initial request, and should state all facts supporting the need to obtain the requested records rapidly. The requester must also state that these facts are true and correct to the best of the requester's knowledge and belief.

(3) When a request for expedited processing is received, the Board will respond within ten calendar days from the date of receipt of the request, stating whether or not the request has been granted. If the request for expedited processing is denied, any appeal of that decision will be acted upon expeditiously.

4. Section 1703.107(b)(2)(iv) is removed and reserved.

5. Section 1703.108(b) is revised to read as follows:

§ 1703.108 Processing of FOIA requests.

* * * * *

(b) Action pursuant to this section to provide access to requested records shall be taken within twenty working days. This time period may be extended up to ten additional working days, in unusual circumstances, by written notice to the requester. If the Board will be unable to satisfy the request in this additional period of time, the requester will be so notified and given the opportunity to—

(1) Limit the scope of the request so that it can be processed within the time limit, or

(2) Arrange with the Designated FOIA Officer an alternative time frame for processing the original request or a modified request.

* * * * *

Dated: December 15, 1997.

John T. Conway,

Chairman.

[FR Doc. 97–33298 Filed 12–19–97; 8:45 am]

BILLING CODE 3670–01–M

FARM CREDIT ADMINISTRATION

12 CFR Part 614

RIN 3052–AB81

Loan Policies and Operations; Interest Rates and Charges

AGENCY: Farm Credit Administration.

ACTION: Direct final rule with opportunity for comment.

SUMMARY: The Farm Credit Administration (FCA), through the FCA Board (Board), issues a direct final rule amending its regulations concerning interest rates and charges. This action is consistent with the FCA's continuing efforts to reduce regulatory burden and unnecessary prior approval requirements whenever possible. The amendments eliminate the prior approval requirement for changes in interest rate policies at banks for cooperatives (BCs), eliminate unnecessary or duplicative regulatory requirements, clarify existing requirements that are retained.

The effect of the amendments is to enable BCs to revise rate policies for discounting negotiable paper without prior FCA approval, to eliminate the requirement that fees charged by an association are subject to bank approval, and to clarify that, in all Farm Credit System (FCS or System) banks and direct lender institutions, the board of directors is responsible for setting interest rates and annually reviewing interest rate plans in conjunction with the review and approval of the institution's annual business plan.

DATES: If no significant adverse comment is received on or before January 21, 1998, these regulations shall be effective upon the expiration of 30 days after publication in the **Federal Register** during which either or both Houses of Congress are in session. Notice of the effective date will be published in the **Federal Register**. If significant adverse comment is received, the FCA will publish a notice of withdrawal of the regulations and indicate how the Agency expects to proceed with further rulemaking.

ADDRESSES: Comments may be submitted via electronic mail to ''reg-comm@fca.gov'' or facsimile transmission to (703) 734–5784. Comments also may be mailed or delivered to Patricia W. DiMuzio, Director, Regulation Development Division, Office of Policy Development and Risk Control, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102–5090. Copies of all communications received will be available for review by interested parties in the Office of Policy Development and Risk Control, Farm Credit Administration.

FOR FURTHER INFORMATION CONTACT: Linda C. Sherman, Policy Analyst, Regulation Development Division, Office of Policy Development and Risk Control, (703) 883–4498, TDD (703) 883–4444; or Rebecca S. Orlich, Senior Attorney, Regulatory Enforcement Division, Office of General Counsel, (703) 883–4020, TDD (703) 883–4444.

SUPPLEMENTARY INFORMATION:

I. Background

The regulations in 12 CFR part 614—subpart G pertain to interest rates and charges by FCS institutions. Most of the regulations in subpart G were originally promulgated by the FCA in 1972 following Congress' modernization and consolidation of existing farm credit law in the Farm Credit Act of 1971. The structure of the System has changed considerably in the past 25 years, and the regulatory relationship between FCS institutions and the FCA has become an arm's-length relationship. The amendments set forth below reflect those changes, as well as the FCA's current regulatory philosophy of removing prior approval requirements not mandated by the current Farm Credit Act of 1971, as amended (Act), and unnecessary to the safe and sound operation of an institution. The FCA will continue to hold FCS institution boards and management accountable for their internal operations through the examination process. Likewise, regulatory language that merely restates statutory provisions is eliminated.

Five sections in 12 CFR part 614—subpart G are eliminated, and the two remaining sections are renumbered and moved to 12 CFR part 614—subpart D. Because the changes conform existing regulations to the statute and make only minor changes to the regulatory language, the FCA believes the rule to be noncontroversial and anticipates no significant adverse comment from the public.

II. Description of Amendments

1. Section 614.4270—Policy

The provisions in this section are nearly identical to provisions in sections 1.8(b), 2.4(c), and 3.10(a) of the Act and are therefore removed, as they are duplicative and unnecessary.

2. Section 614.4280—Interest Rates

The FCA is amending existing § 614.4280, which concerns interest rate plans and policy, to make it applicable to direct lender associations as well as to banks. This change will clarify that the board of directors of every System direct lender is responsible for establishing interest rates or interest rate plans. This change is consistent with the underwriting regulation adopted earlier this year, § 614.4150, which requires the boards of directors of both banks and associations to adopt written policies and procedures that, at a minimum, prescribe prudent loan pricing practices.

Although no other substantive changes are made to existing § 614.4280, the FCA makes two technical changes to the final sentence. The first clause, which states that the board ''may not delegate its ultimate responsibilities for setting interest rates,'' is deleted as unnecessary. Because the boards of

System institutions cannot delegate their ''ultimate responsibility'' for any policy decision, the FCA believes that the deleted clause adds nothing to the regulation. At the end of the final sentence, the FCA has replaced the reference to ''fiscal plan and long-range financial plan'' with the words ''operational and strategic business plan,'' to conform with the terms used in § 618.8440 and elsewhere in FCA regulations. The revised regulation is redesignated as § 614.4155.

3. Section 614.4281—Discounts and Related Fees

The FCA is deleting § 614.4281, which authorizes BCs to ''discount or rediscount notes, drafts, acceptances, and other negotiable paper at such rates as may be determined by bank management under policies of the bank board as approved by the Farm Credit Administration.'' The FCA has concluded that the language in § 614.4281 is not necessary to authorize BCs to engage in any of the activities listed, as they are already authorized pursuant to section 3.7(a) of the Act. The prior approval is not required by the Act or necessary to the safe and sound operations of the institution.

4. Section 614.4290—Interest on Past Due Loans

Section 614.4290, which allows banks and production credit associations (PCAs) to provide for the collection of interest at a higher rate after maturity, is deleted as unnecessary. This deletion will not affect the ability of a System direct lender to provide for a default interest rate in its loan documents, nor will it diminish the rights of borrowers. Section 4.13(a)(4) of the Act, § 614.4376(c) of the regulations, and the provisions of Regulation Z (Truth-in-Lending) require that any change in the interest rate applicable to an individual borrower's loan be disclosed to the borrower within certain stated periods of time. These requirements would apply to interest rate changes after maturity and, therefore, provide sufficient protection for individual borrowers.

5. Section 614.4300—Other Charges and Fees

The FCA is deleting § 614.4300, which states that banks and associations may impose reasonable charges or fees on members, borrowers, or applicants in connection with loans or other services rendered. It also provides that the fees charged by an association are subject to bank prior approval. Regulatory authority to charge fees is unnecessary because such authority is provided expressly in sections 1.5(6), 2.2(13), and 3.10(a) of the Act.

Consistent with the FCA Board's regulatory philosophy of repealing regulations that prescribe needlessly detailed management and operational practices, the FCA is deleting the requirement that banks give prior approval to affiliated associations' fees. Bank approvals that are appropriate to the debtor-creditor relationship of a bank and an association may be set forth in the general financing agreement between the institutions. Therefore, the prior approval provision is unnecessary.

6. Section 614.4320—Production Credit Associations

The FCA is deleting § 614.4320, which states that ''the rate of interest charged by an association shall be the rate authorized by the bank, within programs prescribed by the bank board'' and allows for different computations of interest payments authorized under such programs. This regulation in part restates section 2.4(c) of the Act, which provides for PCAs to charge interest rates ''under standards prescribed by the board of the bank'' and is thus unnecessary. The regulatory direction on the computation of interest payments was driven by limitations in computer accounting systems that no longer exist; thus, it is now obsolete.

7. Section 614.4321—Differential Interest Rate Programs

Section 614.4321 describes the types of interest rate programs that System banks and associations may adopt under policies of their boards of directors. This section was recently updated by amending outdated language and removing an unnecessary prior approval. *See* 61 FR 67186 (December 20, 1996). The FCA continues to believe that it is important to set forth the principle of nondiscrimination among similarly situated borrowers in setting differential interest rates. Therefore, the language in this section is retained, and the regulation is redesignated as § 614.4160 and moved to part 614, subpart D.

III. Direct Final Rulemaking

The FCA is using a ''direct final'' procedure for this rulemaking. In a direct final rulemaking, an agency gives notice that a rule will become final at a specified future date unless the agency receives significant adverse comment on the rule during the comment period established in the rulemaking notice. Direct final rulemaking is justified under section 553(b)(B) of the Administrative Procedure Act, 5 U.S.C. 551–59, *et seq.* (APA). Section 553(b)(B) is the APA's ''good cause'' exemption for omitting notice and comment on a rule where an agency finds ''that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.'' However, rather than eliminating public comment altogether, as would be permissible under section 553(b)(B), in a direct final rule the FCA gives the public adequate opportunity to comment on or object to a rule. For a full explanation of direct final rulemaking, *see* 62 FR 63644 (December 3, 1997).

The FCA believes that the changes to 12 CFR part 614—subpart G fit the category of rules appropriate for direct final rulemaking. These changes delete unnecessary approvals, remove duplicative language, and incorporate prudent oversight standards that the FCA already applies to all institutions. As such, the amendments are straightforward and noncontroversial. For these reasons, the FCA does not anticipate that there will be significant adverse comment on this rulemaking.

This rule has a 30-day comment period. If, during that period, the FCA receives a significant adverse comment on the rule, the FCA will withdraw the rule and may either issue another direct final rule or promulgate the rule in proposed form. A significant adverse comment is defined as one where the commenter explains why the rule would be inappropriate, including challenges to the rule's underlying premise or approach, or would be ineffective or unacceptable without a change. In general, a significant adverse comment would raise an issue serious enough to warrant a substantive response from the FCA in a notice-and-comment proceeding.

If no significant adverse comment is received, the FCA will publish its customary notice of the effective date of the rule following the required Congressional waiting period under section 5.17(c)(1) of the Act.

List of Subjects in 12 CFR Part 614

Agriculture, Banks, banking, Flood insurance, Foreign trade, Reporting and recordkeeping requirements, Rural areas.

For the reasons set out in the preamble, part 614 of chapter VI, title 12 of the Code of Federal Regulations is amended to read as follows:

PART 614—LOAN POLICIES AND OPERATIONS

1. The authority citation for part 614 is revised to read as follows:

Authority: 42 U.S.C. 4012a, 4104a, 4104b, 4106, and 4128; secs. 1.3, 1.5, 1.6, 1.7, 1.9,

1.10, 1.11, 2.0, 2.2, 2.3, 2.4, 2.10, 2.12, 2.13, 2.15, 3.0, 3.1, 3.3, 3.7, 3.8, 3.10, 3.20, 3.28, 4.3A, 4.12, 4.12A, 4.13, 4.13B, 4.14, 4.14A, 4.14C, 4.14D, 4.14E. 4.18, 4.18A, 4.19, 4.36, 4.37, 5.9, 5.10, 5.17, 7.0, 7.2, 7.6, 7.7, 7.8, 7.12, 7.13, 8.0, 8.5, 8.9 of the Farm Credit Act (12 U.S.C. 2011, 2013, 2014, 2015, 2017, 2018, 2019, 2071, 2073, 2074, 2075, 2091, 2093, 2094, 2096, 2121, 2122, 2124, 2128, 2129, 2131, 2141, 2149, 2154a, 2183, 2184, 2199, 2201, 2202, 2202a, 2202c, 2202d, 2202e, 2206, 2206a, 2207, 2219a, 2219b, 2243, 2244, 2252, 2279a, 2279a–2, 2279b, 2279b–1, 2279b–2, 2279f, 2279f–1, 2279aa, 2279aa–5, 2279aa–9); sec. 413 of Pub. L. 100–233, 101 Stat. 1568, 1639.

Subpart D—General Loan Policies for Banks and Associations

2. Sections 614.4280 and 614.4321 in subpart G are redesignated as §§ 614.4155 and 614.4160 in subpart D, and § 614.4155 is revised to read as follows:

§ 614.4155 Interest rates.

Loans made by each bank and direct lender association shall bear interest at a rate or rates as may be determined by the institution board. The board shall set interest rates or approve individual interest rate changes either on a case-by-case basis or pursuant to an interest rate plan within which management may establish rates. Any interest rate plan shall set loan-pricing policies and objectives, provide guidance regarding the circumstances under which management may adjust rates, and provide the upper and lower limits on management authority. Any interest rate plan adopted shall be reviewed on a continuing basis by the board, as well as in conjunction with its review and approval of the institution's operational and strategic business plan.

Subpart G—Interest Rates and Charges

Subpart G [Removed and Reserved]

3. Subpart G, consisting of §§ 614.4270, 614.4281, 614.4290, 614.4300 and 614.4320, is removed and reserved.

Dated: December 16, 1997.

Floyd Fithian,

Secretary, Farm Credit Administration Board.

[FR Doc. 97–33260 Filed 12–19–97; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 97–AGL–44]

Modification of Class E Airspace; Grand Rapids, MI

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action modifies Class E airspace at Grand Rapids, MI. An Instrument Landing System (ILS) Standard Instrument Approach Procedure (SIAP) to Runway 35 has been developed for Kent County International Airport. Controlled airspace extending upward from 700 to 1,200 feet above ground level (AGL) is needed to contain aircraft executing the approach. This action increases the radius of the existing Class E airspace.

EFFECTIVE DATE: 0901 UTC, February 26, 1998.

FOR FURTHER INFORMATION CONTACT: Michelle M. Behm, Air Traffic Division, Airspace Branch, AGL–520, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294–7568.

SUPPLEMENTARY INFORMATION:

History

On Friday, September 19, 1997, the FAA proposed to amend 14 CFR part 71 to modify Class E airspace at Grand Rapids, MI (62 FR 49182). The proposal was to add controlled airspace extending upward from 700 to 1200 feet AGL to contain Instrument Flight Rules (IFR) operations in controlled airspace during portions of the terminal operation and while transiting between the enroute and terminal environments.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received. Class E airspace designations extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9E, dated September 10, 1997, and effective September 16, 1997, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to 14 CFR part 71 modifies Class E airspace at Grand Rapids, MI, to accommodate aircraft executing the ILS Runway 35 SIAP at Kent County International Airport by increasing the radius of the existing controlled airspace. Controlled airspace extending upward from 700 to 1200 feet AGL is needed to contain aircraft executing the approach. The area will be depicted on appropriate aeronautical charts.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation—(1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9E, Airspace Designations and Reporting Points, dated September 10, 1997, and effective September 16, 1997, is amended as follows:

Paragraph 6005 Class E Airspace Areas Extending Upward from 700 Feet or More Above the Surface of the Earth

* * * * *

AGL MI E5 Grand Rapids, MI [Revised]

Kent County International Airport, MI
(Lat. 42°52′58″N, long. 85°31′26″ W)