

school, technical or vocational school, 2-year or 4-year college or university, graduate or professional school. If the student is enrolled, the student must be taking at least a half-time academic/ vocational/ or technical course load. The definition of *half-time* is the definition provided by the school in which the student is enrolled. Students need not be in actual physical attendance, so long as all the other requirements are met. An individual who needs to complete less than the equivalent of half an academic/ vocational or technical courseload in the class enrollment period immediately prior to graduating is still considered a student for purposes of this program.

(9) *Training expenses*: Observing the prohibitions in 5 U.S.C. 4107, agencies may use their training authority in 5 U.S.C. chapter 41 and 5 CFR part 410 to pay all or part of training expenses directly related to students' official duties.

\* \* \* \* \*

(11) *Program requirements for noncompetitive conversion*. (i) *Students*, who are U.S. citizens, may be noncompetitively converted from the Student Career Experience Program to a term, career or career-conditional appointment under Executive Order 12015 (as amended by Executive Order 13024) when students have:

\* \* \* \* \*

(17) *Tuition assistance*. Observing the prohibitions in 5 U.S.C. 4107, agencies may use their training authority in 5 U.S.C. chapter 41 and 5 CFR part 410 to pay all or part of training expenses directly related to students' official duties.

\* \* \* \* \*

## PART 315—CAREER AND CAREER-CONDITIONAL EMPLOYMENT

4. The authority citation for part 315 continues to read:

**Authority:** 5 U.S.C. 1302, 3301, 3302; E.O. 10577, 3 CFR, 1954–1958 Comp., page 218, unless otherwise noted.

Secs. 315.601 and 315.609 also issued under 22 U.S.C. 3651 and 3652.

Secs. 315.602 and 315.604 also issued under 5 U.S.C. 1104.

Sec. 315.603 also issued under 5 U.S.C. 8151.

Sec. 315.605 also issued under E.O. 12034, 3 CFR, 1978 Comp., p. 111.

Sec. 315.606 also issued under E.O. 11219, 3 CFR, 1964–1965 Comp., p. 303.

Sec. 315.607 also issued under 22 U.S.C. 2506.

Sec. 315.608 also issued under E.O. 12721, 3 CFR, 1990 Comp., p. 293.

Sec. 315.610 also issued under 5 U.S.C. 3304(d).

Sec. 315.710 also issued under E.O. 12596, 3 CFR, 1987 Comp., p. 229.

Subpart I also issued under 5 U.S.C. 3321, E.O. 12107, 3 CFR, 1978 Comp., p. 264.

5. In § 315.201, paragraph (b)(1)(ix) is revised to read as follows:

### § 315.201 Service requirement for career tenure.

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(ix) The date of nontemporary excepted appointment under § 213.3202(b) of this chapter, provided the student's appointment is converted to career or career-conditional appointment under Executive Order 12015, with or without an intervening term appointment, and without a break in service of one day.

\* \* \* \* \*

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## DEPARTMENT OF AGRICULTURE

### 7 CFR Part 457

RIN 0563–AB65

### Common Crop Insurance Regulations, Nursery Crop Insurance Provisions; Correction

**AGENCY:** Federal Crop Insurance Corporation, USDA.

**ACTION:** Final rule; correction.

**SUMMARY:** This document contains corrections to the final rule that was published in the **Federal Register** on Thursday, September 24, 1998 (63 FR 50965–50979). The rule pertains to the insurance of nursery crops.

**EFFECTIVE DATE:** October 23, 1998.

**FOR FURTHER INFORMATION CONTACT:** Vondie O'Conner, Director, Research and Evaluation Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926–6343.

### SUPPLEMENTARY INFORMATION:

#### Background

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

#### Need For Correction

As published, the final regulation contains errors which may prove misleading.

Section 6(h) indicates that an insured electing catastrophic insurance coverage may obtain a written agreement, but

such agreements are prohibited by section 11 of the Catastrophic Risk Protection Endorsement. Even though the Catastrophic Risk Protection Endorsement would govern the crop provisions, FCIC does not want to mislead growers into believing such an agreement would be obtainable. Instead, FCIC may provide a waiver on a case-by-case basis if the insured presents acceptable records to prove actual inventory value if the section 6(h) restrictions cause the insured to undervalue inventory.

Section 7(a) of the Nursery Crop Provisions concerning premium calculation states that it is in lieu of section 7(a) of the Basic Provisions when the correct citation is section 7(c).

In section 15, the single unit example had the wrong mathematical symbol in two locations. In step one the multiplication symbol should have been the symbol for division. In step two, the multiplication symbol should have been the symbol for subtraction. In the multiple unit multiple loss example, the numbers in the second step one are incorrect. \$66,400 should be divided by \$83,000 to equal .80.

Section 5(a) of the Nursery Peak Inventory Endorsement contained in § 457.163 refers to the "coverage term." This is a clerical error that should refer to "premium rate." Section 5(a) also refers to a "proration factor" but should refer to "a premium adjustment factor."

#### Correction of Publication

Accordingly, the publication on September 24, 1998, of the final regulation at 63 FR 50965–50979 is corrected as follows:

### PART 457—[CORRECTED]

#### § 457.162 [Corrected]

On page 50977, in the first column, in § 457.162, section 6(h) of the crop provisions is corrected to read as follows:

For catastrophic insurance coverage only:

(1) Your plant inventory value report for container grown nursery plants cannot exceed the lesser of the actual value from section 6(e) or 150 percent of your previous year's sales of container grown nursery plants; (2) Your plant inventory value report for field grown nursery plants cannot exceed the lesser of the actual value from section 6(e) or 250 percent of your previous years' sale of field grown nursery plants, and if the above restrictions cause you to under report the value of your inventory, you must present records acceptable to us to prove your actual inventory value to receive a waiver of these restrictions.

On page 50977, in the first column, in § 457.162, section 7(a) is corrected to read as follows:

In lieu of section 7(c) of the Basic Provisions, we will determine your premium by multiplying the amount of insurance by the appropriate premium rate and by the premium adjustment factors listed on the actuarial documents that may apply.

On page 50978, in the first and second columns, in § 457.162, section 15 of the crop provisions, the single unit example, steps one and two, are corrected to read as follows:

"Step (1) Determine the under report factor  
 $\$100,000 \div \$125,000 = .80$ ;  
 Step (2) Field market value A minus field market value B  
 $\$125,000 - \$80,000 = \$45,000$ ;

On page 50978, in the third column, in § 457.162, section 15, the multiple unit multiple loss example, the second step one, is corrected to read as follows:

Step (1) Determine the under report factor  
 $\$66,400 \div \$83,000 = .80$ ;"

#### § 457.163 [Corrected]

On page 50979, in the second column, in § 457.163, section 5(a) of the endorsement is corrected to read as follows:

The premium for this endorsement is determined by multiplying the peak amount of insurance by the appropriate premium rate and by any premium adjustment factors listed on the actuarial documents that may apply.

Signed in Washington DC, on October 19, 1998.

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

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## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

#### 12 CFR Part 28

[Docket No. 98-16]

RIN 1557-AB58

#### International Banking Activities

**AGENCY:** Office of the Comptroller of the Currency, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Office of the Comptroller of the Currency (OCC) is amending its regulation governing international lending. This amendment removes the lengthy discussion concerning the accounting for fees on international loans and instead states that the accounting for these fees is to conform to generally accepted accounting principles (GAAP). The amendment is

intended to simplify the rule and eliminate unnecessary burden.

**EFFECTIVE DATE:** This final rule is effective January 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** Tom Rees, Senior Accountant, Bank Supervision Policy, (202) 874-5180; Frank Carbone, Senior International Advisor, International Banking & Finance, (202) 874-4730; Raija Bettauer, Counselor for International Activities, (202) 874-0680; or Mark Tenhundfeld, Assistant Director, Legislative and Regulatory Activities, (202) 874-5090, Office of the Comptroller of the Currency, 250 E Street, S.W., Washington, DC 20219.

#### SUPPLEMENTARY INFORMATION:

##### Background

The International Lending Supervision Act of 1983 (ILSA), 12 U.S.C. 3901 *et seq.*, requires, among other things, that the OCC and other Federal banking agencies issue regulations governing accounting for fees charged by banks in connection with international loans (*i.e.*, those loans reported on a bank's Country Exposure Report, form FFIEC 009). In order to avoid excessive debt service burden on debtor countries, section 906(a) of ILSA (12 U.S.C. 3905(a)) prohibits a bank, in connection with restructuring an international loan, from charging fees in an amount that exceeds the administrative costs of restructuring the loan, unless the fee is amortized over the life of the loan. Section 906(b) of ILSA (12 U.S.C. 3905(b)) requires that the OCC prescribe the accounting treatment for agency, commitment, management, and other fees in connection with international loans to assure that the appropriate portion of these fees is accrued in income over the effective life of each loan.

When the OCC first published its rules on accounting for international loan fees in 1984 (*see* 49 FR 12192 (March 29, 1984)), the OCC determined that the application of the fee accounting principles for banks then set out in GAAP did not ensure a uniform accounting treatment for international loan fees. Accordingly, the OCC adopted detailed rules governing the accounting treatment for various types of fees generated in connection with international loans. The preamble to the 1984 rule stated, however, that the OCC would reexamine whether the rule needed to discuss the accounting treatment if the Financial Accounting Standards Board (FASB) were to issue further guidance on the accounting for fees on international loans. Since then,

FASB has amended GAAP to provide that guidance.

##### Proposal

In April of this year, the OCC published a proposed rule that invited comment on whether the OCC should remove the lengthy discussion in § 28.53 concerning the accounting treatment for fees on international loans and replace it with a statement that the accounting is to conform to GAAP. *See* 63 FR 16708 (April 6, 1998). The OCC received one comment, from an individual who supported the proposal in its entirety.

##### Final Rule

The OCC is adopting the proposal without change. Accordingly, upon the effective date of this final rule, national banks will be required to follow GAAP in accounting for fees on international loans, subject to the amortization requirement for fees charged in connection with restructuring an international loan that exceed the administrative cost of the restructuring. In the event that GAAP rules regarding fee accounting for international loans changes, the OCC will reexamine its rule to assess the need for further revision.

The final rule reduces the regulatory burden on banks and simplifies the OCC's requirements by replacing the discussion of the separate accounting methods for different types of fees on international loans with a reference to GAAP. As noted in the preamble to the proposed rule, while there are some differences between the language in § 28.53 that is being removed and the GAAP standard (Financial Accounting Standard No. 91), these differences are relatively minor. For instance, GAAP requires a method for recognizing fees and administrative costs of originating, restructuring, or syndicating international loans that is slightly different from the method required by former § 28.53. However, adoption of the GAAP standard will not impose additional burden on banks, and will reduce burden in some instances.

This final rule does not affect, in any way, the standards by which a bank recognizes loss on international assets affected by transfer risk,<sup>1</sup> nor does it change the accounting treatment of a bank's transfer risk reserve. As discussed earlier, the final rule merely changes the accounting treatment of fees that banks collect on international loans

<sup>1</sup> "Transfer risk" arises from an obligor's inability to perform on its debt obligations using the agreed-upon currency because of a lack of, or restraints on the availability of, needed foreign exchange in the country of the obligor.