

writing that their flock contained or contains a scrapie-positive animal, an affected animal, a suspect animal, a high-risk animal or an exposed animal, or that the flock is an infected flock, or source flock. The notice will include a description of the interstate movement restrictions and identification requirements contained in this part.

§ 79.5 Issuance of certificates.

(a) Certificates are required as specified by § 79.3 of this part for certain interstate movements of animals. A certificate must show the official ear tag number, individual animal registered breed association registration tattoo, individual animal registered breed association registration brand, individual animal registered breed association registration number, and any other official individual identification of each animal to be moved; the number of animals covered by the certificate; the purpose for which the animals are to be moved; the points of origin and destination; the consignor; and the consignee. Ownership brands or other premises identification may be used in place of individual animal identification on certificates for sheep and goats moved interstate when premises identification is required under this part, provided the ownership brands are registered with the official brand recording agency. Except as provided in paragraphs (b) and (c) of this section, all of the information required by this paragraph must be typed or written on the certificate.

(b) As an alternative to typing or writing individual animal identification on a certificate, another document may be used to provide this information, but only under the following conditions:

- (1) The document must be a State form or APHIS form that requires individual identification of animals;
- (2) A legible copy of the document must be stapled to the original and each copy of the certificate;

(3) Each copy of the document must identify each animal to be moved with the certificate, but any information pertaining to other animals, and any unused space on the document for recording animal identification, must be crossed out in ink; and

(4) The following information must be typed or written in ink in the identification column on the original and each copy of the certificate and must be circled or boxed, also in ink, so that no additional information can be added:

- (i) The name of the document; and
- (ii) Either the serial number on the document or, if the document is not imprinted with a serial number, both

the name of the person who prepared the document and the date the document was signed.

(c) As an alternative to typing or writing ownership brands on a certificate, an official brand inspection certificate may be used to provide this information, but only under the following conditions:

(1) A legible copy of the official brand inspection certificate must be stapled to the original and each copy of the certificate;

(2) Each copy of the official brand inspection certificate must show the ownership brand of each animal to be moved with the certificate, but any other ownership brands, and any unused space for recording ownership brands, must be crossed out in ink; and

(3) The following information must be typed or written in ink in the official identification column on the original and each copy of the certificate and must be circled or boxed, also in ink, so that no additional information can be added:

- (i) The name of the attached document; and
- (ii) Either the serial number on the official brand inspection certificate or, if the official brand inspection certificate is not imprinted with a serial number, both the name of the person who prepared the official brand inspection certificate and the date it was signed.

§ 79.6 Standards for State programs to qualify as Consistent States.

(a) In reviewing a State for Consistent State status, the Administrator will evaluate the State statutes, regulations and directives pertaining to animal health activities, reports and publications of the State animal health agency, and a written statement from the State animal health agency describing State scrapie control activities and certifying that these activities meet the requirements of this section. In determining whether a State is a Consistent State, the Administrator will consider whether the State's scrapie control program:

(1) Requires the reporting of and investigation of any suspect animal, affected animal, or scrapie-positive animal;

(2) Requires the official permanent individual identification of any live scrapie-positive, affected, or suspect animal of any age, and of any exposed animal, including high-risk animals, 1 year of age or over and any exposed animals less than 1 year of age when a change of ownership occurs, except those animals under 6 months of age moving within slaughter channels in accordance with this part (whether or

not the exposed animal resides in a source or infected flock);

(3) Effectively enforces quarantines of all source and infected flocks;

(4) Effectively enforces quarantines of all high-risk, affected, suspect, and scrapie-positive animals throughout their lives unless moved in accordance with this part;

(5) If an affected, suspect or scrapie-positive animal dies or is destroyed, requires that tissues be submitted for diagnostic testing to a laboratory authorized by the Administrator to conduct scrapie tests in accordance with this part and that the carcass be completely destroyed; and

(6) Releases quarantines of these flocks only upon completion of a flock plan and agreement by the owner to participate in a post-exposure monitoring and management plan as defined in part 54 of this chapter.

(b) [Reserved]

Done in Washington, DC, this 23rd day of November 1999.

Craig A. Reed,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 99-31087 Filed 11-29-99; 8:45 am]

BILLING CODE 3410-34-U

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 745

Share Insurance and Appendix

AGENCY: National Credit Union Administration (NCUA).

ACTION: Proposed rule with request for comments.

SUMMARY: The NCUA proposes to revise its share insurance regulations with respect to living trusts, joint revocable trusts, IRA accounts, public unit accounts, guardian accounts and the application of local law to share insurance determinations. NCUA also proposes to revise the substance and format of the Appendix to part 745. These proposals, which parallel the Federal Deposit Insurance Corporation's (FDIC's) insurance rules, are intended to maintain parity between NCUA's and FDIC's insurance programs and to prevent confusion in understanding and applying the share insurance rules.

DATES: NCUA welcomes comments on these proposals. Comments must be received on or before January 31, 2000.

ADDRESSES: Comments should be directed to Becky Baker, Secretary of the Board. Mail or hand-deliver comments to: National Credit Union

Administration, 1775 Duke Street, Alexandria, VA 22314-3428. You may also fax comments to (703) 518-6319 or e-mail comments to boardmail@ncua.gov. *Please send comments by one method only.*

FOR FURTHER INFORMATION CONTACT: Frank S. Kressman, Staff Attorney, at the above address, or telephone: (703) 518-6540.

SUPPLEMENTARY INFORMATION:

A. Background

In accordance with NCUA's regulatory review process, NCUA staff has identified part 745 as one of the regulations in need of updating, clarification and simplification. On March 23, 1999, the Board of Directors of the FDIC adopted deposit insurance rule changes regarding joint accounts and revocable trust accounts. 64 FR 15653 (April 1, 1999). The NCUA Board adopted similar changes on April 15, 1999. 64 FR 19685 (April 22, 1999). At that time, NCUA was aware that additional changes to part 745 were necessary and would be forthcoming, but believed that it was important to implement the amendments immediately regarding joint accounts and revocable trust accounts. NCUA has completed a more comprehensive review of part 745 and reviewed the comments submitted in connection with the joint accounts and revocable trust accounts rule changes. NCUA is now proposing additional amendments to improve part 745.

B. Proposed Amendments

Living Trust Accounts

A living trust is a formal trust that an owner creates and retains control over during his or her lifetime. NCUA intends to treat a revocable trust account that is held in connection with a living trust in the same manner it treats all other revocable trust accounts, if the living trust otherwise meets all requirements that pertain to revocable trust accounts. Living trusts that include conditions that could prevent a beneficiary from acquiring a vested and non-contingent interest in the account funds upon the owner's death, however, would not be entitled to insurance coverage under this section. NCUA will consider the grantor of a living trust as the owner of the funds in the account during that person's life. The owner must be a member of the credit union or otherwise eligible to open the account and qualify for insurance.

Joint Revocable Trust Accounts

Joint revocable trust accounts are revocable trust accounts, as described in

§ 745.4 of NCUA's regulations, that are established by more than one owner and held for the benefit of others. NCUA proposes to provide separate insurance coverage for qualifying accounts of this kind.

Application of State or Local Law To Share Insurance Determinations

In the interest of maintaining uniform national rules and consistent share insurance determinations, NCUA proposes to clarify the degree of control that state or local law has on share insurance determinations. NCUA regulations presently do not state as clearly as they could that the provisions of part 745 control over state or local law in determining share insurance coverage. Section 745.2(a) currently provides that, to the extent local law enters into a share insurance determination, the law of the jurisdiction in which the insured credit union's principal office is located will govern. This should be understood to mean that where an insured credit union has offices in multiple jurisdictions, the local law of the jurisdiction in which the insured credit union's principal office is located will control over the local law of the other jurisdictions where the insured credit union may have branch offices or service facilities. This is no way effects the supremacy of federal law. Generally, state law is used to determine property interests in an account and may be used to determine the extent of coverage available to particular individuals based on those rights. However, state law will not extend coverage beyond that provided under the Federal Credit Union Act or part 745.

Individual Retirement Accounts (IRAs)

NCUA proposes to specify that Roth IRAs and Education IRAs are included among member accounts eligible for share insurance. These accounts were first made available to consumers on January 1, 1998. Although both are colloquially known as IRA accounts, only the Roth IRA will be treated the same as a traditional IRA for share insurance purposes under § 745.9-2 of NCUA's regulations. Education IRAs, for share insurance purposes, will be treated as irrevocable trust accounts under § 745.9-1 of NCUA's regulations.

Public Unit Accounts

NCUA proposes to liberalize its share insurance coverage for some kinds of public unit accounts. Currently, public funds invested by an official custodian of funds of: (1) the United States; (2) any state of the United States or any county, municipality, or political subdivision

thereof; (3) the District of Columbia; (4) specified territories or possessions of the United States and (5) tribal funds of any Indian tribe are generally separately insured up to \$100,000. For share insurance purposes, NCUA proposes to distinguish share draft accounts from share certificate and regular share accounts in this context. The result will be to provide insurance coverage up to \$100,000 for share draft accounts and up to an additional \$100,000 for share certificate and regular share accounts. This more liberal coverage will only be available when an official custodian establishes public unit accounts in an authorized, federally-insured credit union that is located within the jurisdiction from which the custodian's authority is derived. Accounts established outside of that jurisdiction will be limited to the current \$100,000 limit without regard to whether the funds are held in share draft accounts or share certificate and regular share accounts.

Guardian Accounts

Currently, funds held in the name of a guardian, custodian or conservator for the benefit of a ward or minor are insured up to \$100,000 in the aggregate, separately from any other accounts of the guardian, custodian, conservator, ward or minor. FDIC, however, treats these accounts as agency or nominee accounts and does not provide separate insurance coverage. Rather, FDIC adds the guardian account together with the individual accounts of the beneficiary of the guardian account and insures that aggregate up to \$100,000. NCUA proposes to treat these accounts in a manner consistent with FDIC's treatment. This will result in a reduction in insurance coverage.

Appendix to part 745

The Appendix to part 745 provides examples that illustrate the application of share insurance coverage. NCUA proposes to enhance the usefulness of the Appendix by incorporating additional information and examples and putting it into an easy to read question-and-answer format. The Appendix is not expected to answer every share insurance question that could conceivably be asked. Rather, its function is to address and clarify the most common insurance coverage issues in a simple and manageable format. NCUA intends to continue to update the Appendix periodically as circumstances arise necessitating further clarification.

Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact any proposed regulation may have on a substantial number of small credit unions, meaning those under \$1 million in assets.

The NCUA has determined and certifies that the proposed rule, if adopted, will not have a significant economic impact on a substantial number of small credit unions. The reasons for this determination are that the proposed changes to the share insurance regulations will not increase the premiums paid by credit unions nor will the proposed changes impose any additional requirements on insured credit unions. Accordingly, the NCUA has determined that a Regulatory Flexibility Analysis is not required.

Paperwork Reduction Act

NCUA has determined that the proposed amendments do not increase paperwork requirements under the Paperwork Reduction Act of 1995 and regulations of the Office of Management and Budget.

Executive Order 12612

Executive Order 12612 requires NCUA to consider the effect of its actions on state interests. It states that: "Federal action limiting the policy-making discretion of the states should be taken only where constitutional authority for the action is clear and certain, and the national activity is necessitated by the presence of a problem of national scope." The proposed rule will not have a direct effect on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. NCUA has determined that this rule does not constitute a significant regulatory action for purposes of the executive order.

Agency Regulatory Goal

NCUA's goal is to promulgate clear and understandable regulations that impose minimal regulatory burden. We request your comments on whether the proposed rule is understandable and minimally intrusive, if implemented as proposed. We also encourage comments that address any other share insurance issues we have not discussed here.

List of Subjects in 12 CFR Part 745

Credit unions, Pension plans, Share insurance, Trustee.

By the National Credit Union Administration Board, on November 18, 1999.

Becky Baker,

Secretary of the Board.

For the reasons stated above, it is proposed that 12 CFR part 745 be amended as follows:

PART 745—SHARE INSURANCE AND APPENDIX

1. The authority citation for part 745 continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1757, 1765, 1766, 1781, 1782, 1787, 1789.

2. Section 745.2(a) is amended by revising the last sentence to read as follows:

§ 745.2 General principles applicable in determining insurance of accounts.

(a)* * * While the provisions of this part govern in determining share insurance coverage, to the extent local law enters into a share insurance determination, the local law of the jurisdiction in which the insured credit union's principal office is located will control over the local law of other jurisdictions where the insured credit union has offices or service facilities.

* * * * *

3. Section 745.3 is amended by revising paragraph (b) to read as follows:

§ 745.3 Single ownership accounts.

* * * * *

(b) Funds held by a guardian, custodian, or conservator for the benefit of a ward or for the benefit of a minor under a Uniform Gifts to Minors Act or Uniform Transfer to Minors Act and deposited in one or more accounts in the name of the guardian, custodian, or conservator will, for purposes of this part, be deemed to be accounts held by agents or nominees and will be insured in accordance with paragraph (a)(2) of this section.

4. Section 745.4 is amended by adding paragraphs (e) and (f) to read as follows:

§ 745.4 Revocable trust accounts.

* * * * *

(e) *Living trusts.* Insurance treatment under this section also applies to revocable trust accounts held in connection with a so-called "living trust," meaning a formal trust which an owner creates and retains control over during his or her lifetime. If a named beneficiary in a living trust is a qualifying beneficiary under this section, then the share account held in connection with the living trust may be eligible for share insurance under this section, assuming compliance with all

the provisions of this part. If the living trust includes a defeating contingency that relates to a beneficiary's interest in the trust assets, then insurance coverage under this section will not be provided. For purposes of this section, a defeating contingency is defined as a condition that would prevent the beneficiary from acquiring a vested and non-contingent interest in the funds in the share account upon the owner's death.

(f) *Joint revocable trust accounts.*

Where an account described in paragraph (a) of this section is established by more than one owner and held for the benefit of others, some or all of whom are within the qualifying degree of kinship, the respective interests of each owner held for the benefit of each qualifying beneficiary will be separately insured up to \$100,000. Those interests will be deemed equal unless otherwise stated in the share account records of the federally-insured credit union. Interests held for non-qualifying beneficiaries will be added to the individual accounts of the owners. Where a husband and a wife establish a revocable trust account naming themselves as the sole beneficiaries, the account will not be insured according to the provisions of this section, but will instead be insured in accordance with the joint account provisions of § 745.8.

5. Section 745.9-1 is amended by adding paragraph (c) to read as follows:

§ 745.9-1 Trust accounts.

* * * * *

(c) This section applies to trust interests created in Education IRAs established in connection with § 530 of the Internal Revenue Code (26 U.S.C. 530).

6. Section 745.9-2(a) is revised to read as follows:

§ 745.9-2 IRA/Keogh accounts.

(a) The present vested ascertainable interest of a participant or designated beneficiary in a trust or custodial account maintained pursuant to a pension or profit-sharing plan described under § 401(d) (Keogh account), § 408(a) (IRA) and § 408A (Roth IRA) of the Internal Revenue Code (26 U.S.C. 401(d), 408(a) and 408A) will be insured up to \$100,000 separately from other accounts of the participant or designated beneficiary. For insurance purposes, IRA and Roth IRA accounts will be combined together and insured in the aggregate up to \$100,000. A Keogh account will be separately insured from an IRA account, Roth IRA account or, where applicable, aggregated IRA and Roth IRA accounts.

* * * * *

7. Section 745.10 is amended by revising paragraphs (a)(1) through (a)(5) and (b), and adding a second sentence to paragraph (c) to read as follows:

§ 745.10 Public unit accounts.

(a) * * *

(1) Each official custodian of funds of the United States lawfully investing the same in a federally-insured credit union will be separately insured in the amount of:

(i) Up to \$100,000 in the aggregate for all share draft accounts; and

(ii) Up to \$100,000 in the aggregate for all share certificate and regular share accounts;

(2) Each official custodian of funds of any state of the United States or any county, municipality, or political subdivision thereof lawfully investing the same in a federally-insured credit union in the same state will be separately insured in the amount of:

(i) Up to \$100,000 in the aggregate for all share draft accounts; and

(ii) Up to \$100,000 in the aggregate for all share certificate and regular share accounts;

(3) Each official custodian of funds of the District of Columbia lawfully investing the same in a federally-insured credit union in the District of Columbia will be separately insured in the amount of:

(i) Up to \$100,000 in the aggregate for all share draft accounts; and

(ii) Up to \$100,000 in the aggregate for all share certificate and regular share accounts;

(4) Each official custodian of funds of the Commonwealth of Puerto Rico, the Panama Canal Zone, or any territory or possession of the United States, or any county, municipality, or political subdivision thereof lawfully investing the same in a federally-insured credit union in Puerto Rico, the Panama Canal Zone, or any such territory or possession, respectively, will be separately insured in the amount of:

(i) Up to \$100,000 in the aggregate for all share draft accounts; and

(ii) Up to \$100,000 in the aggregate for all share certificate and regular share accounts;

(5) Each official custodian of tribal funds of any Indian tribe (as defined in Section 3(c) of the Indian Financing Act of 1974) or agency thereof lawfully investing the same in a federally-insured credit union will be separately insured in the amount of:

(i) Up to \$100,000 in the aggregate for all share draft accounts; and

(ii) Up to \$100,000 in the aggregate for all share certificate and regular share accounts;

(b) Each official custodian referred to in paragraphs (a)(2), (3), and (4) of this

section lawfully investing such funds in share accounts in a federally-insured credit union outside of their respective jurisdictions shall be separately insured up to \$100,000 in the aggregate for all such accounts regardless of whether they are share draft, share certificate or regular share accounts.

(c) * * * Where an officer, agent or employee of a public unit has custody of certain funds which by law or under a bond indenture are required to be set aside to discharge a debt owed to the holders of notes or bonds issued by the public unit, any investment of such funds in an account in a federally-insured credit union will be deemed to be a share account established by a trustee of trust funds of which the noteholders or bondholders are pro rata beneficiaries, and the beneficial interest of each noteholder or bondholder in the share account will be separately insured up to \$100,000.

* * * * *

8. The introductory text to the Appendix to part 745 is amended by adding a heading to read as follows:

APPENDIX TO PART 745—EXAMPLES OF INSURANCE COVERAGE AFFORDED ACCOUNTS IN CREDIT UNIONS INSURED BY THE NATIONAL CREDIT UNION INSURANCE FUND

What is the Purpose of This Appendix?

* * * * *

9. Part A of the Appendix to part 745 is amended by revising the heading of Part A, the introductory paragraph and Examples 5 and 6 to read as follows:

A. How are Single Ownership Accounts Insured?

All funds owned by an individual member or, in a community property state, by the husband-wife community of which the individual is a member and invested in one or more individual accounts are added together and insured to the \$100,000 maximum. This is true whether the accounts are maintained in the name of the individual member owning the funds, in the name of the member's agent or nominee, or in a custodial loan account on behalf of the member as a borrower (§§ 745.3(a)(1), (2) and (3)). For this purpose, funds held by a guardian, custodian or conservator for the benefit of a ward or minor shall be treated as an agent or nominee account.

* * * * *

Example 5

Question: Member C, a minor, maintains an individual account of \$750. C's grandfather makes a gift to him of \$100,000, which is invested in another account by C's father, designated on the credit union's records as custodian under a Uniform Gift to Minors Act. C's father, also a member, maintains an individual account of \$100,000. What is the insurance coverage?

Answer: C's individual account and the custodial account held for him by his father are added together and insured to the \$100,000 maximum, leaving \$750 uninsured. The individual account held by C's father is separately insured up to the \$100,000 maximum (§§ 745.3(a)(1), (a)(2) and b).

Example 6

Question: Member G, a court-appointed guardian, invests \$100,000, which belongs to member W, his ward, in a properly designated custodial account. W and G each maintain \$25,000 in individual accounts. What is the insurance coverage?

Answer: W's individual account and the guardianship account in G's name are added together and insured to the \$100,000 maximum leaving \$25,000 uninsured. G's individual account is separately insured to the \$100,000 maximum (§§ 745.3(a)(1), (a)(2) and (b)).

* * * * *

10. Part B of the Appendix to part 745 is amended by revising the heading of Part B and adding Example 4 to read as follows:

B. How are Revocable Trust Accounts Insured?

* * * * *

Example 4

Question: Member H invests \$200,000 in a revocable trust account held in connection with a living trust with his son, S, and his daughter, D, as named beneficiaries. What is the insurance coverage?

Answer: Since S and D are children of H, the owner of the account, the funds would normally be insured under the rules governing revocable trust accounts up to \$100,000 as to each beneficiary (§ 745.4(b)). However, because this account is held in connection with a living trust whose named beneficiaries are qualifying beneficiaries under § 745.4, it must be scrutinized to determine whether the account complies with all other provisions of this part and whether the living trust contains any defeating contingencies. Assuming there are no defeating contingencies and that the account complies with all other requirements of this part, then it will be treated as any other revocable trust. In this instance, it will be insured up to \$100,000 as to each beneficiary (§ 745.4(e)). Assuming that S and D have equal beneficial interests (\$100,000 each), H is fully insured for this account.

11. Part C of the Appendix to part 745 is amended by revising the heading of Part C to read as follows:

C. How are Accounts Held by Executors or Administrators Insured?

* * * * *

12. Part D of the Appendix to part 745 is amended by revising the heading of Part D to read as follows:

D. How are Accounts Held by a Corporation, Partnership or Unincorporated Association Insured?

13. Part E of the Appendix to part 745 is amended by revising the heading of

Part E, the first introductory paragraph and Examples 4 through 7 and adding new Example 9 to read as follows:

E. How are Public Unit Accounts Insured?

For insurance purposes, the official custodian of funds belonging to a public unit, rather than the public unit itself, is insured as the account holder. All funds belonging to a public unit and invested by the same custodian in a federally-insured credit union are categorized as either share draft accounts or share certificate and regular share accounts. If these accounts are invested in a federally-insured credit union located in the jurisdiction from which the official custodian derives his authority, then the share draft accounts will be insured separately from the share certificate and regular share accounts. Under this circumstance, all share draft accounts are added together and insured to the \$100,000 maximum and all share certificate and regular share accounts are also added together and separately insured up to the \$100,000 maximum. If, however, these accounts are invested in a federally-insured credit union located outside of the jurisdiction from which the official custodian derives his authority, then insurance coverage is limited to \$100,000 for all accounts regardless of whether they are share draft, share certificate or regular share accounts. If there is more than one official custodian for the same public unit, the funds invested by each custodian are separately insured. If the same person is custodian of funds for more than one public unit, he is separately insured with respect to the funds of each unit held by him in properly designated accounts. The maximum coverage for an official custodian of funds of the United States would be \$100,000.

* * * * *

Example 4

Question: A city treasurer invests city funds in each of the following accounts: "General Operating Account," "School Transportation Fund," "Local Maintenance Fund," and "Payroll Fund." Each account is available to the custodian upon demand. By administrative direction, the city treasurer has allocated the funds for the use of and control by separate departments of the city. What is the insurance coverage?

Answer: All of the accounts are added together and insured in the aggregate to \$100,000. Because the allocation of the city's funds is not by statute or ordinance for the specific use of and control by separate departments of the city, separate insurance coverage to the maximum of \$100,000 is not afforded to each account (§§ 745.1(d) and 745.10(a)(2)).

Example 5

Question: A, the custodian of retirement funds of a military exchange, invests \$1,000,000 in an account in an insured credit union. The military exchange, a non-appropriated fund instrumentality of the United States, is deemed to be a public unit. The employees of the exchange are the beneficiaries of the retirement funds but are not members of the credit union. What is the insurance coverage?

Answer: Because A invested the funds on behalf of a public unit, in his capacity as custodian, those funds qualify for \$100,000 share insurance even though A and the public unit are not within the credit union's field of membership. Since the beneficiaries are neither public units nor members of the credit union they are not entitled to separate share insurance. Therefore, \$900,000 is uninsured (§ 745.10(a)(1)).

Example 6

Question: A is the custodian of the County's employee retirement funds. He deposits \$1,000,000 in retirement funds in an account in an insured credit union. The "beneficiaries" of the retirement fund are not themselves public units nor are they within the credit union's field of membership. What is the insurance coverage?

Answer: Because A invested the funds on behalf of a public unit, in his capacity as custodian, those funds qualify for \$100,000 share insurance even though A and the public unit are not within the credit union's field of membership. Since the beneficiaries are neither public units nor members of the credit union they are not entitled to separate share insurance. Therefore, \$900,000 is uninsured (§ 745.10(a)(2)).

Example 7

Question: A county treasurer establishes the following share draft accounts in an insured credit union each with \$100,000:

"General Operating Fund"
"County Roads Department Fund"
"County Water District Fund"
"County Public Improvement District Fund"
"County Emergency Fund"

What is the insurance coverage?

Answer: The "County Roads Department," "County Water District" and "County Public Improvement District" accounts would each be separately insured to \$100,000 if the funds in each such account have been allocated by law for the exclusive use of a separate county department or subdivision expressly authorized by State statute. Funds in the "General Operating" and "Emergency Fund" accounts would be added together and insured in the aggregate to \$100,000, if such funds are for countywide use and not for the exclusive use of any subdivision or principal department of the county, expressly authorized by State statute (§§ 745.1(d) and 745.10(a)(2)).

* * * * *

Example 9

Question: A, an official custodian of funds of a state of the United States, lawfully invests \$250,000 of state funds in a federally-insured credit union located in the state from which he derives his authority as an official custodian. What is the insurance coverage?

Answer: If A invested the entire \$250,000 in a share draft account, then \$100,000 would be insured and \$150,000 would be uninsured. If A invested \$125,000 in share certificate and regular share accounts, then A would be insured for \$100,000 for the share draft accounts and \$100,000 for the share certificate and regular share accounts leaving

\$50,000 uninsured (§ 745.10(a)(2)). If A had invested the \$250,000 in a federally-insured credit union located outside the state from which he derives his authority as an official custodian, then \$100,000 would be insured for all accounts regardless of whether they were share draft, share certificate or regular share accounts, leaving \$150,000 uninsured (§ 745.10(b)).

14. Part F of the Appendix to part 745 is amended by revising the heading of Part F to read as follows:

F. How are Joint Accounts Insured?

* * * * *

15. Part G of the Appendix to part 745 is amended by revising the heading of Part G and the second sentence of the seventh introductory paragraph to read as follows:

G. How are Trust Accounts and Retirement Accounts Insured?

* * * Although credit unions may serve as trustees or custodians for self-directed IRA, Roth IRA and Keogh accounts, once the funds in those accounts are taken out of the credit union, they are no longer insured.

* * * * *

[FR Doc. 99-30694 Filed 11-29-99; 8:45 am]

BILLING CODE 7535-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 99-NM-108-AD]

RIN 2120-AA64

Airworthiness Directives; McDonnell Douglas Model DC-10 and MD-11 Series Airplanes, and KC-10A (Military) Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to all McDonnell Douglas Model DC-10 and MD-11 series airplanes, and KC-10A (military) airplanes. This proposal would require installation of thrust reverser interlocks on certain airplanes, inspections of the thrust reverser systems to detect discrepancies on certain other airplanes, and corrective actions, if necessary. This proposal is prompted by a determination that the current thrust reverser systems do not adequately preclude unwanted deployment of a thrust reverser. The actions specified by the proposed AD are intended to prevent unwanted deployment of a thrust reverser, which