

(h) The term *mutual holding company* means a mutual holding company organized under this part.

* * * * *

PART 583—DEFINITIONS

13. The authority citation for part 583 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1468.

14. Section 583.20 is amended by revising paragraph (b)(2) and by adding paragraph (c) to read as follows:

§ 583.20 Savings and loan holding company.

* * * * *

(b) * * *

(2) Is a testamentary trust; and

(c) A bank holding company that is registered under, and subject to, the Bank Holding Company Act of 1956, or any company directly or indirectly controlled by such company (other than a savings association).

PART 584—REGULATED ACTIVITIES

15. The authority citation for part 584 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1468.

§ 584.2a [Amended]

16. Section 584.2a is amended by removing paragraph (e).

Dated: November 20, 1996.

By the Office of Thrift Supervision.

Nicolas P. Retsinas,

Director.

[FR Doc. 96-30112 Filed 11-26-96; 8:45 am]

BILLING CODE 6720-01-P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 745

Share Insurance and Appendix

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: Currently, the NCUA Rules and Regulations include dividends accrued and posted to share accounts for any prior accounting period as principal for determining the amount of share insurance on insured accounts. To provide equitable treatment, the NCUA Board is amending the regulations to provide authority for the liquidating agent to include dividends earned or accrued in the normal course of business but not posted in the determination of the amount of share

insurance on insured accounts. An outdated reference in the Regulations regarding time computation is updated.

DATES: The rule is effective on November 27, 1996.

ADDRESSES: National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

FOR FURTHER INFORMATION CONTACT: Jerry L. Courson, Special Assistant to the President, Asset Management and Assistance Center, National Credit Union Administration, 4807 Spicewood Springs Road, Suite 5100, Austin, Texas 78759 or telephone (512) 795-0999 or Allan H. Meltzer, Associate General Counsel, National Credit Union Administration, Office of General Counsel, 1775 Duke Street, Alexandria, Virginia 22314-3428 or telephone (703) 518-6540.

SUPPLEMENTARY INFORMATION:

Background

Subpart B of Part 745 of the NCUA Rules and Regulations deals with the payment of share insurance and appeals. Specifically, § 745.200(b) provides that in determining the amount of share insurance, no dividends shall be paid on shares if sufficient undivided and current earnings are not available for such purpose. However, dividends accrued and posted to share accounts for prior accounting periods are considered as principal (regardless of earnings).

In a small number of liquidations, it has been necessary to reconstruct and correct the credit union records. In these liquidation cases, the reconstruction process disclosed situations where dividends were posted to some member accounts and not posted to other member accounts. Under the current regulation, to properly reconstruct these accounts and the dividends that were miscalculated or omitted, the liquidating agent obtained authority from the NCUA Board.

On July 9, 1996, the NCUA Board issued a Notice of Proposed Rulemaking, 61 FR 36663 (July 12, 1996), proposing to amend § 745.200(b) to provide the liquidating agent authority to record unposted dividends to provide for a more equitable treatment of all members. The proposed rule provides discretion for the liquidating agent to correct share accounts by recording dividend payments that were not posted or were incorrectly posted by credit union personnel due to fraud, embezzlement, or accounting errors. Under the proposed rule, dividends not earned in the normal course of business, would not be included in the determination of

insured shares. In addition, the proposed rule provides flexibility in dealing with sufficient earnings. Under the current regulation, dividend payments cannot be considered as principal for insurance purposes if sufficient earnings were not available. The proposed rule is silent on sufficient earnings, but a credit union's earnings could be a factor used by the liquidating agent in determining insured shares.

Under the proposed rule, decisions on unposted dividends can be made without specific NCUA Board action.

In addition to the issue of unposted dividends, the proposed rule also noted a needed change to the reference in § 745.200(d) to § 747.119 of the NCUA Rules and Regulations. This is a reference to the Section in the Regulations on time computation. Section 747.119 no longer exists and the reference is updated to read § 747.12(a).

The Notice of Proposed Rulemaking included a Request for Comments seeking public comment on the proposed changes to Part 745 of the NCUA Rules and Regulations. Five comment letters were received, one from a federal credit union and four from national and state credit union leagues. All commenters expressed unqualified support for the proposed regulation.

Analysis

The final rule is unchanged from the proposed rule that was published on July 12, 1996.

Immediate Effective Date

Since the rule relieves a restriction in that the liquidating agent can pay certain unposted dividends without specific NCUA Board action, the thirty day delay in effective date is not applicable. 5 U.S.C. 553(d)(1).

Regulatory Procedures

Regulatory Flexibility Act

The NCUA Board certifies that this rule will not have a significant economic impact on a substantial number of small credit unions (those under \$1 million in assets). Accordingly, a Regulatory Flexibility Act analysis is not required.

Paperwork Reduction Act

The rule does not impose any new paperwork requirements.

Executive Order 12612

Executive Order 12612 requires NCUA to consider the effect of its actions on state interests. The changes to § 745.200 will apply to both federal credit unions and federally-insured, state chartered credit unions. The

NCUA Board, pursuant to Executive Order 12612, has determined that the amendment will not have substantial 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. Further, the rule will not preempt provisions of state law or regulation.

List of Subjects in 12 CFR Part 745

Administrative practice and procedure, Bank deposit insurance, Claims, Credit unions.

By the National Credit Union Administration Board on November 20, 1996.
Becky Baker,
Secretary of the Board.

Accordingly, NCUA amends 12 CFR part 745 as follows:

PART 745—SHARE INSURANCE AND APPENDIX

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

Authority: 12 U.S.C. 1766, 1781, 1789.

2. Section 745.200 is amended by revising paragraphs (b) and (d) to read as follows:

§ 745.200 General.

* * * * *

(b) *Amount of insurance.* The amount of insurance on an insured account shall be determined in accordance with the provisions of Subpart A of this part and the Federal Credit Union Act. For the purpose of determining insurance coverage, dividends earned in the ordinary course of business and posted to share accounts for any prior accounting or dividend period shall be deemed to be principal under this part. Dividends earned or accrued in the ordinary course of business, but not posted to share accounts, may be paid at the discretion of the liquidating agent. In making such determination, the liquidating agent will take into consideration whether the failure to post dividends earned or accrued was due to the fraud, embezzlement or accounting errors of credit union personnel. The liquidating agent may require an accountholder to submit documentation supporting any claim for unposted dividends not otherwise evidenced in the credit union records. However, in no event will dividend amounts be considered as principal for insurance purposes pursuant to this section if not consistent with the amounts paid on similar classes of shares.

* * * * *

(d) *Computing time.* In computing any period of time prescribed by this subpart, the provisions of § 747.12(a) shall apply.

[FR Doc. 96-30287 Filed 11-26-96; 8:45 am]

BILLING CODE 7535-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 96-AEA-10]

Amendment to Class E Airspace; Penn Yan, NY

AGENCY: Federal Aviation Administration (FAA) DOT.

ACTION: Final rule.

SUMMARY: This amendment modifies the Class E airspace at Penn Yan, NY, to accommodate a Global Positioning System (GPS) Standard Instrument Approach Procedure (SIAP) to Runway (RWY) 01 at Penn Yan Airport. This amendment also includes the correct geographic position of Penn Yan Airport published in the Notice Of Proposed Rulemaking in the Federal Register October 24, 1996 (61 FR 55121). The intended effect of this action is to provide adequate controlled airspace for instrument flight rules (IFR) operations at the airport.

EFFECTIVE DATE: 0901 UTC, March 27, 1997.

FOR FURTHER INFORMATION CONTACT: Mr. Frances Jordan, Airspace Specialist, Operations Branch, AEA-530, Air Traffic Division, Eastern Region, Federal Aviation Administration, Federal Building #111, John F. Kennedy International Airport, Jamaica, New York 11430, telephone: (718) 553-4521.

SUPPLEMENTARY INFORMATION:

History

On October 24, 1996, the FAA proposed to amend Part 71 of the Federal Aviation Regulations (14 CFR Part 71) by modifying Class E airspace at Penn Yan, NY, (61 FR 55121). This action would provide adequate Class E airspace for IFR operations at Penn Yan Airport.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received.

Class E airspace areas designations are published in paragraph 6005 of FAA Order 7400.9D, dated September 4, 1996, and effective September 16, 1996,

which is incorporated by reference in 14 CFR 71.1 The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to Part 71 of the Federal Aviation Regulations (14 CFR Part 71) modifies Class E airspace area at Penn Yan, NY, to accommodate a GPS RWY 01 SIAP and for IFR operations at Penn Yan Airport.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation—(1) is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 10034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation it is certified that this rule will not have significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR Part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR Part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; EO 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9D, Airspace Designations and Reporting Points, dated September 4, 1996, and effective September 16, 1996, is amended as follows:

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

AEA NY E5 Penn Yan, NY [Revised]

Penn Yan Airport, NY

(Lat. 42°38'17" N, Long. 77°03'11" W)

That airspace extending upward from 700 feet above the surface within a 10.5-mile radius of the Penn Yan Airport, excluding