

not more frequently than monthly. The grantee will only be reimbursed for allowable costs incurred.

(b) [Reserved]

(c) The grantee's share in the cost of the project will be disbursed in advance of grant funds or on a pro-rata distribution basis with grant funds during the disbursement period. The grantee may not provide its contribution at the end of the grant period.

§ 4284.558 Reporting.

An SF-269, "Financial Status Report," and a project performance activity report will be required of all grantees on a quarterly basis. A final project performance report will be required with the last SF-269. The final report may serve as the last quarterly report. The final report must include a final evaluation of the project. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. Grantees are to submit an original of each report to RECD. The project performance reports shall include, but not be limited to, the following:

(a) A comparison of actual accomplishments to the objectives established for that period;

(b) Reasons why established objectives (if any) were not met;

(c) Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and

(d) Objectives and timetable established for the next reporting period.

§§ 4284.559–4284.570 [Reserved]

§ 4284.571 Audit requirements.

The grantee will provide an audit report in accordance with § 1942.17 of subpart A of part 1942 of this title. The audit requirements only apply to the years in which grant funds are received. Audits must be prepared in accordance with general accounting principles and standards using the publication, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions."

§ 4284.572 Grant servicing.

Grants will be serviced in accordance with subpart E of part 1951 of this title.

§ 4284.573 Programmatic changes.

The grantee shall obtain prior approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope or budget can result in suspension or termination of grant funds.

§ 4284.574 Subsequent grants.

Subsequent grants will be processed in accordance with the requirements set forth in this subpart.

§ 4284.575 Grant suspension, termination, and cancellation.

Grants may be canceled by RBS by written notice. Grants may be suspended or terminated for cause or convenience in accordance with parts 3015, 3016, and 3019 of this title.

§§ 4284.576–4284.586 [Reserved]

§ 4284.587 Exception authority.

The Administrator may, in individual cases, make an exception to any requirement or provision of this subpart which is not inconsistent with the authorizing statute, an applicable law, or a decision of the Comptroller General, if the Administrator determines that application of the requirement or provision would adversely affect the Government's financial interest and shows how the adverse impact will be eliminated or minimized if the exception is made.

§§ 4284.588–4284.599 [Reserved]

§ 4284.600 OMB control number.

The reporting and record keeping requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 0570-0006. Public reporting burden for this collection of information is estimated to vary from 30 minutes to 8 hours per response, with an average of 1.85 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, AG Box 7630, Washington, DC 20250, and to the Office of Management and Budget, Paperwork Reduction Project (OMB#0570-0006), Washington, D.C. 20503.

Dated: January 3, 1996.

Jill Long Thompson,

Under Secretary, Rural Economic and Community Development.

[FR Doc. 96-1578 Filed 2-1-96; 8:45 am]

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Economics Management Staff

7 CFR Part 4001

Availability of Information

AGENCY: Economics Management Staff, USDA.

ACTION: Final rule.

SUMMARY: This document removes the regulations of the Economics Management Staff (EMS) regarding the availability of information to the public in accordance with the Freedom of Information Act (FOIA) to reflect an internal reorganization of the Department of Agriculture (USDA).

EFFECTIVE DATE: February 2, 1996.

FOR FURTHER INFORMATION CONTACT:

Stasia A.M. Hutchison, FOIA Coordinator, Information Staff, Agriculture Research Service, USDA, 6303 Ivy Lane, Room 456, Greenbelt, MD 20770, Telephone (301) 344-2207.

SUPPLEMENTARY INFORMATION: The FOIA (5 U.S.C. 552(a)(1)) requires Federal agencies to publish in the Federal Register regulations describing how the public may obtain information from the agency. Part 4001 of Title 7, Code of Federal Regulations, was issued in accordance with the regulations of the Secretary of Agriculture at 7 CFR Part 1, Subpart A, implementing FOIA.

Pursuant to an internal reorganization of USDA, EMS has been abolished. This document removes 7 CFR Part 4001. Requests for information relating to EMS may be obtained through the FOIA Coordinator for ARS pursuant to 7 CFR Part 1, Subpart A, and 7 CFR Part 510.

This rule relates to internal agency management. Therefore, pursuant to 5 U.S.C. 553, notice of proposed rulemaking and opportunity for comment are not required, and this rule may be made effective less than 30 days after publication in the Federal Register. Further, since this rule relates to internal agency management, it is exempt from the provisions of Executive Orders 12778 and 12866. Also, this rule will not cause a significant economic impact or other substantial effect on small entities. Therefore, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, do not apply.

List of Subjects in 7 CFR Part 4001

Freedom of information.

Accordingly, under the authority of U.S.C. 301 and 552, Part 4001 is removed.

Done at Washington, DC, this 29th day of January 1996.

Catherine E. Woteki,

Deputy Under Secretary, Research, Education and Economics.

[FR Doc. 96-2068 Filed 2-1-96; 8:45 am]

BILLING CODE 3410-03-M

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 701, 709 and 741

Organization and Operations of Federal Credit Unions

AGENCY: National Credit Union Administration (NCUA).

ACTION: Interim final rule with request for comments.

SUMMARY: This interim rule authorizes credit unions serving predominantly low-income members to raise secondary capital from foundations and other philanthropic-minded institutional investors. Increased capital will in turn enable these credit unions to make more loans and improve other financial services for the limited income groups and communities they serve.

This rule establishes a new section in NCUA's Regulations providing authority for secondary capital accounts and amending existing regulatory provisions concerning designation of low-income status. The rule also amends an existing rule to address the authority of federally insured state credit unions to issue secondary capital accounts, and amends another rule to establish that secondary capital accounts are paid after all other claims in the event of liquidation.

Secondary capital accounts will not be issued as share accounts and will not establish voting or ownership rights. The applicability of this rule is limited to credit unions having a low-income designation from NCUA or the appropriate state regulator.

DATES: The interim rule is effective January 25, 1996. Comments must be received on or before April 1, 1996.

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, Virginia 22314-3428. Fax comments to (703) 518-6319. Post comments on NCUA's electronic bulletin board by dialing (703) 518-

6480. Please send comments by one method only.

FOR FURTHER INFORMATION CONTACT:

Joyce Jackson, Special Assistant, Office of Community Development Credit Unions, at the above address or telephone (703) 518-6610, or David Marquis, Director, Office of Examination and Insurance, or Stephen Austin, Director of the Department of Supervision, Office of Examination and Insurance, both at the above address or telephone (703) 518-6360, or Robert M. Fenner, General Counsel, at the above address or telephone (703) 518-6540.

SUPPLEMENTARY INFORMATION:

Background

As of November, 1995, there were 260 federally insured credit unions designated by NCUA or the appropriate state regulator as serving predominantly low-income members. Like other credit unions serving members of limited financial means, these credit unions perform an important mission of providing loans and other financial services to individuals and communities who most need these services and most often do not have them available from other sources. Like all insured credit unions, the low-income designated credit unions are, as a group, quite healthy and financially strong. For example, the average net capital ratio for low-income designated credit unions as of May, 1995 was 9.8 percent.

Individual low-income designated credit unions find it difficult, however, in view of the limited resources of their members, to accumulate capital. (As cooperatives, credit unions build their primary capital—statutory reserves—solely by setting aside a portion of their income each accounting period.) To ease this burden, and to facilitate an additional opportunity for low-income designated credit unions to build capital that will support greater lending and financial services in their communities, the NCUA Board is issuing this interim final rule authorizing secondary capital accounts. These capital accounts, to the extent that low-income designated credit unions choose to offer them, will supplement rather than reduce existing statutory reserve requirements.

Overview

The Board has established certain key safety and soundness elements in this interim rule to ensure both that secondary capital accounts serve the purpose of capital—i.e. that they are available to absorb loss and thus prevent losses to members or the failure of the institution—and that there is no misunderstanding on the part of

investors as to the nature of the accounts and the risks involved.

Included are the following:

- The accounts may be offered only to organizational investors, not to natural person members or other natural person investors.

- The accounts are subordinate to all other claims on the assets of the credit union.

- The accounts are not insured by the National Credit Union Share Insurance Fund or any other government entity, and may not be offered as share accounts. It is anticipated that credit unions will issue these accounts as a form of subordinated debt.

- Funds in the accounts must be available to cover losses, after depletion of reserves and undivided earnings, but prior to liquidation of the credit union.

- The accounts must have a minimum maturity of five years.

- These and other key provisions must be reflected in an account agreement and in disclosures prescribed as an Appendix to the interim rule.

- When the remaining maturity of a secondary capital account is less than five years, the credit union will reflect through a footnote to its financial statement, and NCUA will recognize, the capital value of the account as a percentage of the account's face value, on a sliding scale ranging from 80% of face value (four years to less than five years remaining maturity) to zero (less than one year remaining maturity).

Additional Explanation of Amendments

This interim rule contains four separately numbered amendments. The following is an additional explanation of each.

Amendment 1 removes from Section 701.32 of NCUA's rules the provisions concerning designation of low-income status. Those provisions are now placed in new Section 701.34. As a result, Section 701.32 now deals solely with the limitations on federally insured credit unions receiving nonmember shares above certain levels without prior NCUA approval. Such shares include public unit shares in all federally insured credit unions and other nonmember shares in the case of low-income designated credit unions. Section 701.34 contains the provisions related solely to low-income designated credit unions: The rules concerning designation of low-income status and the new provisions concerning receipt of secondary capital accounts.

Because secondary capital accounts are not share accounts, they are not subject to the Section 701.32 limitations. A reference in Section 701.32(b)(1) to "accounts" is replaced