employee of a Federal credit union, may receive, directly or indirectly, from an outside party or the credit union, any commission, fee, or other compensation in connection with any loan made by the credit union.

(ii) For the purposes of this section:

(A) *Compensation* includes non monetary items.

(B) *Employee* includes an independent contractor.

(C) *Immediate family member* means a spouse or other family member living in the same household.

(D) *Loan* includes line of credit and workout loan.

(E) *Official* means any member of the board of directors or a volunteer committee.

(F) *Senior management employee* means the credit union's chief executive officer (typically, this individual holds the title of President or Treasurer/Manager), any assistant chief executive officers (e.g., Assistant President, Vice President, or Assistant Treasurer/Manager), the chief financial officer (Comptroller), and any other employee who sets policy for the credit union.

(G) *Workout loan* means a loan which has had its original terms changed due to nonperformance or anticipated nonperformance.

(iii) This section does not prohibit a Federal credit union from paying:

(A) Salary to employees;

(B) An incentive or bonus to an employee based on the credit union's overall financial performance;

(C) An incentive or bonus to an employee in connection with processing loans, provided that no such incentive or bonus is paid to a supervisor of the employee, a senior management employee, or an immediate family member of a supervisor or senior management employee;

(D) An incentive or bonus to an employee in connection with making recommended or final decisions to approve or disapprove loans, provided that:

(*1*) No such incentive or bonus is paid to a supervisor of the employee, a senior management employee, or an immediate family member of a supervisor or senior management employee; and

(*2*) The incentive or bonus may not be based on the number or dollar amount of loans approved and must be structured in a manner that demonstrably protects against an increase in problem loans;

(E) An incentive or bonus to an employee in connection with collecting loans, provided that no such incentive or bonus is paid to a supervisor of the employee, a senior management employee, or an immediate family member of a supervisor or senior management employee.

(iv) The board of directors of a Federal credit union shall establish and implement written policies, procedures, and internal controls for any payment of incentives or bonuses to employees in connection with loans made by the credit union. At least quarterly, the board shall monitor compliance with such policies, procedures, and controls. Documentation of such monitoring shall be made available to the supervisory committee and NCUA.

* * * * *

[FR Doc. 95–9616 Filed 4–19–95; 8:45 am]

BILLING CODE 7535–01–U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 94–NM–131–AD]

Airworthiness Directives; British Aerospace Model BAe 146–100A, –200A, and –300A Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to all British Aerospace Model BAe 146–100A, –200A, and –300A airplanes. This proposal would require repetitive inspections for cracking of fuselage frame 29, and repair, if necessary. This proposal is prompted by testing that revealed fatigue cracking in the web and inboard flange of frame 29. The actions specified by the proposed AD are intended to prevent reduced structural integrity of the fuselage, due to fatigue cracking in frame 29.

DATES: Comments must be received by May 31, 1995.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM–103, Attention: Rules Docket No. 94–NM–131–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Avro International Aerospace, Inc., 22111 Pacific Blvd., Sterling, Virginia 20166. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: William Schroeder, Aerospace Engineer, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (206) 227–2148; fax (206) 227–1320.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: ''Comments to Docket Number 94–NM–131–AD.'' The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Transport Airplane Directorate, ANM–103, Attention: Rules Docket No. 94–NM–131–AD, 1601 Lind Avenue SW., Renton, Washington 98055–4056.

Discussion

The Civil Aviation Authority (CAA), which is the airworthiness authority for the United Kingdom, recently notified the FAA that an unsafe condition may exist on all British Aerospace Model BAe 146–100A, –200A, and –300A airplanes. The CAA advises that, during fatigue testing of the fuselage, cracking was discovered in the web and inboard flange of frame 29 between stringers 12

and 18 on the left and right side of the fuselage. The cracking emanated from bolt holes in these areas. Such fatigue cracking, if not detected and corrected in a timely manner, could result in reduced structural integrity of the fuselage of the airplane.

Avro International Aerospace has issued Inspection Service Bulletin S.B. 53–130, dated May 10, 1994, which describes procedures for repetitive visual inspections of frame 29 between stringers 12 and 18 on the left and right side of the fuselage. The Avro International Aerospace inspection service bulletin also references procedures for accomplishing a modification at each affected bolt position that would eliminate the need for the repetitive inspections when those modifications are installed at the time specified in the service bulletin. (Specific procedures for this modification are described in Repair Instruction Leaflet HC536H9159.) The CAA classified this inspection service bulletin as mandatory.

This airplane model is manufactured in the United Kingdom and is type certificated for operation in the United States under the provisions of § 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the CAA has kept the FAA informed of the situation described above. The FAA has examined the findings of the CAA, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same type design registered in the United States, the proposed AD would require repetitive visual inspections to detect cracking of the fuselage at frame 29. The actions would be required to be accomplished in accordance with the service bulletin described previously.

The proposed AD would also require that all findings of cracking be repaired in accordance with a method approved by the FAA. Additionally, the proposed AD would also provide for optional terminating action for the repetitive inspections. Terminating action would consist of modification of each affected bolt position in accordance with the service bulletin described previously, provided that the modification is accomplished no later than the applicable time specified in that service bulletin.

As a result of recent communications with the Air Transport Association (ATA) of America, the FAA has learned that, in general, some operators may misunderstand the legal effect of AD's on airplanes that are identified in the applicability provision of the AD, but that have been altered or repaired in the area addressed by the AD. The FAA points out that all airplanes identified in the applicability provision of an AD are legally subject to the AD. If an airplane has been altered or repaired in the affected area in such a way as to affect compliance with the AD, the owner or operator is required to obtain FAA approval for an alternative method of compliance with the AD, in accordance with the paragraph of each AD that provides for such approvals. A note has been included in this notice to clarify this long standing requirement.

The FAA estimates that 43 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 9 work hours per airplane to accomplish the proposed actions, and that the average labor rate is $60 per work hour. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be $23,220, or $540 per airplane, per inspection cycle.

The total cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

The regulations proposed herein would 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 proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this proposed regulation (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, 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 copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES.**

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 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:

British Aerospace Regional Aircraft Limited, Avro International Aerospace Division (Formerly British Aerospace, PLC, British Aerospace Commercial Aircraft Limited) Docket 94–NM–131–AD.

Applicability: All Model BAe 146–100A, –200A, and –300A airplanes, certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (d) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition; or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any airplane from the applicability of this AD.

Compliance: Required as indicated, unless accomplished previously. To prevent reduced structural integrity of the fuselage of the airplane, due to fatigue cracking in frame 29, accomplish the following:

(a) Perform a detailed visual inspection for cracking of frame 29 between stringers 12 and 18 on the left and right side of the fuselage, in accordance with Avro International Aerospace Inspection Service Bulletin S.B. 53–130, dated May 10, 1994. If the polymer coating on frame 29 prevents a detailed visual inspection, perform a surface eddy current inspection for cracking in accordance with the service bulletin. Perform the inspections at the time specified in paragraph (a)(1), (a)(2), or (a)(3) of this AD, as applicable.

(1) For Model BAe 146–100A airplanes: Perform the inspection within 6 months after the effective date of this AD, or prior to the accumulation of 30,000 total landings, whichever occurs later. Repeat the inspection thereafter at intervals not to exceed 6,000 landings.

(2) For Model BAe 146–200A airplanes, and for Model BAe 146–300A airplanes other than those airplanes identified in paragraph (a)(3) of this AD: Perform the inspection within 6 months after the effective date of this AD, or prior to the accumulation of 24,000 total landings, whichever occurs later. Repeat the inspection thereafter at intervals not to exceed 6,000 landings.

(3) For Model BAe 146–300A airplanes having serial numbers E3207, E3212, E3214, E3216, E3218, E3219, and E3222: Perform the inspection within 6 months after the effective date of this AD, or prior to the accumulation of 13,000 total landings, whichever occurs later. Repeat the inspection thereafter at intervals not to exceed 4,000 landings.

(b) If any cracking is found during any inspection required by paragraph (a) of this AD, prior to further flight, repair in accordance with a method approved by the Manager, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate.

(c) Accomplishment of the modification of each affected bolt position in accordance with Avro International Aerospace Inspection Service Bulletin S.B. 53–130, dated May 10, 1994, prior to the embodiment times shown in Table 'A' of that service bulletin, constitutes terminating action for the repetitive inspections required by paragraph (a) of this AD.

Note 2: Repair Instruction Leaflet (RIL) HC536H9159 provides detailed instructions for modification of all bolt positions in the affected areas of frame 29.

(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, Standardization Branch, ANM–113, FAA Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Standardization Branch, ANM–113.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Standardization Branch, ANM–113.

(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 airplane to a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on April 14, 1995.

John J. Hickey,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 95–9770 Filed 4–19–95; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing-Federal Housing Commissioner

24 CFR Part 811

[Docket No. R–95–1779; FR–3692–P–01]

RIN 2502–AG33

Refunding of Tax-Exempt Obligations Issued to Finance Section 8 Housing

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Proposed rule.

SUMMARY: This proposed rule would amend the Department's regulations to provide the policy and procedural guidelines for Section 8 bond refundings under which local agency issuers of Section 11(b) tax-exempt bonds are encouraged to refinance projects at lower interest rates.

DATES: Comments due date June 19, 1995.

ADDRESSES: Interested persons are invited to submit comments regarding this proposed rule to the Office of General Counsel, Rules Docket Clerk, room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC, 20410. Facsimile (FAX) are not acceptable. A copy of each communication submitted will be available for public inspection and copying on weekdays between 7:30 a.m. and 5:30 p.m. at the above address.

FOR FURTHER INFORMATION CONTACT: James B. Mitchell, Director, Financial Services Division, Department of Housing and Urban Development, 470 L'Enfant Plaza East, room 3120, Washington, DC 20024; telephone (202) 755–7450, ext. 125 (TDD number for the hearing- and speech-impaired (202) 708–4594).

SUPPLEMENTARY INFORMATION:

I. Background

Since May 1989, the Department has conducted on an ad hoc basis a program of Section 8 assisted housing bond refundings, under which local agency issuers of Section 11(b) tax-exempt bonds (24 CFR part 811, subpart A) are encouraged to refinance projects at lower interest rates to reduce Section 8 subsidy. To date, over 400 bond refunding transactions have closed in which bonds issued during the interest rate peak years of 1980–1983 are prepaid by a new bond issue at substantially lower interest cost, resulting in subsidy recapture of over $500 million.

The Section 11(b) regulations under which HUD issues its Notification of Tax Exemption were designed for the original financing of new construction or substantial rehabilitation of 100 percent or partially subsidized Section 8 rental housing. These rules do not in all particulars fit a refinancing transaction where construction funding is not an element. Therefore, each refunding closing transaction has required that bond counsel for the issuing agency obtain from the Assistant Secretary for Housing-FHA Commissioner a Notification of Tax Exemption that waives several sections of 24 CFR part 811, subpart A. This waiver process elevates to the Assistant Secretary level a programmatic approval that has become routine and perfunctory in recent years. In addition, an Office of Inspector General finding (Interim Audit Report 93–HQ–119–0004) has criticized the excessive reliance on regulatory waivers to accomplish bond refundings.

In view of the relatively low interest rate environment that has prevailed since 1987, HUD has determined that bond refundings should be treated as an operational program, rather than a temporary market intervention dependent upon the economic cycle. The proposed rule would codify the policy and procedural guidelines that have governed Section 8 bond refundings since 1989, and would provide a self-contained refunding regulation intended to dispense with the need for most waivers.

II. Other Matters

A. Environmental Impact

In accordance with 40 CFR 1508.4 of the regulations of the Council on Environmental Quality and 24 50.20(k) of the HUD regulations, the policies and procedures contained in this proposed rule relate only to HUD administrative procedures and, therefore, are categorically excluded from the requirements of the National Environmental Policy Act.

B. Executive Order 12612, Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, *Federalism*, has determined that the policies contained in this proposed rule will not have federalism implications and, thus, are not subject to review under that order.

C. Executive Order 12606, The Family

The General Counsel, as the Designated Official under Executive Order 12606, *The Family*, has