exhibit A of 7 CFR part 1951, subpart S is sent to FLP borrowers who are at least 90 days past due or who are in nonmonetary default.

The Department of the Treasury (Treasury) has promulgated regulations in 31 CFR part 285 (64 FR 22906, April 28, 1999) implementing the Debt Collection Improvement Act of 1996. The Treasury rule is based on 31 U.S.C. 3711(g)(1)(A) which requires executive agencies to transfer delinquent nontax debt to Treasury for action to collect the debt or terminate the claim.

Cross-servicing is a new Government wide program, administered by Treasury, which will also impact the final collection and resolution of delinquent FLP debt. Sections V and VII of Attachment 1 of Exhibit A of part 1951, subpart S, are being revised to state that borrowers must apply for debt settlement within 30 days of receiving an additional debt settlement notice. A cross reference to the section discussing cross-servicing has been added. Attachment 3 of Exhibit A of this subpart has been similarly revised. Section IX of Attachment 1 is being revised to address the provisions of cross-servicing. As revised, FLP borrowers are informed of the conditions for account referral for cross-servicing and information on Treasury's cross-servicing activities.

The conditions for referral of debt for cross-servicing have been established by Treasury in 31 CFR 285.12(c) and (d). Based on Treasury's requirements, in order for a delinquent FLP account to be referred for cross-servicing, all security must have been liquidated and the debt must be legally enforceable. In addition, delinquent FLP borrowers will be notified that they have 30 days to submit an acceptable debt settlement offer to FSA. If a satisfactory debt settlement is not submitted or FSA rejects a debt settlement offer, the account will be referred to Treasury for collection by cross-servicing after all appeal rights are exhausted. Referral of debt to Treasury for cross-servicing is not an appealable action because it is required by statute.

Treasury has outlined cross-servicing activities in 31 CFR 285.12. As revised, section IX of Attachment 1 briefly describes Treasury's collection activities under cross-servicing. If debt is referred for cross-servicing, Treasury may take action to collect the debt by offset or garnishment, refer the debt to a private collection agency for collection, or refer the debt for collection by the U.S. Department of Justice (DOJ). Collection fees may be charged to the borrower when collection is made. In addition,

FSA will report the debt to a credit bureau. After an account is referred to Treasury, any debt settlement offer must be submitted to Treasury, or its private collection agency contractor. If the account is referred to DOJ for collection, the settlement offer must be submitted to DOJ.

Good Cause Statement: FSA is publishing this rule as a final rule without notice and opportunity for public comment based on its finding that notice and public comment are unnecessary and contrary to the public interest. Referral of all agencies', including FSA's, nontax debt or claims, to Treasury for cross-servicing is required by 31 U.S.C. 3711(g)(1)(A), which requires Treasury referral of all nontax debt or claims due the United States for a period of 180 days. Treasury published an interim final rule with a request for comments on April 2, 1998, at 63 FR 16353. Treasury's interim final rule was effective immediately based on its good cause finding that the requirement to transfer debt to Treasury for debt collection became effective on April 26, 1996, the date of enactment of the Debt Collection Improvement Act. On April 28, 1999, at 64 FR 22906, Treasury promulgated the final rule. Therefore, FSA's compliance with the Government wide requirements that took effect on April 2, 1998, make additional public comment unnecessary. It would not be in the public interest for FSA to provide incomplete information about the debt settlement program if its loan servicing notice did not immediately discuss Treasury cross-servicing and its impact on FSA's debt settlement programs. For the reasons stated above, FSA for good cause also finds that making this rule immediately effective serves the public interest.

List of Subjects in 7 CFR Part 1951

Accounting Servicing, Credit, Debt Restructuring, Loan Programs-Agriculture, Loan Programs-Housing and Community Development.

Accordingly, 7 CFR part 1951 is amended as follows:

PART 1951—SERVICING AND COLLECTIONS

1. The authority citation for part 1951 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1932; 7 U.S.C. 1989; 42 U.S.C. 1480.

Subpart S—Farm Loan Programs Account Servicing Policy

2. Revise the first paragraph of Section V of Attachment 1 to Exhibit A to Subpart S to read as follows:

Exhibit A—Notice of the Availability of Loan Servicing and Debt Settlement Programs for Delinquent Farm Borrowers

* * * * *

Attachment 1 * * *

V. Debt Settlement Programs

Purpose

These programs apply after it has been determined that primary loan service programs cannot help you. You may be eligible for both debt settlement and homestead protection. If you do not have FSA collateral you will need to apply for debt settlement only. Under these programs, the debt you owe FSA may be settled for less than the amount you owe. Please apply for debt settlement from FSA by submitting an application for debt settlement on Form RD 1956-1 within 30 days of receiving an additional debt settlement notice. See section IX. These programs are subject to the discretion of the agency and are not a matter of entitlement or right.

* * * * *

3. Revise the eighth paragraph of section VII of Attachment 1 to Exhibit A to Subpart S to read as follows:

* * * * *

Attachment 1 * * *

VII. * * *

Consideration for Debt Settlement Programs

If you wish to be considered for debt settlement, you will need to request and return a completed Form RD 1956-1. You may request debt settlement from FSA within 30 days of receiving an additional debt settlement notice. See section IX. Usually, the most appropriate time for making this request is when FSA has determined that Primary Loan Servicing options will not provide the best net recovery to the Government and you are requesting preservation loan servicing. If you no longer have any security remaining for the outstanding FSA loans, you may want to request debt settlement instead of primary and preservation loan servicing.

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4. Revise section IX of Attachment 1 to Exhibit A to Subpart S to read as follows:

* * * * *

Attachment 1 * * *

IX. Acceleration and Foreclosure

If you do not appeal an adverse determination or if you are denied relief on appeal, FSA will accelerate your loan account and make demand for payment of the whole debt. FSA will stop allowing you to use any of your crop, livestock, and milk checks, on which they have a claim, to pay for living and operating expenses. FSA will repossess the collateral or start legal foreclosure or liquidation proceedings to take and sell the collateral, including your equipment, livestock, crops, and land. FSA will continue to take by administrative offset, money which FSA and other Federal Government agencies owe you.

FSA may refrain from taking these actions if you agree to do one, or a combination of the following actions, within an agreed upon time, with FSA's approval:

(1) Sell all the collateral for the loan at market value.

(2) Convey (legally transfer) the collateral to FSA. You may apply or reapply for homestead protection jointly with this action, even if you applied before and were not accepted.

(3) Apply to transfer the collateral to someone else and have that person assume all or part of the FSA debt. (This is called transfer and assumption.)

If any of these options, or foreclosure, result in payment of less than you legally owe, the servicing official will send you a notice providing you with 30 days to submit a debt settlement application. If you do not respond in a timely manner, your account will be sent to the U.S. Department of the Treasury (Treasury) for collection through cross-servicing. If you submit a debt settlement application within the required time frame, and the application is rejected, your debt will be referred to Treasury for cross-servicing after all appeal rights on the debt settlement application are exhausted. Referral of debt to Treasury for cross-servicing is not an appealable action. If your debt is referred for cross-servicing, Treasury may:

(1) Take action to collect the debt by offset or garnishment, including offset of tax refunds and garnishment of salary,

(2) Refer the debt to a private collection agency for collection, or

(3) Refer the debt for collection by the U.S. Department of Justice (DOJ).

Collection fees may be charged to you when collections are made. In addition, FSA will report the debt to a credit bureau. After your account is referred to Treasury, any debt settlement offer must be submitted to Treasury, or its private collection agency contractor. If your account is referred to DOJ for collection, your offer must be made to DOJ.

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5. Revise the seventh paragraph of Attachment 3 to Exhibit A to Subpart S to read as follows:

* * * * *

Attachment 3 * * *

Purpose of Debt Settlement Programs

These programs apply after it has been determined that primary loan service programs cannot help you. You may be eligible for both debt settlement and preservation loan service programs. If you no longer have FSA collateral you will need to apply for debt settlement only. Under these programs, the debt you owe FSA may be settled for less than the amount you owe. You may apply for debt settlement from FSA by requesting and submitting an application for debt settlement on Form RD 1956-1 within 30 days of receiving an additional debt settlement notice. See section IX of 1951-S, Exhibit A, Attachment 1, which is included with this notice.

* * * * *

Signed in Washington, D.C., on November 4, 1999.

August Schumacher, Jr.,

Under Secretary for Farm and Foreign Agricultural Services.

[FR Doc. 99-29866 Filed 11-17-99; 8:45 am]

BILLING CODE 3410-05-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 99-SW-58-AD; Amendment 39-11429; AD 99-24-05]

RIN 2120-AA64

Airworthiness Directives; Eurocopter Deutschland GMBH (ECD) Model BO-105CB-5 and BO-105-CBS-5 Helicopters

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment supersedes an existing emergency priority letter airworthiness directive (AD), applicable to ECD Model BO-105CB-5 and BO-105-CBS-5 helicopters, that currently requires, before further flight, creating a component log card or equivalent record and determining the calendar age and number of flights on each tension-torsion (TT) strap. This amendment requires the same actions as the emergency priority letter AD and additionally clarifies the compliance time requirements specified in the emergency priority letter AD. This amendment is prompted by an accident in which a main rotor blade (blade) separated from an ECD Model MBB-BK 117 helicopter due to fatigue failure of a TT strap. The same part number TT strap is also used on the ECD Model BO-105 helicopter. The actions specified by this AD are intended to prevent failure of a TT strap, loss of a blade, and subsequent loss of control of the helicopter.

DATES: Effective December 3, 1999. The incorporation by reference of certain publications listed in the regulations is approved by the Director of the **Federal Register** as of December 3, 1999.

Comments for inclusion in the Rules Docket must be received on or before January 18, 2000.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 99-SW-58-AD, 2601 Meacham Blvd., Room 663, Fort Worth, Texas 76137.

The service information referenced in this AD may be obtained from American Eurocopter Corporation, 2701 Forum Drive, Grand Prairie, Texas 75053-4005, telephone (972) 641-3460, fax (972) 641-3527. This information may be examined at the FAA, Office of the Regional Counsel, Southwest Region, 2601 Meacham Blvd., Room 663, Fort Worth, Texas; or at the Office of the **Federal Register**, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT:

Charles Harrison, Aerospace Engineer, FAA, Rotorcraft Directorate, Rotorcraft Standards Staff, 2601 Meacham Blvd., Fort Worth, Texas 76137, telephone (817) 222-5128, fax (817) 222-5961.

SUPPLEMENTARY INFORMATION: On August 11, 1999, the FAA issued Emergency Priority Letter AD 99-17-15, Docket No. 99-SW-50-AD, applicable to ECD Model BO-105CB-5, BO-105CBS, and BO 105 LS A-3 helicopters, which required, before further flight, creating a component log card or equivalent record and determining the calendar age and number of flights on each TT strap. Emergency Priority Letter AD 99-17-15 also required inspecting and removing, as necessary, certain unairworthy TT straps. That action was prompted by an accident in which a blade separated from an ECD Model MBB-BK 117 helicopter resulting in three fatalities. The cause of the blade separation was a TT strap rupture within the main rotor head. The cause of the TT strap rupture remains under investigation. The ECD Model MBB-BK-117 and certain ECD Model BO-105 helicopters use the same part-numbered TT strap. That condition, if not corrected, could result in failure of a TT strap, loss of a blade, and subsequent loss of control of the helicopter.

After issuing Emergency Priority Letter AD 99-17-15, the FAA determined that the calculations for determining the total number of flights on a particular TT strap for the ECD Model BO-105CB-5 and the ECD Model BO-105CBS-5 helicopters were different than the calculation for determining the total number of flights on the part number TT strap for the ECD Model BO-105 LS A-3 helicopters. Therefore, the FAA decided to issue separate ADs with different calculation methods for each of the affected models. Emergency Priority Letter AD 99-20-13, Docket No. 99-SW-56-AD, was issued on September 24, 1999 for the ECD Model BO 105 LS A-3 helicopters and Emergency Priority Letter AD 99-17-21, Docket No. 99-SW-51-AD, applicable to ECD Model BO-105CB-5 and BO-