

should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Room, located at the above address. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-PCX-97-46 and should be submitted by August 12, 1998.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁵ that the proposed rule change (SR-PCX-97-46) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-19438 Filed 7-21-98; 8:45am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40193; File No. SR-PCX-98-21]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to Fines for Disruptive Action on the Options Floor

July 10, 1998.

I. Introduction

On April 16, 1998, the Pacific Exchange, Inc. ("PCX" or "Exchange"), filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder² to increase fines for disruptive action involving physical contact between members while on the options floor. Notice of the filing was published in the **Federal Register** on

June 10, 1998.³ No comments were received. This order approves the proposal.

II. Description of the Proposal

The Exchange is proposing to increase its recommended fines under the Minor Rule Plan ("MRP")⁴ for disruptive action involving physical contact between members while on the options floor. These fines are currently set at \$500, \$1,000 and \$2,500 for first, second and third violations, respectively, during a running two-year period. The Exchange is proposing to increase these fines to \$1,500, \$3,000 and \$5,000, respectively.⁵ The purpose of the rule change is to deter future incidents of disruptive conduct involving physical contact on the PCX options floor. The Exchange notes that there has been a moderate increase recently in the number of such cases, and the Exchange intends for the proposed rule change to reverse that trend.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder, and, in particular with the requirements of Section 6(b)(6) of the Act.⁶ Section 6(b)(6) of the Act requires that the rules of the Exchange provide that its

³ Securities Exchange Act Release No. 40063 (June 3, 1998), 63 FR 31823.

⁴ Rule 19d-1(c)(2) under the Act authorizes national securities exchanges to adopt minor rule violation plans for the summary discipline and abbreviated reporting of minor rule violations by exchange members and member organizations. See Securities Exchange Act Release No. 21013 (June 1, 1984), 49 FR 23828 (June 8, 1984) (order approving amendments to paragraph 9(c)(2) of Rule 19d-1 under the Act). Pursuant to PCX Rule 10.13, the Exchange may impose a fine on any member or member organization for any violation of an Exchange rule that has been deemed to be minor in nature and approved by the Commission for inclusion in the MRP. PCX Rule 10.13(h)-(j) sets forth the specific Exchange rules deemed to be minor in nature.

⁵ As noted in PCX Rule 10.13(e), pursuant to Securities Exchange Act Release No. 30958, any person or organization found in violation of a minor rule under the MRP is not required to report such violation on SEC Form BD, provided that the sanction imposed consists of a fine not exceeding \$2,500 and the sanctioned person or organization has not sought an adjudication, including a hearing, or otherwise exhausted the administrative remedies available with respect to the matter. Accordingly, any fine imposed in excess of \$2,500 will be subject to reporting on SEC Form BD in addition to the immediate, rather than periodic, reporting a requirement of Section 19(d)(1) of the Act. See Securities Exchange Act Release No. 30280 (January 22, 1992), 57 FR 3452 (noting that fines in excess of \$2,500, assessed under New York Stock Exchange, Inc. ("NYSE") Rule 476A, are not considered pursuant to the NYSE's minor rule violation plan and are thus subject to the current reporting requirements of Section 19(d)(1) of the Act).

⁶ 15 Proposed Rule Change 78f(b)(6).

members be appropriately disciplined for violations of the Act, the rules and regulations thereunder, and the Exchange's rules. The Commission believes that the proposed fines will serve as a stronger deterrent to disruptive behavior, thereby promoting fair and orderly markets on the options floor and protecting investors and the public interest. The Commission also notes that the proposed fine schedule is graduated to account for repeat offenders and that the Exchange may commence a formal disciplinary proceeding under Exchange Rule 10.3 if it determines that a violation otherwise covered by the MRP is not minor in nature. Accordingly, the Commission believes that the proposed fines will result in appropriate discipline.

IV. Conclusions

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-PCX-98-21) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-19444 Filed 7-21-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40208; File No. SR-Phlx-97-63]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval of Proposed Rule Change and Amendment No. 1 Thereto and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 2 to Proposed Rule Change To Adopt a New Method of Calculating Initial and Maintenance Margin Requirements for Foreign Currency Options

July 15, 1998.

I. Introduction

On December 22, 1997, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change that would adopt a new method of

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹⁵ 15 U.S.C. 78s(b)(2).

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

calculating initial and maintenance customer margin requirements for foreign currency options under Phlx Rule 722. Under proposed new Commentary .16 to Rule 722, the Exchange would calculate the margin requirements for each foreign currency separately, rather than determining one margin level for all foreign currencies based upon the historical pricing information for all foreign currencies together. The Phlx filed Amendment No. 1 to the proposed rule change on April 6, 1998.³

On April 20, 1998, the proposed rule change and Amendment No. 1 were published for comment in the **Federal Register**.⁴ No comments were received on the proposal. On June 1, 1998, the Phlx filed Amendment No. 2 to the proposed rule change.⁵ This order approves the amended proposed rule change including Amendment No. 2 to the proposed rule change on an accelerated basis.

III. Description of the Proposal

Currently, the Exchange calculates the margin requirement for customers that assume short foreign currency option positions by adding 4% of the current market value of the underlying foreign currency contract to the option premium price less an adjustment for the out-of-the-money amount of the option contract.⁶ The 4% add-on

percentage was adopted in 1986 and provided for initial margin which would cover the aggregate underlying foreign currencies' historical volatility over a seven day period with a 95% confidence level over the latest nine month period.⁷ Thus, the margin level for foreign currency options has been set based on the historical pricing information for all foreign currencies considered together. This add-on percentage is now reviewed by the Exchange every quarter to assure that it provides for a 97.5% confidence level over a five day period.

In response to the Commission's recommendation that the Exchange should set margin levels for each foreign currency option independently and specify its procedure for setting these levels in its rules, the Phlx is proposing to determine the applicable add-on percentage by reviewing, on a quarterly calendar basis,⁸ five-day price changes over the preceding three-year period for each underlying currency and set the add-on percentage at a level which would have covered those price changes at least 97.5% of the time ("confidence level"). Pursuant to the proposal, if the results of subsequent reviews show that the current margin level provides a confidence level below 97%, the Exchange will increase the margin requirement for that individual currency up to a 98% confidence level. If the confidence level is between 97% and 97.5%, the margin level will remain the same but will be subject to monthly follow-up reviews until the confidence level exceeds 97.5% for two consecutive months.⁹ If during the course of the monthly follow-up reviews, the confidence level drops below 97%, the margin level will be increased to a 98% level and if it exceeds 97.5% for two consecutive months, the currency will

yen and Swiss franc. The Spanish peseta and the Italian lira currently have a 7% add-on percentage and the Mexican peso has an add-on percentage of 17%.

⁷ See Securities Exchange Act Release No. 22469 (September 26, 1985) 50 FR 40663 (October 4, 1985) (order approving File Nos. SR-Amex-84-29, SR-CBOE-84-27, SR-NASD-85-15, SR-PSE-84-20, SR-Phlx-84-32 and SR-Phlx-85-18 and establishing a uniform margin system for options products).

⁸ Although the Phlx initially proposed semi-annual margin reviews, in Amendment No. 1, the Phlx proposes to amend Commentary .16(b) of Rule 722 to require margin reviews to be conducted quarterly, promptly following the 15th of January, April, July and October of each year. See Amendment No. 1, *supra* note 4.

⁹ As initially proposed, it was unclear whether monthly margin reviews would be required once the confidence level equaled 97.5%. Amendment No. 1 makes clear that the confidence level must exceed 97.5% for two consecutive months before the currency will no longer be reviewed monthly. See Amendment No. 1, *supra* note 4.

be taken off monthly reviews and will be put back on the quarterly review cycle. If the currency exceeds 98.5%, the margin level will be reduced to a 98% confidence level during the most recent 3 year period. Finally, in order to account for large price movements outside the established margin level, if the quarterly review shows that the currency had a price movement, either positive or negative, greater than two times the margin level during the most recent 3 year period, the margin requirement would be set at a level to meet a 99% confidence level ("Extreme Outlier Test").

The quarterly reviews will be conducted promptly following the 15th of January, April, July and October of each year. In addition to the routine reviews described above, the Exchange continues to have authority to impose a higher margin level at any time in between reviews if market conditions so warrant.¹⁰ At this time, the margin levels for Tier, I, II, and III customized cross rate options will remain the same.

Finally, the Phlx proposes to revise Rule 722 so that while the calculation methodology will be outlined in Commentary .16, the actual margin level for each currency will not be stated. Instead, the Exchange will distribute circulars to the membership announcing the margin levels that are derived pursuant to the methodology in Commentary .16 to Rule 722. The Exchange also will inform its membership and the public via memoranda and circulars of the margin levels for each foreign currency option immediately following the quarterly reviews described in proposed Commentary .16 of Rule 722.¹¹ In addition, any time that a particular margin level changes based on a review or otherwise pursuant to Rule 722, the new margin requirement will be announced via circular to the membership.¹²

III. Discussion

The Commission finds that the proposed rule change, as amended,

¹⁰ See Phlx Rule 722(i)(8).

¹¹ See Amendment No. 2, *supra* note 6.

¹² As initially proposed, all changes to the add-on percentage for individual currencies set forth in Phlx Rule 722 would have required a proposed rule change to be filed with the Commission pursuant to Section 19(b)(3)(A) of the Act. Because the actual margin levels will not be set forth in Phlx Rule 722 pursuant to Amendment No. 1 such changes will not trigger a requirement to submit a Section 19(b)(3)(A) filing to the Commission. Instead, changes to the margin levels as a result of the new calculation methodology will be announced to the Phlx membership via circular, as discussed above. Telephone conversation between Nandita Yagnik, Counsel, Phlx, and Deborah Flynn, Division, Commission, on April 13, 1998.

³ See Amendment No. 1 to Phlx 97-63 and cover letter from Nandita Yagnik, Counsel, Phlx, to Sharon Lawson, Senior Special Counsel, Division of Market Regulation ("Division"), Commission, dated April 3, 1998 ("Amendment No. 1"). Amendment No. 1 incorporates the original proposed rule change and amendments to the original proposal into a Rule 19b-4 notice. In Amendment No. 1, the Phlx proposes to amend its original proposal to: (1) conduct margin reviews quarterly rather than semi-annually; (2) monitor currencies monthly when the confidence level falls to between 97% and 97.5% until the confidence level exceeds 97.5% for two consecutive months; and (3) revise Rule 722 to exclude the actual margin level for each currency and instead, to distribute membership circulars announcing the margin levels that are derived pursuant to proposed Commentary .16 of Rule 722. Amendment No. 1 also incorporates changes originally proposed in a letter from Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx, to Sharon Lawson, Senior Special Counsel, Division, Commission, dated February 19, 1998.

⁴ See Securities Exchange Act Release No. 39856 (April 13, 1998) 63 FR 19554.

⁵ See Letter from Nandita Yagnik, Counsel, Phlx, to Sharon Lawson, Senior Special Counsel, Division, Commission, dated May 29, 1998 ("Amendment No. 2"). In Amendment No. 2, the Phlx represents that it will inform its membership and the public via memoranda and circulars of the margin levels for each currency option immediately following the quarterly reviews described in proposed Commentary .16 to Rule 722.

⁶ This 4% "add-on" percentage is applicable to the following foreign currencies: Australian dollar, British pound, Canadian dollar, German mark, European Currency Unit, French franc, Japanese

relating to the calculation of customer margin requirements for foreign currency options is consistent with the requirements of Section 6 of the Act¹³ and the rules and regulations thereunder applicable to a national securities exchange.¹⁴ Specifically, the Commission believes that the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act¹⁵ in that the amendment and codification of the methodology used to calculate initial and maintenance customer margin requirements for foreign currency options should remove impediments to and perfect the mechanism of a free and open market in a manner consistent with the protection of investors and the public interest.

The Commission believes that the Exchange's proposed methodology for determining customer margin requirements for each foreign currency independently, rather than determining one margin level from the combined historical volatilities of all underlying foreign currencies together, is reasonable and should adequately account for the historical and potential volatility of each of the traded foreign currencies. By setting margin levels for each foreign currency option separately, the Commission believes that the margin requirements established pursuant to this approach will better reflect the specific risks associated with each individual foreign currency option.

As discussed above, the Exchange will calculate the applicable add-on percentage by reviewing, on a quarterly basis, five-day price changes over the preceding three-year period for each underlying currency and will set the add-on percentage at a level sufficient to cover those price changes at least 97.5% of the time. The Commission believes that this methodology should allow the Phlx to reasonably determine an appropriate add-on percentage for each individual currency. In addition, the Exchange must conduct reviews at least quarterly of the volatility of each foreign currency and must take immediate steps to increase the existing customer margin requirements if the existing margin levels are deemed to be inadequate. The Extreme Outlier Test will also ensure adequate margin by monitoring for large currency price movements that are outside the normal range. As discussed above, the Extreme Outlier Test would require margin confidence levels to be increased to 99% if the underlying

currency has had a price movement of greater than two times the margin level over the last 3 years. Moreover, the Commission notes that the Exchange continues to have authority to conduct reviews of foreign currency margin levels at any time that market conditions warrant. The Commission fully expects the Exchange to exercise this authority to review the adequacy of existing foreign currency margin levels during times of significant volatility in the foreign currency markets, in addition to the routine quarterly reviews. The new margin methodology, coupled with the Extreme Outlier Test, routine quarterly and as-needed reviews, has been designed to reduce risks arising from inadequate margin levels for foreign currency options and should help to ensure adequate margin is required to cover contract obligations. Accordingly, the Commission believes that consistent with Section 6(b)(5) of the Act,¹⁶ the Phlx's proposal will serve to protect investors and the public interest by reducing the risks that can arise from inadequate margin levels.

The Commission notes that the calculation methodology, rather than the actual margin level for each currency, will be set forth in Commentary .16 to Rule 722. Instead, the Phlx proposes to distribute circulars to its membership periodically to announce the margin levels derived pursuant to the proposed methodology. As discussed above, the Phlx proposes to distribute circulars to its membership announcing the margin levels derived pursuant to Commentary .16 of Rule 722, immediately following is quarterly reviews of the applicable add-on percentages, and at any time that a particular margin level changes. The Commission believes that providing information about margin requirements initially, on a quarterly basis, and whenever there is a change in a margin level should ensure that Exchange members and others with an interest in trading foreign currency options listed on the Phlx are provided with adequate notice of the applicable margin requirements.

The Commission finds good cause for approving Amendment No. 2 to the proposed rule change prior to the thirtieth day after publication in the **Federal Register**. The Commission notes that Amendment No. 2 merely increases the frequency of distribution of circulars informing the Exchange's membership of the margin levels for each foreign currency option. As discussed above, the Commission believes that issuing circulars immediately following the

proposed quarterly reviews of margin levels strengthens the Phlx's proposal by ensuring interested Exchange members and other market participants receive adequate notice of the applicable add-on percentages. For these reasons, the Commission believes that the proposed Amendment No. 2 raises no issues of regulatory concern. Accordingly, the Commission finds that good cause exists, consistent with Sections 19(b) and 6(b)(5) of the Act,¹⁷ to accelerate approval of Amendment No. 2 to the proposed rule change.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 2, including whether Amendment No. 2 is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-97-63 and should be submitted by August 12, 1998.

Conclusion

For the foregoing reasons, the Commission finds that the Phlx's proposal, as amended, to change Phlx's method of calculating initial and maintenance margin requirements for foreign currency options under Rule 722 is consistent with the requirements of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁸ that the proposed rule change (SR-Phlx-97-63), as amended, is approved.

For the Commission, by the Division of Market Regulations, pursuant to delegated authority.¹⁹

¹³ 15 U.S.C. 78f.

¹⁴ In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ 15 U.S.C. 78f(b)(5).

¹⁷ 15 U.S.C. 78s(b) and 78f(b)(5).

¹⁸ 15 U.S.C. 78s(b)(2).

¹⁹ 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-19439 Filed 7-21-98; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3106]

State of Alaska

The Native Village of Port Graham and the surrounding areas in the Kenai Peninsula Borough in the State of Alaska constitute a disaster area as a result of damages caused by a fire that occurred on January 13, 1998. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on September 14, 1998 and for economic injury until the close of business on April 14, 1999 at the address listed below or other locally announced locations:

Small Business Administration, Disaster Area 4 Office, P.O. Box 13795, Sacramento, CA 95853-4795.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	7.625
Homeowners without credit available elsewhere	3.812
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000
Others (including non-profit organizations) with credit available elsewhere	7.125
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	4.000

The numbers assigned to this disaster are 310605 for physical damage and 993700 for economic injury.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: July 14, 1998.

Aida Alvarez,

Administrator.

[FR Doc. 98-19491 Filed 7-21-98; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3104]

State of Florida

As a result of the President's major disaster declaration on June 18, 1998 for

emergency assistance only, and an amendment thereto on July 3, 1998, as well as subsequent amendments adding Individual assistance, I find that the following counties in the State of Florida constitute a disaster area due to damages caused by extreme fire hazards beginning on May 25, 1998 and continuing: Alachua, Baker, Bay, Bradford, Brevard, Calhoun, Clay, Citrus, Columbia, Dixie, Duval, Flagler, Gilchrist, Gulf, Hamilton, Hernando, Holmes, Jackson, Lafayette, Lake, Lee, Levy, Liberty, Madison, Marion, Nassau, Okaloosa, Orange, Osceola, Pasco, Putnam, St. Johns, Seminole, Sumter, Suwannee, Taylor, Union, Volusia, Walton, and Washington. Applications for loans for physical damages as a result of this disaster may be filed until the close of business on September 1, 1998, and for loans for economic injury until the close of business on April 5, 1999 at the address listed below or other locally announced locations:

Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Charlotte, Collier, Franklin, Gadsden, Glades, Hendry, Highlands, Hillsborough, Indian River, Jefferson, Leon, Okeechobee, Pinellas, Polk, Santa Rosa, and Wakulla Counties in Florida; Brooks, Camden, Charlton, Clinch, Decatur, Echols, Lowndes, Seminole, and Ware Counties in Georgia; and Covington, Escambia, Geneva, and Houston Counties in Alabama.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	7.000
Homeowners without credit available elsewhere	3.500
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000
Others (including non-profit organizations) with credit available elsewhere	7.125
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	4.000

The number assigned to this disaster for physical damage is 310405. For economic injury the numbers are 993100 for Florida; 993800 for Georgia; and 993900 for Alabama.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: July 14, 1998.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 98-19489 Filed 7-21-98; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster #9936]

State of Florida

Broward, Charlotte, Hillsborough, Pinellas, Sarasota, and St. Lucie Counties and the contiguous counties of Collier, Dade, DeSoto, Glades, Hardee, Hendry, Highland, Indian River, Lee, Manatee, Martin, Okeechobee, Palm Beach, Pasco, and Polk in the State of Florida constitute an economic injury disaster loan area as a result of wildfires beginning on May 25, 1998. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance as a result of this disaster until the close of business on April 14, 1999 at the address listed below or other locally announced locations:

Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

(Catalog of Federal Domestic Assistance Program No. 59002)

Dated: July 14, 1998.

Aida Alvarez,

Administrator.

[FR Doc. 98-19492 Filed 7-21-98; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3105]

State of New York

As a result of the President's major disaster declaration on July 7, 1998, and an amendment thereto on July 10, I find that Cattaraugus, Clinton, Erie, Essex, and Wyoming Counties in the State of New York constitute a disaster area due to damages caused by severe storms and flooding beginning on June 25, 1998 and continuing through July 10, 1998.

Applications for loans for physical damages as a result of this disaster may be filed until the close of business on September 5, 1998, and for loans for economic injury until the close of