19(b)(2)(vii)., paragraph 2. is revised to read as follows:

Section 226.19—Certain Residential Mortgage and Variable-Rate Transactions

* * * * *

Paragraph 19(b)(2)(vii).

* * * * *

2. *Negative amortization and interest rate carryover.* A creditor must disclose, where applicable, the possibility of negative amortization. For example, the disclosure might state, ''If any of your payments is not sufficient to cover the interest due, the difference will be added to your loan amount.'' Loans that provide for more than one way to trigger negative amortization are separate variable-rate programs requiring separate disclosures. (See the commentary to § 226.19(b)(2) for a discussion on the definition of a variable-rate loan program and the format for disclosure.) If a consumer is given the option to cap monthly payments that may result in negative amortization, the creditor must fully disclose the rules relating to the option, including the effects of exercising the option (such as negative amortization will occur and the principal loan balance will increase); however, the disclosure in § 226.19(b)(2)(viii) need not be provided.

* * * * *

12. In Supplement I to Part 226, under *Section 226.22—Determination of the Annual Percentage Rate,* under *Paragraph 22(a)(1).*, in paragraph 5., the reference ''Footnote 45a'' is revised to read ''Footnote 45d''.

13. In Supplement I to Part 226, under *Section 226.23—Right of Rescission,* the following amendments are made:

a. Under *Paragraph 23(a)(1).*, paragraph 3.is revised;

b. Under *Paragraph 23(a)(1).*, paragraph 4. is revised;

c. Under *Paragraph 23(d)(2).*, in paragraph 1., the third sentence is revised; and

d. Under *23(f) Exempt transactions.*, in paragraph 4., two new sentences are added following the first sentence, and a new sentence is added at the end of the paragraph.

The additions and revisions read as follows:

* * * * *

Section 226.23—Right of Rescission

* * * * *

Paragraph 23(a)(1).

* * * * *

3. *Principal dwelling.* A consumer can only have one principal dwelling at a time. (But see comment 23(a)(1)–4.) A vacation or other second home would not be a principal dwelling. A transaction secured by a second home (such as a vacation home) that is not currently being used as the consumer's principal dwelling is not rescindable, even if the consumer intends to reside there in the future. When a consumer buys or builds a new dwelling that will become the consumer's principal dwelling within one year or upon completion of construction, the new dwelling is considered the principal dwelling if it secures the acquisition or construction loan. In that case, the transaction secured by the new dwelling is a residential mortgage transaction and is not rescindable. For example, if a consumer whose principal dwelling is currently A builds B, to be occupied by the consumer upon completion of construction, a construction loan to finance B and secured by B is a residential mortgage transaction. Dwelling, as defined in § 226.2, includes structures that are classified as personalty under state law. For example, a transaction secured by a mobile home, trailer, or houseboat used as the consumer's principal dwelling may be rescindable.

4. *Special rule for principal dwelling.* Notwithstanding the general rule that consumers may have only one principal dwelling, when the consumer is acquiring or constructing a new principal dwelling, any loan subject to Regulation Z and secured by the equity in the consumer's current principal dwelling (for example, a bridge loan) is subject to the right of rescission regardless of the purpose of that loan. For example, if a consumer whose principal dwelling is currently A builds B, to be occupied by the consumer upon completion of construction, a construction loan to finance B and secured by A is subject to the right of rescission. A loan secured by both A and B is, likewise, rescindable.

* * * * *

Paragraph 23(d)(2).

1. *Refunds to consumer.* * * * ''Any amount'' includes finance charges already accrued, as well as other charges, such as broker fees, application and commitment fees, or fees for a title search or appraisal, whether paid to the creditor, paid directly to a third party, or passed on from the creditor to the third party. * * *

* * * * *

23(f) Exempt transactions.

* * * * *

4. *New advances.* * * * The original creditor is the creditor to whom the written agreement was initially made payable. In a merger, consolidation or acquisition, the successor institution is considered the original creditor for purposes of the exemption in § 226.23(f)(2). * * * The general rescission notice (model form H–8) is the appropriate form for use by creditors not considered original creditors in refinancing transactions.

* * * * *

14. In Supplement I to Part 226, under Appendix J, under the heading References, under *1981 changes:*, the last sentence is revised to read as follows:

* * * * *

Appendix J—Annual Percentage Rate Computations for Closed-End Credit Transactions

* * * * *

References

* * * * *

1981 changes: * * * Paragraph (b)(5)(vi) has been revised to permit creditors in single-advance, single-payment transactions in which the term is less than a year and is equal to a whole number of months, to use either the 12-month method or the 365-day method to compute the number of unit-periods per year.

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, March 28, 1995.

William W. Wiles,

Secretary of the Board.

[FR Doc. 95–8071 Filed 3–31–95; 8:45 am]

BILLING CODE 6210–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 94–ANE–17; Amendment 39–9182; AD 95–07–03]

Airworthiness Directives; AlliedSignal Aerospace GTCP85 Series Auxiliary Power Units

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to AlliedSignal Aerospace (formerly Garrett Auxiliary Power Division and Garrett Turbine Engine Co.) GTCP85 series auxiliary power units (APU), that requires modifying the APU to install an exhaust centerbody. This amendment is prompted by reports of two uncontained APU failures where turbine wheel fragments exited the APU exhaust axially and damaged the aircraft. The actions specified by this AD are intended to prevent an axially uncontained APU failure and damage to the aircraft.

DATES: Effective May 3, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of May 3, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from AlliedSignal Aerospace Services, P.O. Box 52170, Phoenix, AZ 85072–2170, Attn: Dept. 65–71, Mailstop 1802–AA. This information may be examined at the Federal Aviation Administration (FAA), New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Robert Baitoo, Aerospace Engineer, Los Angeles Aircraft Certification Office, FAA, Transport Airplane Directorate, 3960 Paramount Blvd., Lakewood, CA 90712–4137; telephone (310) 627–5245; fax (310) 627–5210.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to AlliedSignal Aerospace (formerly Garrett Auxiliary Power Division and Garrett Turbine Engine Co.) GTCP85 series auxiliary power units (APU) was published in the **Federal Register** on July 28, 1994 (59 FR 38384). That action proposed to require modifying the APU to install an exhaust centerbody to contain turbine wheel fragments from exiting the APU axially. Due to the increased risk associated with airborne failures, flight operable APU's would be required to be modified within 24 months after the effective date of the AD, and within 36 months after the effective date of this AD for APU's that are ground operable only. These actions would be performed in accordance with AlliedSignal Aerospace Alert Service Bulletin (ASB) No. GTCP85–49–A6831, dated March 17, 1994, applicable to APU's installed on McDonnell Douglas DC–9/MD–80 series aircraft, and AlliedSignal Aerospace Service Bulletin (SB) No. GTCP85–49–6919, dated May 17, 1994, applicable to APU's installed on several other aircraft makes and models.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

One commenter states that the APU's installed on Boeing 737 series aircraft should not be affected by this AD because APU turbine rotor axial uncontainment does not pose a hazard to Boeing 737 series aircraft. The FAA concurs and has revised the AD accordingly.

One commenter states that the APU's installed on British Aerospace BAC 1–11 series aircraft should also not be affected by this AD because APU turbine rotor axial uncontainment does not pose a hazard to British Aerospace BAC 1–11 series aircraft. The FAA concurs and has revised the AD accordingly.

One commenter states that the AD should be applicable only to APU's with the cast material MAR–M–247 turbine wheel, as only these turbine wheels have experienced uncontained failures. The FAA concurs and the applicability paragraph of this final rule has been revised accordingly.

Two commenters state that the AD should clearly specify the APU model numbers affected and agree with the model numbers listed in the applicable service bulletins. The FAA concurs and the applicability paragraph of this final rule has been revised accordingly.

One commenter states that the AD should not be applicable to APU's installed on Boeing 727 aircraft, as the APU is ground operable only. The FAA does not concur. An APU turbine wheel axial uncontainment may pose an unsafe condition even with the aircraft on the ground.

One commenter states that the AlliedSignal Aerospace ASB No. GTCP85–49–A6707, mandated by AD 93–07–13, provides adequate containment capability, and that requiring implementation of AlliedSignal Aerospace SB No. GTCP85–49–6919 is unnecessary. The FAA does not concur. Airworthiness directive 93–07–13 mandates compliance with Garrett SB No. GTCP85–49–A6706, not AlliedSignal Aerospace ASB No. GTCP85–49–A6707 (Garrett has recently undergone a name change to AlliedSignal Aerospace). Even reading the comment as referring to AlliedSignal Aerospace ASB No. GTCP85–49–A6707, that SB only addresses radial, not axial, uncontainment. AlliedSignal Aerospace SB No. GTCP85–49–6919 addresses axial uncontainment.

One commenter states that the final rule should allow use of subsequent revisions to the SB's in order to avoid unnecessary alternate method of compliance requests. The FAA does not concur. If the SB's incorporated by reference in this AD are further revised, those revisions can be reviewed by the FAA in advance of publication and authorized as constituting alternate methods of compliance, thereby alleviating the need for each individual operator to obtain a separate approval to use the revised SB. Until those future revisions exist, however, the FAA cannot incorporate them into this AD.

One commenter states that the AD should not be applicable to APU's with the standard two-piece turbine wheel. The two-piece turbine wheel has not experienced the failure mode addressed in the AD. The FAA concurs and has revised the applicability paragraph to limit the AD to APU's equipped with one-piece cast turbine wheels.

Two commenters concur with the rule as proposed.

Since issuance of the NPRM, the FAA has increased its labor estimate to $60 per work hour. The economic analysis of this AD has been revised accordingly.

In addition, AlliedSignal Aerospace has issued Revision 1 to SB No. GTCP85–49–6919, and ASB No. GTCP85–49–A6831, both dated January 15, 1995. This final rule now references these revised service documents.

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the changes described previously. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

There are approximately 3,000 APU's of the affected design in the worldwide fleet. The FAA estimates that 1,500 APU's installed on aircraft of U.S. registry will be affected by this AD, that it will take approximately 5 work hours per APU to accomplish the proposed actions, and that the average labor rate is $60 per work hour. Required parts will cost approximately $7,055 per APU if the exhaust duct is not reworkable, $3,254 per APU if the exhaust duct is reworkable, and the FAA estimates that 1,050 domestic APU's are reworkable. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $7,041,450.

The regulations adopted herein will not have substantial direct effects 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. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (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 11034, February 26, 1979); and (3) will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air Transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (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. App. 1354(a), 1421 and 1423; 49 U.S.C. 106(g); and 14 CFR 11.89.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

95–07–03 AlliedSignal Aerospace: Amendment 39–9182. Docket 94–ANE–17.

Applicability: AlliedSignal Aerospace (formerly Garrett Auxiliary Power Division and Garrett Turbine Engine Co.) GTCP85 series auxiliary power units (APU's) with model numbers listed in AlliedSignal Aerospace Service Bulletin (SB) No. GTCP85–49–6919, Revision 1, dated January 15, 1995, except those APU's installed on Boeing 737 and British Aerospace BAC 1–11 series aircraft; and Alert Service Bulletin (ASB) No. GTCP85–49–A6831, Revision 1, dated January 15, 1995, having a one-piece cast turbine rotor with part numbers (P/N) 3842072–1, -2, -3, and P/N 3604604–1, -2, -3, P/N 3606982–1, and P/N 96895–1 through -8. These APU's are installed on but not limited to Boeing 707 series and 727 series aircraft; Lockheed L382 series aircraft; and McDonnell Douglas DC–8–70 series and DC–9/MD–80 series aircraft.

Compliance: Required as indicated, unless accomplished previously.

To prevent an axially uncontained APU failure and damage to the aircraft, accomplish the following:

(a) For flight-operable APU's, within 24 months after the effective date of this airworthiness directive (AD), install an exhaust centerbody in accordance with AlliedSignal Aerospace ASB No. GTCP85–49–A6831, Revision 1, dated January 15, 1995, or ASB No. GTCP85–49–A6831, dated March 17, 1994; or SB No. GTCP85–49–6919, Revision 1, dated January 15, 1995, or SB No. GTCP85–49–6919, dated May 17, 1994, as applicable.

(b) For APU's that are ground-operable only, within 36 months after the effective date of this AD, install an exhaust centerbody in accordance with AlliedSignal Aerospace SB No. GTCP85–49–6919, Revision 1, dated January 15, 1995, or SB No. GTCP85–49–6919, dated May 17, 1994.

(c) No action is required if the APU is installed on a Boeing 737 or British Aerospace BAC 1–11 series aircraft until the APU is removed and installed on a different type aircraft.

(d) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Los Angeles Aircraft Certification Office. The request should be forwarded through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Los Angeles Aircraft Certification Office.

Note: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Los Angeles Aircraft Certification Office.

(e) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

(f) The installation of the exhaust center body shall be done in accordance with the following service documents:

Document No.	Pages	Revision	Date
ASB No. GTCP85–49–A6831			
Revision Transmittal Sheet	1	1	January 15, 1995.
	1	1	January 15, 1995.
	2–5	Original	May 17, 1994.
	6	1	January 15, 1995.
	7–8	Original	May 17, 1994.
	9–10	1	January 15, 1995.
Total pages: 11.			
SB No. GTCP85–49–6919	1	1	January 15, 1995.
	2	Original	May 17, 1994.
	3	1	January 15, 1995.
	4	Original	May 17, 1994.
	5	1	January 15, 1995.
	6	Original	May 17, 1994.
	7–10	1	January 15, 1995.
Total Pages: 10.			

This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from AlliedSignal Aerospace Services, P.O. Box 52170, Phoenix, AZ 85072–2170, Attn: Dept. 65–71, Mailstop 1802–AA. Copies may be inspected at the FAA, New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street NW., suite 700, Washington, DC.

(g) This amendment becomes effective on May 3, 1995.

Issued in Burlington, Massachusetts, on March 23, 1995.

James C. Jones,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 95–7682 Filed 3–31–95; 8:45 am]

BILLING CODE 4910–13–P

14 CFR Part 39

[Docket No. 94–ANE–46; Amendment 39–9178; AD 94–26–07]

Airworthiness Directives; AlliedSignal Inc. TPE331 Series Turboprop Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule, request for comments.

SUMMARY: This document publishes in the **Federal Register** an amendment adopting Airworthiness Directive (AD) 94–26–07 that was sent previously to all known U.S. owners and operators of AlliedSignal Inc. TPE331 series turboprop engines by individual letters. This AD requires an amendment to the Emergency Procedures section of the applicable FAA Approved Airplane Flight Manual (AFM) for each applicable engine installation in an aircraft, and initial and repetitive dimensional inspections of the fuel control drive shaft splines for wear, or replacing the affected fuel controls with