

acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy and written agreement provisions.

Signed in Washington, D.C., on May 19, 1997.

Kenneth D. Ackerman,
Manager, Federal Crop Insurance
Corporation.

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DEPARTMENT OF AGRICULTURE

Farm Service Agency

Rural Housing Service

Rural Business—Cooperative Service

Rural Utilities Service

7 CFR Parts 1910, 1941, 1943, 1945, and 1980

RIN 0560-AE87

Implementation of the Direct and Guaranteed Loan Making Provisions of the Federal Agricultural Improvement Act of 1996: Correction

AGENCY: Farm Service Agency, USDA.

ACTION: Interim rule, correction; and
correcting amendments.

SUMMARY: This document contains corrections to the interim regulations that were published Monday, March 3, 1997 (62 FR 9351-59). Technical corrections are also made to CFR sections not originally included in the interim rule. The regulations pertained to the loan making provisions of the Farm Service Agency (FSA) farm loan programs.

EFFECTIVE DATE: The corrections to the interim rule and the correcting amendments are effective May 27, 1997.

FOR FURTHER INFORMATION CONTACT: Steven R. Bazzell, Senior Loan Officer, Farm Service Agency. Telephone: 202-720-3889; facsimile: 202-690-1117; or e-mail: sbazzell@wdc.fsa.usda.gov

SUPPLEMENTARY INFORMATION:

Background

The interim final regulations, which are the subject of these corrections, implemented the direct and guaranteed FSA farm loan making provisions of the Federal Agricultural Improvement Act of 1996 (Act). The public comment period ended on May 2, 1997.

Need for Correction

As published, the interim final regulations contain errors that either conflict with the Act, are misleading or are in need of clarification. Conflicts

with the statutory language of the Act require some corrections not originally included in the interim rule published on March 3, 1997. Those corrections are as follows: (a) Section 1910.5 of 7 CFR part 1910, subpart A, is corrected by incorporating a provision that renders an applicant ineligible for most types of FSA loan assistance when they have received debt forgiveness. (b) Section 1943.13 of 7 CFR part 1943, subpart A, is corrected by removing references to the "sale of acquired property" and "credit sales" to socially disadvantaged applicants, since this is eliminated by the Act. (c) Section 1980.106 of 7 CFR part 1980, subpart B, is corrected by removing a reference to "non-farm enterprises" contained in the "farm" definition because non-farm enterprises are no longer financed by the Agency under the Act.

List of Subjects

7 CFR Part 1910

Application processing, Loan programs-agriculture.

7 CFR Part 1941 and 1943

Applicant eligibility, Beginning farmers and ranchers, Loan programs-agriculture.

7 CFR Part 1945

Disaster assistance, Loan programs-agriculture.

7 CFR Part 1980

Beginning farmers and ranchers, Loan guarantees, Loan programs-agriculture.

Accordingly, 7 CFR chapter XVIII is corrected by making the following correcting amendments:

PART 1910—GENERAL

1. The authority citation for part 1910 continues to read as follows:

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

Subpart A—Receiving and Processing Applications

2. Section 1910.5 is amended by revising the introductory text of paragraph (c) as set forth below and removing paragraph (c)(6).

§ 1910.5 Evaluating applications.

* * * * *

(c) When the applicant, including any members of an entity applicant, caused the Agency a loss by receiving debt forgiveness, they are ineligible for assistance in accordance with applicable program eligibility regulations. If the debt forgiveness is cured by repayment of the Agency's loss, the Agency may still consider the

debt forgiveness in determining the applicant's creditworthiness. The following circumstances do not automatically indicate an unacceptable credit history:

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PART 1941—OPERATING LOANS

3. The authority citation for part 1941 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989.

Subpart A—Operating Loan Policies, Procedures, and Authorizations

4. Section 1941.12, paragraphs (a)(8), (a)(11), (b)(9) and (b)(12) are revised to read as follows:

§ 1941.12 Eligibility requirements.

* * * * *

(a) * * *

(8) Have not executed a promissory note for a direct OL loan in more than 6 different calendar years prior to the calendar year that the requested direct OL loan will close. This eligibility restriction applies to anyone who signs the promissory note. Youth loans are not counted as direct OL loans for the purpose of this paragraph.

* * * * *

(11) Not be delinquent on any Federal debt. This restriction will not apply if the Federal delinquency is cured on or before the loan closing date.

(b) * * *

(9) Have no member of the business entity who has executed a promissory note for direct OL loans in more than 6 different calendar years prior to the calendar year that the requested direct OL loan will close. This eligibility restriction applies to anyone who signs the promissory note. Youth loans are not counted as direct OL loans for the purpose of this paragraph.

* * * * *

(12) Not be delinquent on any Federal debt. This restriction will not apply if the Federal delinquency is cured on or before the loan closing date. This eligibility restriction applies to the entity and all of its members.

* * * * *

§ 1941.16 [Corrected]

5. Section 1941.16(i)(2) is amended by removing the word "owned" and adding the word "owed" in its place.

Subpart B—Closing Loans Secured by Chattels

§ 1941.88 [Corrected]

6. In § 1941.88(c), the first sentence is amended by removing the word "more" and adding the word "less" in its place.

PART 1943—FARM OWNERSHIP, SOIL AND WATER AND RECREATION

7. The authority citation for part 1943 continues to read as follows:

Authority: 5 U.S.C. 301, and 7 U.S.C. 1989.

Subpart A—Direct Farm Ownership Loan Policies, Procedures and Authorizations**§ 1943.4 [Corrected]**

8. Section 1943.4(e) is amended by adding “Except for OL loan purposes,” at the beginning of the first sentence.

9. Section 1943.12 (a)(11) and (b)(11) is revised to read as follows:

§ 1943.12 Farm ownership loan eligibility requirements.

* * * * *

(a) * * *

(11) Not be delinquent on any Federal debt. This restriction will not apply if the Federal delinquency is cured on or before the loan closing date.

(b) * * *

(11) Not be delinquent on any Federal debt. This restriction will not apply if the Federal delinquency is cured on or before the loan closing date. This eligibility restriction applies to the entity and all of its members.

* * * * *

§ 1943.13 [Corrected]

10. Section 1943.13 is amended by:

a. Removing from the introductory text of paragraph (a) and (b) the words “and Acquired Property.”

b. Removing paragraph (a)(2).

c. Redesignating paragraphs (a)(3), (4) and (5) as paragraphs (a)(2), (3) and (4), respectively.

d. Removing the phrase “and credit sale” and removing the word “programs” and adding the word “program” in its place in paragraph (a)(1) and newly designated paragraph (a)(3).

e. Removing the phrase “and acquired farmland” and removing the word “programs” and adding the word “program” in its place in paragraph (b)(1).

§ 1943.16 [Corrected]

11. Section 1943.16, paragraph (b) is amended by adding a new sentence at the end of the paragraph to read, “In the case of leased property, the borrower must have a lease to ensure use of the improvement over its useful life or to ensure that the borrower receives compensation for any remaining economic life upon termination of the lease.”

PART 1945—EMERGENCY

12. The authority citation for part 1945 continues to read as follows:

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

Subpart D—Emergency Loan Policies, Procedures, and Authorizations**§ 1945.167 [Corrected]**

13. Section 1945.167, paragraph (a) is amended by revising the last sentence to read, “Chattel property must have been covered at the tax or cost depreciated value, whichever is less, when such insurance was readily available and the benefit of the coverage (the lesser of the property’s tax or cost depreciated value) was greater than the cost of the insurance.”

§ 1945.175 [Corrected]

14. Section 1945.175 is amended by adding the word “not” after the word “chattels” in the second to the last sentence of paragraph (c)(3), and by revising the last sentence to read, “Chattels that the applicant did not own on the date set forth in paragraph (c)(2) of this section will be appraised at the present market value.”

PART 1980—GENERAL

15. The authority citation for part 1980 continues to read as follows:

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

Subpart B—Farmer Program Loans**§ 1980.106 [Corrected]**

16. Section 1980.106 is corrected by removing the second sentence of the definition of a “Farm.”

17. Section 1980.174, paragraph (a) introductory text is revised to read as follows:

§ 1980.174 Percentage of guarantee.

* * * * *

(a) The maximum percentage of guarantee is 90 percent, except in the following situations when lenders will be provided a 95 percent guarantee:

* * * * *

§ 1980.175 [Corrected]

18. Section 1980.175 is amended by:

a. Revising the third and fourth sentences of paragraph (b) to read, “Further, the applicant, and anyone who will execute the promissory note, cannot be delinquent on any federal debt. This restriction will not apply if the Federal delinquency is cured on or before the loan closing date.”

b. Amending the first sentence of paragraph (c)(2)(ii) by adding after the

word “creditors” the phrase “or the lender.”

c. Revising the first sentence of paragraph (d)(1) to read, “No guaranteed OL loan shall be made to any applicant after the 15th year that an applicant, or any individual signing the promissory note, received direct or guaranteed OL loans.”

§ 1980.180 [Corrected]

19. Section 1980.180 is amended by:

a. Removing the last sentence of paragraph (a).

b. Removing the word “Agency” and adding the word “lender” in its place in the last two sentences of paragraph (c)(1).

c. Adding the phrase “FO or OL” after the word “authorized” in paragraph (c)(5).

§ 1980.190 [Corrected]

20. Section 1980.190(e) is amended by removing the phrase “but not more than 90 percent” and adding the phrase, “but not more than that allowed under applicable program regulations” in its place.

Signed at Washington, D.C., on May 16, 1997.

Richard O. Newman,

Acting Administrator, Farm Service Agency.

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DEPARTMENT OF AGRICULTURE**Animal and Plant Health Inspection Service****9 CFR Part 94**

[Docket No. 97-040-1]

Change in Disease Status of Spain Because of Hog Cholera

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule and request for comments.

SUMMARY: We are amending the regulations by removing Spain from the list of countries considered to be free from hog cholera. We are taking this action based on reports we have received from Spain’s Ministry of Agriculture that an outbreak of hog cholera has occurred in Spain. As a result of this action, there will be additional restrictions on the importation of pork and pork products into the United States from Spain, and the importation of swine from Spain will be prohibited.

DATES: Interim rule effective April 18, 1997. Consideration will be given only