

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. The FAA amends § 39.13 by adding the following new airworthiness directive:

Rolls-Royce plc: Docket No. 2003-NE-31-AD.

Comments Due Date

(a) The FAA must receive comments on this airworthiness directive (AD) action by December 8, 2003.

Affected ADs

(b) None.

Applicability

(c) This AD applies to Rolls-Royce plc (RR) models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines with radial drive steady bearing part number LK76084 installed with fewer than 3,000 engine operating hours accumulated on the bearing. Radial drive steady bearings with engine operating hours of 3,000 or more are not affected by this proposed AD. These engines are installed on, but not limited to Boeing 757 and Tupolev Tu204 airplanes.

Unsafe Condition

(d) This AD was prompted by reports of seven low time failures of radial drive steady bearings within a four-month period. We are issuing this AD to prevent a possible dual-engine in-flight shutdown caused by radial drive steady bearing failure.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified unless the actions have already been done.

Initial Visual Inspection

(f) Perform an initial inspection of the engine scavenge filter for evidence of radial drive steady bearing failure, within 300 engine operating hours or 45 days after the effective date of this AD, whichever occurs first, and replace parts as necessary. Use paragraph 3.B. of Accomplishment Instructions of RR Mandatory Service Bulletin (MSB) No. RB.211-72-C815, Revision 3, dated October 5, 2000, to do the inspection and parts replacements.

Repetitive Visual Inspections

(g) Thereafter, for radial drive steady bearings with less than 3,000 engine operating hours, perform repetitive inspections of the engine scavenge filter for

evidence of radial drive steady bearing failure, at intervals not to exceed 500 engine operating hours since the previous inspection, and replace parts as necessary. Use paragraph 3.C. of Accomplishment Instructions of RR MSB No. RB.211-72-C815, Revision 3, dated October 5, 2000, to do the inspections and parts replacements.

Rejected Bearings

(h) Send rejected bearings, together with the associated scavenge filter, to Rolls-Royce for analysis.

Reporting Requirements

(i) The Office of Management and Budget (OMB) has approved the reporting requirements specified in paragraph 3. of RR MSB No. RB.211-72-C815, Revision 3, dated October 5, 2000, and assigned OMB control number 2120-0056.

Alternative Methods of Compliance

(j) You must request AMOCs as specified in 14 CFR 39.19. All AMOCs must be approved by the Manager, Engine Certification Office, FAA, 12 New England Executive Park, Burlington, MA 01803-5299.

Material Incorporated by Reference

(k) You must use Rolls-Royce plc Mandatory Service Bulletin No. RB.211-72-C815, Revision 3, dated October 5, 2000, to perform the inspections and parts replacements required by this AD. Approval of incorporation by reference from the Office of the Federal Register is pending.

Related Information

(l) CAA airworthiness directive 005-07-99, dated July 30, 1999, also addresses the subject of this AD.

Issued in Burlington, Massachusetts, on October 3, 2003

Jay J. Pardee,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 03-25578 Filed 10-8-03; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 36

RIN 2900-AL54

Loan Guaranty: Hybrid Adjustable Rate Mortgages

AGENCY: Department of Veterans Affairs.
ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its loan guaranty regulations by making two changes to conform to the Veterans Benefits Act of 2002. To implement section 303 of the law, VA proposes to incorporate into the regulations a new authority for hybrid adjustable rate mortgages. This will allow VA to guarantee loans with interest rates that

remain fixed for a period of not less than the first three years of the loan, after which the rate can be adjusted annually. To implement section 307 of the law, VA proposes to increase the fee paid for assuming a VA guaranteed loan from .50 percent to 1.00 percent of the loan amount. The fee increase is already being carried out under the authority of the statute.

DATES: Comments must be received on or before November 10, 2003.

ADDRESSES: Mail or hand deliver written comments to: Director, Regulations Management (00REG1), Department of Veterans Affairs, 810 Vermont Avenue, NW., Room 1068, Washington, DC 20420; or fax comments to (202) 273-9026; or e-mail comments to OGCRegulations@mail.va.gov.

Comments should indicate that they are submitted in response to "RIN 2900-AL54." All written comments received will be available for public inspection at the above address in the Office of Regulations Management, Room 1063B, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 273-9515 for an appointment.

FOR FURTHER INFORMATION CONTACT: Mr. Robert D. Finneran, Assistant Director for Policy and Valuation (262), Loan Guaranty Service, Veterans Benefits Administration, Department of Veterans Affairs, Washington, DC 20420, (202) 273-7368.

SUPPLEMENTARY INFORMATION:

A. Background

Under 38 U.S.C. chapter 37, VA guarantees loans made by private lenders to veterans for the purchase, construction, and refinancing of homes owned and occupied by veterans. Prior to fiscal year 1993, VA had authority to guarantee fixed rate mortgages only. During fiscal years 1993, 1994, and 1995 VA was authorized to guarantee loans with adjustable interest rates. These rates were adjusted on an annual basis, except that the first adjustment had to occur no sooner than 12 months nor later than 18 months from the date of the borrower's first mortgage payment. Authority for these loans expired at the end of fiscal year 1995.

Section 303 of Pub. L. 107-330 authorizes a demonstration project during fiscal years 2004 and 2005, whereby VA will guarantee loans with hybrid adjustable interest rates. Effective October 1, 2003, or as soon thereafter as practicable, VA proposes to guarantee loans that have interest rate adjustment provisions that (1) specify an initial rate that is fixed for a period of not less than the first three years of

the loan; and (2) provide for an initial adjustment in the interest rate at the end of the initial fixed rate period. While the initial adjustment may not occur until 36 months after the first payment is due, it is not required to occur prior to any set date.

In connection with its previous adjustable rate mortgage program VA issued regulations which are currently at 38 CFR 36.4311. VA proposes to amend that section to provide for a hybrid adjustable rate mortgage with adjustment provisions that conform to the requirements of section 303 of Pub. L. 107-330.

B. Proposed Rule

This proposed rule would make changes to the time at which the initial interest rate must occur and minor changes to the wording of the regulations. Except for these changes the proposed regulations are the same as those for the previous adjustable rate mortgage program. They provide that the interest rate adjustments: (1) Correspond to changes in the weekly average yield on one year Treasury bills adjusted to a constant maturity; (2) be made by adjusting the monthly payment on an annual basis; (3) be limited with respect to any single annual interest rate adjustment, to a maximum increase or decrease of 1 percentage point; and (4) be limited, over the term of the mortgage, to a maximum increase of 5 percentage points above the initial contract interest rate.

Because the new program is proposed to become effective October 1, 2003, VA proposes to add the words "Effective October 1, 2003," to the beginning of the introductory text of paragraph (d) of § 36.4311.

VA proposes to change the time at which the initial interest rate adjustment must occur, as required by Pub. L. 107-330. Section 36.4311(d)(2) provides "that the first adjustment may occur no sooner than 12 months nor later than 18 months from the date of the borrower's first mortgage payment." This proposed rule would amend the first sentence of this paragraph by changing "12 months" to "36 months" and by deleting the words "nor later than 18 months."

Because VA no longer sets maximum interest rates this proposed rule would remove from paragraph (d)(4) of § 36.4311 the second sentence which reads, "The rate must be reflective of adjustable rate lending." The interest rate on all VA loans is negotiated between the borrower and the lender.

VA proposes to change language concerning the pre-loan disclosure in paragraph (d)(6) of § 36.4311. This

proposed rule would remove the second part of the first sentence, which states that the lender must explain the nature of the obligation "no later than on the date upon which the lender provides the prospective borrower with an application," and in its place add "at the time of loan application." This change is necessary to conform with industry practice whereby lenders make a copy of the loan application available to the borrower for review prior to the actual beginning of the loan application process. This proposed rule would also remove the language that states a copy of the signed certification shall be "included in the loan submission to VA" and in its place add "furnished to VA upon request." This change is necessary to conform to current practice whereby paper copies of loan application papers are retained by lenders until such time as they are requested by VA.

The VA guaranteed hybrid adjustable rate mortgage with the above features will be similar to the adjustable rate mortgages eligible for Federal Housing Administration (FHA) insurance. This should facilitate pooling of these mortgages together in Government National Mortgage Association (GNMA) mortgage-backed securities pools.

Because there has been no activity in the manufactured home loan program for the past several years, this pilot program for VA hybrid adjustable rate mortgages will not be made available for manufactured homes under the provisions of 38 U.S.C. 3712. However, manufactured housing which qualifies as conventional housing under the provisions of 38 U.S.C. 3710 (a)(9) will be eligible.

Section 307 of Pub. L. 107-330 increases the fee payable to VA by a person assuming a VA guaranteed loan from .50 percent to 1.00 percent of the loan amount. VA is making conforming changes to 38 CFR 36.4312 to reflect the increase. Under the provisions of Pub. L. 107-330, this increase is effective for the period beginning December 13, 2002, and ending September 30, 2003.

Administrative Procedure Act

Section 6(a)(1) of Executive Order 12866 indicates that, in most cases, a comment period should be "not less than 60 days." However, section 303 of Pub. L. 107-330 only permits a limited, 2 year test program for Hybrid ARMs between October 1, 2003 and September 30, 2005. We believe that this proposed rule is essential to the efficient and consistent implementation of the Hybrid Adjustable Rate Mortgage demonstration program created by that section. In order to avoid delays in implementing this

program, we believe it is important that final regulations be published expeditiously. For this reason, we have shortened the comment period for this rulemaking action to 30 days.

Unfunded Mandates

The Unfunded Mandates Reform Act requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before developing any rule that may result in expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any given year. This rule would have no such effect on State, local, or tribal governments, or the private sector.

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521).

Executive Order 12866

This document has been reviewed by the Office of Management and Budget under Executive Order 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that this proposed rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. The addition of hybrid adjustable rate mortgages will benefit lenders by providing an additional loan product for use in making VA-guaranteed loans. Therefore, pursuant to 5 U.S.C. 605(b) this proposed rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

The Catalog of Federal Domestic Assistance Program numbers applicable to this rule are 64.114 and 64.119.

List of Subjects in 38 CFR Part 36

Condominiums, Flood insurance, Housing, Indians, Individuals with disabilities, Loan programs—housing and community development, Loan programs—Indians, Loan programs—veterans, Manufactured homes, Mortgage insurance, Reporting and recordkeeping requirements, Veterans.

Approved: August 20, 2003.

Anthony J. Principi,

Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 36 is proposed to be amended as set forth below.

PART 36—LOAN GUARANTY

1. The authority citation for part 36 continues to read as follows:

Authority: 38 U.S.C. 501, 3701–3704, 3707, 3710–3714, 3719, 3720, 3729, 3762, unless otherwise noted.

2. Section 36.4311 is amended by:

a. Revising paragraph (d) introductory text;

b. In paragraph (d)(2), removing “12 months nor later than 18 months”, and adding, in its place, “36 months”;

c. Revising paragraph (d)(4) introductory text;

d. In paragraph (d)(5) introductory text, removing “no later than on the date upon which the lender provides the prospective borrower with a”, and adding, in its place, “at the time of”; and by removing, “included in the loan submission to VA”, and adding, in its place, “furnished to VA upon request”; and

e. Revising the authority citation at the end of the section.

The revisions read as follows:

§ 36.4311 Interest rates.

* * * * *

(d) Effective October 1, 2003, adjustable rate mortgage loans which comply with the requirements of this paragraph (d) are eligible for guaranty.

* * * * *

(4) *Initial rate and magnitude of changes.* The initial contract interest rate of an adjustable rate mortgage shall be agreed upon by the lender and the veteran. Annual adjustments in the interest rate shall correspond to annual changes in the interest rate index, subject to the following conditions and limitations:

* * * * *

(Authority: 38 U.S.C. 3707A, 3710)

3. In § 36.4312, paragraph (e)(2), in the first sentence, is amended by removing “one-half of”; and by revising the authority citation at the end of the paragraph to read as follows:

§ 36.4312 Charges and fees.

* * * * *

(Authority: 38 U. S. C 3729(b))

[FR Doc. 03–25560 Filed 10–8–03; 8:45 am]

BILLING CODE 8320–01–P

ENVIRONMENTAL PROTECTION AGENCY**40 CFR Part 52**

[NM–46–1–7615b; FRL–7571–2]

Approval and Promulgation of Implementation Plans; New Mexico; Revision to Motor Vehicle Emission Budgets in Bernalillo County, NM Carbon Monoxide Air Quality Maintenance Plan Using MOBILE6

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to approve the State Implementation Plan (SIP) revisions for Bernalillo County, New Mexico, which is a carbon monoxide maintenance area. This SIP revision was submitted to EPA by the Governor of New Mexico on May 15, 2003. More specifically, EPA is proposing approval of the county’s revised Motor Vehicle Emissions Budget (MVEB) for carbon monoxide (CO) for 1996, 1999, 2002, 2005 and 2006. This budget was developed using EPA’s latest emissions modeling program, MOBILE6. This submittal updates the maintenance plan by establishing new transportation conformity MVEBs for use by the Mid-Region Council of Governments, the area’s Metropolitan Planning Organization (MPO). These budgets will continue to maintain the total on-road mobile source emissions for the area at or below the attainment level for the CO National Ambient Air Quality Standard (NAAQS).

DATES: Written comments must be received on or before November 10, 2003.

ADDRESSES: Comments on this action may submitted either by mail or electronically. Written comments should be mailed to Mr. Thomas H. Diggs, Chief, Air Planning Section (6PD–L), U.S. Environmental Protection Agency, 1445 Ross Avenue, Suite 700, Dallas, Texas 75202–2733. Comments may also be submitted electronically via email to Diggs.Thomas@epa.gov or to <http://www.regulations.gov> which is an alternative method for submitted electronic comments to EPA. To submit comments, please follow the detailed instructions described in the “Final Action” section of the direct final rule which is located in the Rules and Regulations section of this **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Ms. Peggy Wade of the EPA Region 6 Air Planning Section at (214)665–7247 or Wade.Peggy@epa.gov.

SUPPLEMENTARY INFORMATION: In the Final Rules section of this **Federal Register**, EPA is approving the State’s SIP submittal as a direct final rule without prior proposal because the Agency views this as a noncontroversial submittal and anticipates no adverse comment. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this action, no further activity is contemplated. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. EPA will not institute a second comment period. Any parties interested in commenting on this action should do so at this time. Please note that if EPA receives adverse comment on an amendment, paragraph, or section of this rule and if that provision may be severed from the remainder of the rule, we may adopt as final those provisions of the rule that are not the subject of an adverse comment.

For additional information, see the Direct Final rule which is located in the Rules and Regulations section of this **Federal Register**.

Dated: September 30, 2003.

Richard E. Greene,

Regional Administrator, Region 6.

[FR Doc. 03–25544 Filed 10–8–03; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY**40 CFR Part 228**

[FRL–7572–2]

Ocean Disposal; Proposed Rule; Proposed Designation of Dredged Material Disposal Sites in the Central and Western Portions of Long Island Sound, CT; Extension of Comment Period and Addition of One Public Hearing; Correction

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; extension of comment period; correction.

SUMMARY: In response to public request, EPA is extending the comment period for its proposed action to designate dredged material disposal sites in the Central and Western Long Island Sound, Connecticut. EPA is extending the comment period by an additional 21 days, announcing the addition of a public hearing and correcting site location information in the proposed rulemaking published on September 12, 2003 (68 FR 53687–53696).