

**Subpart C—Continuation of Benefits****§ 880.301 Purpose.**

This subpart establishes OPM's policy concerning the availability and amount of CSRS and FERS annuity payments and the continuation of FEHBP and FEGLI coverage and premiums while an annuitant is classified as a missing annuitant.

**§ 880.302 Payments of CSRS or FERS benefits.**

(a) OPM will pay an amount equal to the survivor annuity that would be payable as CSRS or FERS survivor annuity to an account in a financial institution designated (under electronic funds transfer regulations in part 209 or part 210 of Title 31, Code of Federal Regulations) by an individual who, if the missing annuitant were dead, would be entitled to receive payment of a survivor annuity.

(b) If more than one individual would qualify for survivor annuity payments in the event of the missing annuitant's death, OPM will make separate payments in the same manner as if the missing annuitant were dead.

**§ 880.303 FEHBP coverage.**

(a) If the missing annuitant had a family enrollment, the enrollment will be transferred to the eligible family members under § 890.303(c) of this chapter. If there is only one eligible family member, the enrollment will be changed to a self-only enrollment under § 890.306(r) of this chapter. The changes will be effective the first day of the pay period following the date of disappearance.

(b) If the missing annuitant was covered by a self only enrollment or if there is no eligible family member remaining, the enrollment terminates at midnight of the last day of the pay period in which he or she disappeared, subject to the temporary extension of coverage for conversion.

(c) If the missing annuitant is found to be alive, the coverage held before the disappearance is reinstated effective with the pay period during which the annuitant is found, unless the annuitant, or the annuitant's representative, requests that the enrollment be restored retroactively to the pay period in which the disappearance occurred.

**§ 880.304 FEGLI coverage.**

(a) FEGLI premiums will not be collected during periods when an annuitant is a missing annuitant.

(b)(1) If the annuity of a missing annuitant is restored under § 880.204(a), OPM will deduct the amount of FEGLI

premiums attributable to the period when the annuitant was a missing annuitant from any adjustment payment due the annuitant under § 880.204(a).

(2) If a missing annuitant is determined to be dead under § 880.205, FEGLI premiums and benefits will be computed using the date of death established under § 880.206(a).

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**FEDERAL DEPOSIT INSURANCE CORPORATION****12 CFR Part 357**

RIN 3064-AB08

**Determination of Economically Depressed Regions**

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Final rule.

**SUMMARY:** As part of the FDIC's systematic review of its regulations under section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI Act), the FDIC is amending its regulations to reflect changes in the marketplace, update and streamline the regulation, improve efficiency, and reduce unnecessary costs. The text of this final rule is substantially similar to that of the proposed rule that was published in the **Federal Register** of August 6, 1996. Previous references to specific sources of data to be used in determining whether a region is economically depressed were removed in order to allow for more flexibility in our analyses. In addition, the general designation of states as the geographical unit over which the FDIC defines "economically depressed regions" has been changed under this amendment. Under this amendment, the FDIC will define the geographic unit that comprises an "economically depressed region" for an institution on a case-by-case basis. Such a determination is required because the geographic area over which institutions conduct business varies across institutions, as well as over time for an individual institution. After an institution's geographic market has been defined the FDIC will next determine whether that market falls within an "economically depressed region". This allows for cases where an institution's geographic market is limited to some portion of a state or crosses two or more state boundaries. The FDIC also will consider relevant information from institutions

regarding their geographic market, as well as information on whether that market is "economically depressed". Elsewhere in this issue of the **Federal Register**, the FDIC also is withdrawing a 1992 proposed amendment to the regulation that was published on December 18, 1992.

The FDIC is required by statute to consider proposals for direct financial assistance by Savings Association Insurance Fund (SAIF) members having offices located in an "economically depressed region" as determined by the FDIC by regulation and meeting certain other specified criteria, before grounds exist for the appointment of a conservator or receiver for the institution. This amendment provides guidance to enable applicants to evaluate their situations before formally applying for assistance. Rather than periodically designating specific "economically depressed regions" in light of current economic conditions, this rule provides the criteria that the FDIC will use to determine which regions are economically depressed.

**EFFECTIVE DATE:** April 2, 1998.

**FOR FURTHER INFORMATION CONTACT:** John P. O'Keefe, Chief, Economic Analysis Section, (202) 898-3945, David Horne, Financial Economist, (202) 898-3981, Division of Research and Statistics; Michael Phillips, Counsel, Legal Division, (202) 898-3581, FDIC, 550 17th Street, N.W., Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:** The FDIC is conducting a systematic review of its regulations and written policies in accordance with section 303(a) of the CDRI Act, 12 U.S.C. 4803(a). Section 303(a) requires each federal banking agency to streamline and modify its regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303(a) also requires each federal banking agency to remove inconsistencies and outmoded and duplicative requirements from its regulations and written policies.

As part of this review, the FDIC has determined that its regulations at 12 CFR part 357 should be amended to minimize the cost of implementing the regulation, make it more flexible regarding market standards, and give institutions more opportunity to establish that they are located in an "economically depressed region".

In the **Federal Register** of August 6, 1996 (61 FR 40756), the FDIC issued a proposed amendment of part 357 to provide criteria to enable applicants to evaluate their status before formally

applying for assistance under sections 13(c) and 13(k)(5) of the Federal Deposit Insurance Act (FDI Act), 12 U.S.C. 1823(c) and 12 U.S.C. 1823(k)(5). Rather than designating specific regions in light of current economic conditions, the proposed rule provided the criteria that it will use to determine which regions are "economically depressed". The FDIC also proposed to withdraw a proposed amendment to part 357 that updated the list of designated states that was published on December 18, 1992 (57 FR 60140), but never adopted. No public comments were received with respect to the 1992 and 1996 proposed rules. Elsewhere in this issue of the **Federal Register**, the FDIC is withdrawing the 1992 proposed rule.

Subject to the statutory prohibition in section 11(a)(4) of the FDI Act (12 U.S.C. 1821(a)(4)), the FDIC has authority under section 13(c) of the FDI Act, 12 U.S.C. 1823(c), to provide financial assistance to prevent the default of an insured depository institution. Under section 13(k)(5) of the FDI Act, 12 U.S.C. 1823(k)(5), the FDIC must consider proposals for eligible SAIF member institutions to receive assistance pursuant to section 13(c) before grounds exist for the appointment of a conservator or receiver for the institution. Section 13(k)(5) establishes nine criteria for such eligibility. One of the criteria is that an institution's offices must be located in an "economically depressed region" (12 U.S.C. 1823(k)(5)(A)(ii)(VI)). In addition, under section 13(k)(5), SAIF-member applicants must separately meet the criteria under section 13(c) and other pertinent sections of the FDI Act to qualify for assistance. In evaluating assistance proposals filed under section 13(c), the statutory prohibition in section 11(a)(4) of the FDI Act, 12 U.S.C. 1821(a)(4), must be complied with. With certain limited exceptions, section 11(a)(4) prohibits the use of funds from the Bank Insurance Fund or the SAIF to benefit shareholders of a failed or failing insured depository institution.

The term "economically depressed region" is defined in section 13(k)(5)(C) to mean "any geographical region which the [FDIC] determines by regulation to be a region within which real estate values have suffered serious decline due to severe economic conditions, such as a decline in energy or agricultural values or prices".

On September 17, 1990, the FDIC promulgated regulations at 12 CFR 357.1 (55 FR 38043), which determined that certain geographical regions were "economically depressed regions" for purposes of section 13(k)(5) of the FDI Act. In determining which regions were

"economically depressed", the FDIC considered the following factors: (1) The ratio of poor quality real estate assets to total assets in the portfolios of Bank Insurance Fund (BIF) members; (2) the ratio of poor quality real estate assets to total assets in the portfolios of SAIF members; and (3) unemployment figures. The statewide percentages of impaired real estate assets for BIF and SAIF members and unemployment rates were analyzed with reference to national levels. These factors are subject to periodic review and application by the FDIC in light of changing economic conditions.

As promulgated in 1990, the FDIC's regulations at 12 CFR 357.1 designated eight individual states as "economically depressed regions" for purposes of section 13(k)(5) of the FDI Act. They were: Alaska, Arizona, Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, and Texas.

Two years later, having reexamined real estate and employment conditions based on the most recent information, the FDIC determined that the eight states previously designated as economically depressed regions should no longer receive that designation. The FDIC concluded that the following nine states and the District of Columbia should be classified as economically depressed regions: California, Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. In December 1992, the FDIC published this list of states in a proposed rule (see 57 FR 60140, December 18, 1992). The FDIC had considered, as before, the ratio of poor quality real estate assets to total assets in the portfolios of BIF and SAIF members, and the labor market situation. In addition, the FDIC considered both the overall unemployment rate and non-farm employment growth trends. The December 1992 proposed rule was never adopted.

Rather than periodically revisiting the criteria used to identify regions for designation as "economically depressed regions", and listing regions so designated, the FDIC has determined that this amendment of part 357 will provide more coherent guidance to applicants for the evaluation of their situations before formally applying for assistance. This final rule provides the criteria the FDIC will use to determine which regions are "economically depressed" for purposes of section 13(k)(5)(C). References to specific sources of data to be used in the determination of whether a region is economically depressed, which were contained in appendix A of the

proposed amendment, were removed in order to allow for greater flexibility in the FDIC's analysis. In addition, the general designation of states as the geographical unit over which the FDIC defines "economically depressed regions" has been changed under this amendment to part 357. Under this amendment to part 357, the FDIC will define the geographic unit that comprises an "economically depressed region" for an institution on a case-by-case basis. Such a determination is required because the geographic area over which institutions conduct business varies across institutions, as well as over time for an individual institution. After an institution's geographic market has been defined the FDIC will next determine whether that market falls within an "economically depressed region". This allows for cases where an institution's geographic market is limited to some portion of a state or crosses two or more state boundaries. The FDIC will also consider relevant information from institutions regarding their geographic market, as well as information on whether that market is "economically depressed". As a result of the adoption of the rule, the FDIC will no longer need to amend part 357 in order to periodically designate specific regions in light of current economic conditions.

Under the final rule, for the purpose of determining "economically depressed regions", the FDIC will determine whether an institution qualifies as being located in an "economically depressed region" on a case-by-case basis. That determination will be based on four criteria: (1) High unemployment rates; (2) declines in non-farm employment; (3) high levels of problem real estate assets at insured depository institutions; and (4) evidence indicating declining real estate values. The FDIC will also consider relevant information from institutions regarding their geographic market area, as well as information on whether that market is "economically depressed".

#### **Regulatory Flexibility Act**

Under section 605(b) of the Regulatory Flexibility Act (RFA), 5 U.S.C. 605(b), the regulatory flexibility analysis otherwise required under section 604 of the RFA (5 U.S.C. 604) is not required if the head of the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities and the agency publishes such certification and a statement providing the factual basis for such certification in the **Federal Register** along with the final rule.

Pursuant to section 605(b) of the RFA, the FDIC certifies that this final rule will not have a significant economic impact on a substantial number of small entities. The rule replaces the current list of states that were determined in 1990 to constitute "economically depressed regions" for purposes of section 13(k)(5) of the FDI Act with the criteria that the FDIC will use in reaching such determinations concerning such in the future. The rule involves one of nine criteria in section 13(k)(5) of the FDI Act that must be considered along with various requirements in sections 13(c) and the prohibition in 11(a)(4) of the FDI Act, for purposes of applications from insured depository institutions for financial assistance. The rule will at most effect a very small number of institutions.

#### Paperwork Reduction Act

In accordance with section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. 3506; see also 5 CFR part 1320 appendix a.1), the FDIC has reviewed the final rule and has determined that no collections of information pursuant to the Paperwork Reduction Act are contained in this rule. Accordingly, no information has been submitted to the Office of Management and Budget for review.

#### Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (the 1996 Act), Pub. L. 104-121, 110 Stat. 857, provides generally for agencies to report rules to Congress and for Congress to review the rules. The reporting requirement is triggered in instances where the agency in question issues a final rule as defined in the Administrative Procedure Act at 5 U.S.C. 551. The agency will file the appropriate reports pursuant to the 1996 Act concerning any final rule.

The Office of Management and Budget has determined that this final rule does not constitute a "major" rule as defined by the 1996 Act.

#### List of Subjects in 12 CFR Part 357

Bank deposit insurance, Grant programs—housing and community development, Savings associations.

For the reasons set forth in the preamble, the FDIC hereby amends 12 CFR part 357 as set forth below.

#### PART 357—DETERMINATION OF ECONOMICALLY DEPRESSED REGIONS

1. The authority citation for part 357 is revised to read as follows:

**Authority:** 12 U.S.C. 1819, 1823(k)(5).

2. Section 357.1 is amended by revising paragraph (b) to read as follows:

#### § 357.1 Economically depressed regions.

\* \* \* \* \*

(b) *Economically depressed regions.*

(1) For the purpose of determining "economically depressed regions", the FDIC will determine whether an institution qualifies as being located in an "economically depressed region" on a case-by-case basis. That determination will be based on four criteria:

(i) High unemployment rates;  
(ii) Significant declines in non-farm employment;  
(iii) High delinquency rates of real estate assets at insured depository institutions; and  
(iv) Evidence indicating declining real estate values.

(2) In addition, the FDIC will also consider relevant information from institutions regarding their geographic market area, as well as information on whether that market is "economically depressed".

By order of the Board of Directors.

Dated at Washington, D.C., this tenth day of February 1998.

Federal Deposit Insurance Corporation

**Robert E. Feldman,**

*Executive Secretary.*

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 97-CE-78-AD; Amendment 39-10366; AD 98-05-05]

RIN 2120-AA64

#### Airworthiness Directives; Aeromot-Industria Mecanico Metalurgica Ltda. Models AMT-100 and AMT-200 Powered Gliders

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) that applies to certain Aeromot-Industria Mecanico Metalurgica Ltda. (Aeromot) Models AMT-100 and AMT-200 powered gliders. This AD requires replacing all main landing gear attaching nuts and bolts with ones of improved design. This AD is the result of mandatory continued airworthiness information (MCAI) issued by the airworthiness authority for Brazil. The

actions specified by this AD are intended to prevent failure of the main landing gear, which could result in loss of control of the glider during landing operations.

**DATES:** Effective April 17, 1998.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the **Federal Register** as of April 17, 1998.

**ADDRESSES:** Service information that applies to this AD may be obtained from Grupo Aeromot, Aeromot-Industria Mecanico Metalurgica Ltda., Av. das Industrias-1210, Bairro Anchieta, Caixa Postal 8031, 90200-Porto Alegre-RS, Brazil. This information may also be examined at the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 97-CE-78-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Curtis Jackson, Aerospace Engineer, Atlanta Aircraft Certification Office, One Crown Center, 1895 Phoenix Blvd., suite 450, Atlanta, Georgia 30349; telephone: (770) 703-6083; facsimile: (770) 703-6097.

#### SUPPLEMENTARY INFORMATION:

#### Events Leading to the Issuance of This AD

A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an AD that would apply to certain Aeromot Models AMT-100 and AMT-200 powered gliders was published in the **Federal Register** as a notice of proposed rulemaking (NPRM) on November 25, 1997 (62 FR 62725). The NPRM proposed to require replacing all main landing gear attaching bolts and nuts with attaching bolts and nuts of improved design. Accomplishment of the proposed action as specified in the NPRM would be in accordance with Aeromot-Industria Mecanico Metalurgica Ltda. Service Bulletin No. SB-200-32-044, Issue Date: August 18, 1997.

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were received on the proposed rule or the FAA's determination of the cost to the public.

#### The FAA's Determination

After careful review of all available information related to the subject presented above, the FAA has determined that air safety and the