DESIGNATED TOBACCO MARKETS

Territory	Types of tobacco	Auction markets	Order of designation	Citation
* *	*	*	*	*
(qqq) North Carolina, South Carolina.	Flue-Cured	Fairmont-Fair Bluff-Loris	October 22, 2001	66 FR 53076.

Dated: October 12, 2001.

Kenneth C. Clayton,

Associate Administrator, Agricultural Marketing Service.

[FR Doc. 01–26393 Filed 10–18–01; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

Common Crop Insurance Regulations; Forage Seeding Crop Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Final rule; correction.

SUMMARY: This document contains corrections to the final regulation which was published Wednesday, August 15, 2001 (66 FR 42729–42730). The regulation pertains to the Forage Seeding Crop Provisions for 2003 and subsequent crop years.

EFFECTIVE DATE: This rule is effective upon publication in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Arden Routh, Insurance Management Specialist, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 6501 Beacon Drive, Kansas City, MO, 64133, telephone (816) 926–7730.

SUPPLEMENTARY INFORMATION:

Background

The final regulation that is the subject of this correction was to provide policy changes to better meet the needs of the insured.

Need for Correction

As published, the final regulations contained an error which may prove to be misleading and is in need of correcting. The final rule for the Forage Seeding Crop Provisions did not contain language in section 13(b) that ''Acreage that is harvested and not reseeded,'' will be included as acreage with an established stand.

Correction of Publication

Accordingly, the publication on August 15, 2001, of the final regulation at 66 FR 42729–42730 is corrected as follows:

PART 457—[CORRECTED]

§ 457.151 [Corrected]

On page 42730, in the third column in § 457.151, the crop provisions section 13(b) is corrected to read as follows:

* * * * *

(b) The acres with an established stand will include:

(1) Acreage that has at least 75 percent of a normal stand;

(2) Acreage abandoned or put to another use without our prior written consent;

(3) Acreage damaged solely by an uninsured cause; or

(4) Acreage that is harvested and not reseeded.

* * * * *

Signed in Washington, DC, on October 15, 2001.

Phyllis W. Honor,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 01–26396 Filed 10–18–01; 8:45 am]

BILLING CODE 3410–08–P

FEDERAL RESERVE SYSTEM

12 CFR Part 204

[Regulation D; Docket No. R–1113]

Reserve Requirements of Depository Institutions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the low reserve tranche and the reserve requirement exemption for 2002, and announces the annual indexing of the deposit reporting cutoff level that will be effective beginning in September 2002. The amendments decrease the amount of transaction accounts subject to a reserve requirement ratio of three percent in 2002, as required by section 19(b)(2)(C) of the Federal Reserve Act, from $42.8 million to $41.3 million of net transaction accounts. This adjustment is known as the low reserve tranche adjustment. The Board is increasing from $5.5 million to $5.7 million the amount of reservable liabilities of each depository institution that is subject to a reserve requirement of zero percent in 2002. This action is required by section 19(b)(11)(B) of the Federal Reserve Act, and the adjustment is known as the reservable liabilities exemption adjustment. The Board is also increasing the deposit cutoff level that is used in conjunction with the reservable liabilities exemption to determine the frequency of deposit reporting from $101.0 million to $106.9 million for nonexempt depository institutions. (Nonexempt institutions are those with total reservable liabilities exceeding the amount exempted from reserve requirements.) Thus, beginning in September 2002, nonexempt institutions with total deposits of $106.9 million or more will be required to report weekly while nonexempt institutions with total deposits less than $106.9 million may report quarterly, in both cases on form FR 2900. Exempt institutions with at least $5.7 million in total deposits may report annually on form FR 2910a.

DATES: *Effective date:* November 19, 2001.

Compliance dates: For depository institutions that report weekly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will apply to the reserve computation period that begins Tuesday, November 27, 2001, and the corresponding reserve maintenance period that begins Thursday, December 27, 2001. For institutions that report quarterly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will apply to the reserve computation period that begins Tuesday, December 18, 2001, and the corresponding reserve maintenance period that begins Thursday, January 17, 2002. For all depository institutions, the deposit cutoff level will be used to screen institutions in the second quarter of 2002 to determine the reporting frequency for the twelve month period that begins in September 2002.

FOR FURTHER INFORMATION CONTACT: Heatherun Allison, Counsel (202/452–3565), Legal Division, or June O'Brien, Economist (202/452–3790), Division of Monetary Affairs; for users of Telecommunications Device for the Deaf (TDD) only, please call 202/263–4869; Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Section 19(b)(2) of the Federal Reserve Act (12 U.S.C. 461(b)(2)) requires each depository institution to maintain reserves against its transaction accounts and nonpersonal time deposits, as prescribed by Board regulations. The required reserve ratio applicable to transaction account balances exceeding the low reserve tranche is 10 percent. Section 19(b)(2) also provides that, before December 31 of each year, the Board shall issue a regulation adjusting the low reserve tranche for the next calendar year. The adjustment in the tranche is to be 80 percent of the percentage increase or decrease in net transaction accounts at all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Currently, the low reserve tranche on net transaction accounts is $42.8 million. Net transaction accounts of all depository institutions decreased by 4.3 percent (from $619.3 billion to $592.8 billion) from June 30, 2000, to June 30, 2001. In accordance with section 19(b)(2), the Board is amending Regulation D (12 CFR part 204) to decrease the low reserve tranche for transaction accounts for 2002 by $1.5 million to $41.3 million.

Section 19(b)(11)(B) of the Federal Reserve Act provides that, before December 31 of each year, the Board shall issue a regulation adjusting for the next calendar year the dollar amount of reservable liabilities exempt from reserve requirements. Unlike the adjustment for the low reserve tranche on net transaction accounts, which adjustment can result in a decrease as well as an increase, the change in the exemption amount is to be made only if the total reservable liabilities held at all depository institutions increase from one year to the next. The percentage increase in the exemption is to be 80 percent of the increase in total reservable liabilities of all depository institutions as of the year ending June 30. Total reservable liabilities of all depository institutions increased by 5.1 percent (from $2,200.0 billion to $2,313.1 billion) from June 30, 2000, to June 30, 2001. Consequently, the reservable liabilities exemption amount for 2002 under section 19(b)(11)(B) will be increased by $0.2 million from $5.5 million to $5.7 million.[1]

The effect of the application of section 19(b) of the Federal Reserve Act to the change in the total net transaction accounts and the change in the total reservable liabilities from June 30, 2000, to June 30, 2001, is to decrease the low reserve tranche to $41.3 million, to apply a zero percent reserve requirement on the first $5.7 million of net transaction accounts, and to apply a three percent reserve requirement on the remainder of the low reserve tranche.

For institutions that report weekly, the tranche adjustment and the reservable liabilities exemption adjustment will be effective for the fourteen-day reserve computation period beginning Tuesday, November 27, 2001, and for the corresponding fourteen-day reserve maintenance period beginning Thursday, December 27, 2001. For institutions that report quarterly, the tranche adjustment and the reservable liabilities exemption adjustment will be effective for the seven-day computation period beginning Tuesday, December 18, 2001, and for the corresponding seven-day reserve maintenance period beginning Thursday, January 17, 2002.

In order to reduce the reporting burden for small institutions, the Board has established deposit reporting cutoff levels to determine deposit reporting frequency. In July 2000, the Board specified that the annual percentage increase in the nonexempt deposit cutoff be set equal to 80 percent of the growth rate of total deposits at all depository institutions over the one-year period ending on the most recent June 30.

From June 30, 2000, to June 30, 2001, total deposits increased 7.3 percent, from $5,216.0 billion to $5,596.6 billion. Accordingly, the nonexempt deposit cutoff level will increase by $5.9 million from $101.0 million in 2001 to $106.9 million in 2002. Based on the indexation of the reservable liabilities exemption, the cutoff level for total deposits above which reports of deposits must be filed will rise from $5.5 million to $5.7 million. Under the deposit reporting system, institutions are screened during each year to determine their reporting category beginning in the September of that year. Hence, the cutoff level would be used in the 2002 deposit report screening process and new deposit reporting panels will be implemented in September 2002.

Thus, effective in September 2002, all U.S. branches and agencies of foreign banks and Edge and agreement corporations, regardless of size, and other institutions with total reservable liabilities exceeding $5.7 million (nonexempt institutions) and with total deposits at or above $106.9 million would be required to file weekly the Report of Transaction Accounts, Other Deposits and Vault Cash (form FR 2900). Nonexempt institutions with total deposits below $106.9 million could file the FR 2900 quarterly. Institutions that obtain funds from non-U.S. sources or that have foreign branches or IBFs would continue to be required to file the Report of Certain Eurocurrency Transactions (forms FR 2950/FR 2951) at the same frequency as they file the form FR 2900. Institutions with reservable liabilities at or below the exemption amount of $5.7 million (exempt institutions) and with at least $5.7 million in total deposits would be required to file the Annual Report of Total Deposits and Reservable Liabilities (form FR 2910a). Institutions with total deposits below the exemption level of $5.7 million would be excused from reporting if their deposits can be estimated from other data sources.

Finally, the Board may require a depository institution to report on a weekly basis, regardless of the cutoff level, if the institution manipulates its total deposits and other reservable liabilities in order to qualify for quarterly reporting. Similarly, any depository institution that reports quarterly may be required to report weekly and to maintain appropriate reserve balances with its Reserve Bank if, during its computation period, it understates its usual reservable liabilities or overstates the deductions allowed in computing required reserve balances.

Notice. The provisions of 5 U.S.C. 553(b) relating to notice of proposed rulemaking have not been followed in connection with the adoption of these amendments. The amendments involve expected, ministerial adjustments prescribed by statute and by the Board's policy concerning reporting practices. In addition, the reservable liabilities exemption adjustment and the increases for reporting purposes in the deposit cutoff levels reduce regulatory burdens on depository institutions, and the low reserve tranche adjustment will have a *de minimis* effect on depository institutions with net transaction accounts exceeding $41.3 million. Accordingly, the Board finds good cause for determining, and so determines, that

[1] Consistent with Board practice, the tranche and exemption amounts have been rounded to the nearest $0.1 million.

notice in accordance with 12 U.S.C. 552(b) is unnecessary.

Regulatory Flexibility Analysis

The Board certifies that these amendments will not have a substantial economic impact on small depository institutions.

List of Subjects in 12 CFR Part 204

Banks, banking, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Board is amending 12 CFR part 204 as follows:

PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)

1. The authority citation for part 204 continues to read as follows:

Authority: 12 U.S.C. 248(a), 248(c), 371a, 461, 601, 611, and 3105.

2. Section 204.9 is revised to read as follows:

§ 204.9 Reserve requirement ratios.

(a) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and Agreement corporations, and United States branches and agencies of foreign banks:

Category	Reserve requirement [1]
Net transaction accounts:	
$0 to $41.3 million	3 percent of amount.
Over $41.3 million	$1,239,000 plus 10 percent of amount over $41.3 million.
Nonpersonal time deposits	0 percent.
Eurocurrency liabilities	0 percent.

[1] Before deducting the adjustment to be made by the paragraph (b) of this section.

(b) *Exemption from reserve requirements.* Each depository institution, Edge or agreement corporation, and U.S. branch or agency of a foreign bank is subject to a zero percent reserve requirement on an amount of its transaction accounts subject to the low reserve tranche in paragraph (a) of this section not in excess of $5.7 million determined in accordance with § 204.3(a)(3).

By order of the Board of Governors of the Federal Reserve System, October 12, 2001.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. 01–26197 Filed 10–18–01; 8:45 am]

BILLING CODE 6210–01–P

EMERGENCY STEEL GUARANTEE LOAN BOARD

13 CFR Part 400

RIN 3003–ZA00

Emergency Steel Guarantee Loan Program; Third-party Enhancement of Guarantees; Refinancing and Transfer Restrictions

AGENCY: Emergency Steel Guarantee Loan Board.

ACTION: Final rule.

SUMMARY: The Emergency Steel Guarantee Loan Board (Board) is amending the regulations governing the Emergency Steel Guarantee Loan Program (Program). These changes are meant to provide for supplemental guarantees by third parties and to change restrictions on refinancing existing credit and on loan guarantee transfers by Lenders. The intent of these changes is to increase participation in the Program by lenders.

DATES: This rule is effective October 19, 2001.

FOR FURTHER INFORMATION CONTACT: Marguerite S. Owen, General Counsel, Emergency Steel Guarantee Loan Board, 1099—14th Street, NW., Suite 2600 East, Washington, DC 20005, (202) 219–0584.

SUPPLEMENTARY INFORMATION: On October 27, 1999, the Board published a final rule codifying at Chapter 4, Title 13, Code of Federal Regulations (CFR), regulations implementing the Program, as established in Chapter 1 of Public Law 106–51, the Emergency Steel Loan Guarantee Act of 1999 (64 FR 57932). Since those initial regulations were published the Board has made a number of changes to the regulations meant to conform the regulations to the Guarantee Agreement between the government and the lender, to allow for participations in unguaranteed tranches of loans guaranteed under the Program, to harmonize certain program requirements with commercial lending practices, streamline program operation, open a second period for the submission of applications and allow for certain delegations of authority. Today the Board is making additional changes designed to align Program administration with legal requirements and to increase participation by lenders in the Program. Section 400.106 is being revised to reflect the fact that the Program's evaluation process is no longer competitive and hence the concept of ex parte communications is no longer applicable. As revised, the rule prohibits only communications not on the public record between a member of the Board and an interested party, in order to avoid a situation where one member of the Board receives or conveys information concerning a pending application that is not available to other members of the Board. Section 400.205 is being modified to reflect that the Board has extended the deadline for applications from April 2, 2001 to August 31, 2001. With respect to increasing lender participation, a new § 400.215 is added to allow for supplemental guarantees by third parties, including state and local governments and related provisions are being modified to reflect that change. Section 400.210 is being modified to allow for transfers of interests in guaranteed loans to Eligible Lenders without prior Board approval. Section 400.201 is being amended to allow refinancing of the applicant lender's existing credit if the applicant's risk exposure is at least substantially equivalent.

Public Law 106–51 has a requirement that the Board take into account the prospective earning power of the Borrower together with the nature and character of the security pledged in making a determination that there is a reasonable assurance of repayment of the loan sought to be guaranteed. The Program's regulations, at § 400.207, currently describe the Board's assessment of the nature and character of the security pledged for a loan, but do not address the Board's review of the prospective earning power of the Borrower. However, in compliance with the law, the Board has always evaluated the Borrower's prospective earning power in making a determination whether there is a reasonable assurance of repayment of the loan sought to be guaranteed. This rule will amend the Board's regulations to make clear that the Board does assess a Borrower's prospective earning power in making such a determination. In particular, the