that a further adjustment of fees, including an adjustment to the administrative fee to recover the indirect costs of field offices and headquarters and to replenish the operating reserve, would be addressed in future rulemaking.

The current USGSA administrative fee was published in the August 22, 1996, **Federal Register** (61 FR 43301) and became effective on October 1, 1996. The per metric ton administrative charge recovers the indirect costs and administrative costs of FGIS field offices and headquarters such as the salaries and benefits for office management and support staff, Departmental charges, Animal and Plant Health Inspection Service and Agricultural Marketing Service charges, management of computers and software, utilities, and rent. The 3-percent increase that became effective June 15, 1997, was intended to recover only increases to the salaries of service personnel responsible for inspection and weighing of grain. The administrative fee is assessed on all outbound grain inspected and/or weighed at an applicant's facility.

Six levels of fees exist, ranging from 1 metric ton or less to over 7,000,001 metric tons, with fees decreasing as the number of metric tons inspected increases. The charge is assessed in addition to the hourly rate. At the beginning of each fiscal year (October 1), all applicants pay the same per metric-ton-fee. Once a level has been reached, the fee for additional metric tons is reduced until the maximum volume is reached.

COMPARISON OF CURRENT AND PROPOSED ADMINISTRATIVE FEES

Metric tons	Current fees	Proposed fees
1–1,000,000	$0.090	$0.1013
1,000,001–1,500,000	.082	.0923
1,500,001–2,000,000	.042	.0473
2,000,001–5,000,000	.032	.0360
5,000,001–7,000,000	.017	.0192
7,000,001+	.002	.0023

GIPSA is now proposing a 12.5 percent increase in the administrative fee. This increase is designed to generate additional revenue to cover the indirect costs associated with field office and headquarters operations and maintain the retained earnings at a 3-month operating reserve for the inspection and weighing program.

GIPSA estimates collecting $22.2 million in revenue for fiscal year 1997 under the current fee schedule. This is $1 million less than the $23.2 million estimated cost of operations for fiscal year 1997. Similar losses have occurred for the past 3 years, with $753,000 in fiscal year 1994; $630,000 in fiscal year 1995; and $1,273,000 in fiscal year 1996. These losses resulted in a retained earning balance of only $922,000 at the beginning of fiscal year 1997, significantly below a desired 3-month operating reserve of $6 million.

Indirect costs for the inspection and weighing program are estimated at $4.68 million, or 20 percent of the total $23.2 obligation for the program. Because of a down-turn in metric tons exported, the current administrative fee will generate only an estimated $3.5 million for fiscal year 1997, resulting in an estimated loss of $1.18 million.

The administrative fee must be increased to ensure sufficient revenue is collected to recover indirect costs for an average export volume year. This will permit any excess revenue collected during high volume years, such as 89.9 million metric tons in FY 1996, to offset low volume years such as this year estimated at 76 million metric tons.

The current administrative fee generates an estimated $4.09 million at the 5-year average export volume of 85.6 million metric tons. The proposed fee increase of 12.5 percent will generate an estimated $4.53 million at the 85.6 million metric ton level, or increase actual revenue by $440,000 or 10.75 percent.

It is further proposed that fees for submitted samples and factor only analysis performed online at an applicant's facility (7 CFR 800.71, Table 1 (3)(ii)) be deleted because these services are covered under the hourly rate and should not be charged as a separate test.

Proposed Action

The Agency proposes, effective October 1, 1997, to apply a 12.5 percent increase to Administrative Fees in 7 CFR 800.71, Table 1 (3), and to delete fees for Additional Service (assessed in addition to all other fees) in Table 1 (3)(ii).

List of Subjects in 7 CFR Part 800

Administrative practice and procedure, Grain.

For the reasons set out in the preamble, 7 CFR part 800 is proposed to be amended as follows:

PART 800—GENERAL REGULATIONS

1. The authority citation for Part 800 continues to read as follows:

Authority: Pub. L. 94–582, 90 Stat. 2867, as amended (7 U.S.C. 71 *et seq.*)

2. Section 800.71 paragraph (a), Schedule A, is amended by revising Table 1 (3) to read as follows:

§ 800.71 Fees assessed by the Service.

(a) * * *

SCHEDULE A.—Fees for Official Inspection and Weighing Services Performed in the United States

TABLE 1.—FEES FOR OFFICIAL SERVICES PERFORMED AT AN APPLICANT'S FACILITY IN AN ONSITE FGIS LABORATORY [1]

* * * * * * *

(3) Administrative Fee (assessed in addition to all other applicable fees, only one administrative fee will be assessed when inspection and weighing services are performed on the same carrier).

(i) All outbound carriers (per-metric-ton): [4]	
(a) 1—1,000,000	$0.1013
(b) 1,000,001—1,500,000	0.0923
(c) 1,500,001—2,000,000	0.0473
(d) 2,000,001—5,000,000	0.0360
(e) 5,000,001—7,000,000	0.0192
(f) 7,000,001—	0.0023

[1] Fees for original inspection and weighing, reinspection, and appeal inspection service include, but are not limited to, sampling, grading, weighing, prior to loading stowage examinations, and certifying results performed within 25 miles of an employee's assigned duty station. Travel and related expenses will be charged for service outside 25 miles as found in § 800.72 (a).

* * * * *

[4] The administrative fee is assessed on an accumulated basis beginning at the start of the Service's fiscal year (October 1 each year).

* * * * * * *

Dated: July 14, 1997.

James R. Baker,

Administrator.

[FR Doc. 97–18943 Filed 7–17–97; 8:45 am]

BILLING CODE 3410–EN–P

FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Regulation Z; Docket No. R–0979]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 3500

[Regulation X; Docket No. FR–4257–N–01]

Truth in Lending Act and Real Estate Settlement Procedures Act; Simplification and Improvement of Consumer Disclosures

AGENCIES: Office of the Assistant Secretary for Housing-Federal Housing Commissioner (HUD); Board of

Governors of the Federal Reserve System (the Board) (collectively, the Agencies).

ACTION: Advance notice of proposed rulemaking; public forum.

SUMMARY: The Board and HUD will hold a public forum concerning the streamlining and reform of the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA). The Economic Growth and Regulatory Paperwork Reduction Act of 1996 directs the Agencies to submit legislative recommendations to the Congress on how to simplify and improve consumer disclosures under RESPA and TILA if the disclosures cannot be simplified through regulatory change. The Agencies have concluded that meaningful simplification of the disclosures can only come about through statutory revisions. In addition, some have suggested that more effective protection of consumers from adverse steering and unnecessary costs, as well as greater certainty about permitted and prohibited behavior, might be achieved through reform of other provisions of RESPA. The public forum is intended to give interested parties an opportunity to discuss their views on statutory reform with the Agencies.

DATES: *Public Forum.* Wednesday, July 30, 1997, 8:15 a.m. to 4:30 p.m.

Comments: Persons unable to attend the forum or wishing to provide written views on the issues raised in this notice may submit comments by August 15, 1997.

ADDRESSES: *Public Forum.* Terrace Level, Room E of the Federal Reserve Board's Martin Building, C Street Northwest, between 20th and 21st Streets, Washington, DC

Comments: Comments may be submitted to either agency.

Board: Comments submitted to the Board should refer to Docket No. R–0979, and may be mailed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551. Comments also may be delivered to Room B–2222 of the Eccles Building between 8:45 a.m. and 5:15 p.m. weekdays, or to the guard station in the Eccles building courtyard on 20th Street, NW (between Constitution Avenue and C Street) at any time. When possible, comment letters should use a standard courier typeface with a type size of 10 or 12 characters per inch. This will enable the Board to convert the text into machine-readable form through electronic scanning, and will facilitate automated retrieval of comments for review. Also, if accompanied by an original document in paper form, comments may be submitted on 3½ inch or 5¼ inch computer diskettes in any IBM-compatible DOS-based format. Comments may be inspected in Room MP–500 of the Martin Building between 9:00 a.m. and 5:00 p.m. weekdays, except as provided in 12 CFR 261.8 of the Board's Rules Regarding Availability of Information.

HUD: Comments to HUD should be addressed to the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410–0500. Communications should refer to the above docket number and title. Facsimile (FAX) comments are not acceptable. Comments received will be available for public inspection and copying between 7:30 a.m. and 5:30 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT:

Board: Sheilah A. Goodman or Kyung Cho-Miller, Staff Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452–3667 or (202) 452–2412; for the hearing impaired *only,* Diane Jenkins, Telecommunications Device for the Deaf (TDD), at (202) 452–3544.

HUD: David R. Williamson, Director, Officer of Consumer and Regulatory Affairs, Room 9146, (202) 708–4560; or for legal questions, Kenneth A. Markison, Assistant General Counsel for GSE/RESPA, Grant E. Mitchell, Senior Attorney for RESPA, or Rodrigo J. Alba, Attorney, Office of General Counsel, Room 9262, (202) 708–1550. For hearing- and speech-impaired persons, these numbers may be accessed via TTY (text telephone) by calling the Federal Information Relay Service at 1–800–877–8339. The address for the above-listed persons is: Department of Housing and Urban Development, 451 Seventh Street, SW Washington, D.C. 20410. The telephone numbers for the Agencies are not toll-free.

SUPPLEMENTARY INFORMATION:

I. Background

On September 30, 1996, the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (Pub. L. 104–208, 110 Stat. 3009) became law. Section 2101 of that act directs the Board and HUD to simplify and improve the disclosures given in a home mortgage transaction subject to TILA and RESPA, and to create a single disclosure that will satisfy the requirements of both statutes, if possible. If legislation is necessary to accomplish this objective, the Agencies are directed to submit legislative recommendations to the Congress.

TILA is a comprehensive statute that covers all types of consumer credit transactions. The act's goal is to help consumers understand credit terms and shop for credit by requiring creditors to provide uniform credit disclosures. TILA is primarily a disclosure statute, though it contains some substantive provisions. TILA disclosures focus primarily on the costs imposed by a creditor and the terms of a credit obligation. The law requires the disclosure of two terms thought to be key in aiding consumers in comparison shopping for credit—the finance charge and the annual percentage rate (APR). The finance charge is intended to reflect the dollar amount of the cost of credit; the APR is the cost of the credit expressed as a yearly rate. TILA also requires, among other things, the disclosure of a payment schedule, whether a creditor will impose a penalty if a loan is prepaid, whether a loan may be assumed, and the fee for a late payment. Finally, TILA provides substantive protections for certain home-secured loans such as prohibitions on certain contract terms, and the right to cancel the transaction.

RESPA was enacted in large measure to ensure that the home-buying public is afforded timely and effective information about the costs of settlement in mortgage transactions, and to eliminate kickbacks and referral fees that tend to increase unnecessarily the cost of settlement services. To achieve these goals, RESPA mandates disclosures at various points in the home financing process for transactions involving ''federally related mortgage loans,'' which include most financial transactions creating a lien on owner-occupied residential structures. RESPA disclosures focus on the fees for services required in home mortgage transactions and require an itemization of all costs associated with settlement. RESPA also imposes certain restrictions on payments among settlement service providers (such as lenders, appraisers, and title companies). Section 8(a) of RESPA prohibits compensation for the referral of settlement service business; section 8(b) prohibits unearned fees and fee splitting arrangements. Section 8(c)(2) of RESPA, however, provides that payment may be made for ''* * * goods or facilities actually furnished or for services actually performed * * *.''

In December 1996, the Board and HUD jointly published for comment an advance notice of proposed rulemaking on the issue of simplifying and

combining the disclosure requirements of RESPA and TILA (61 FR 69055, Dec. 31, 1996). The notice requested comment on both regulatory and statutory changes to improve the current disclosure scheme. The comments that were received covered a wide range of issues. Nearly all of the recommendations for reconciling the two regulations require legislative action (e.g. changes to the timing of disclosures under the two statutes). The remainder of the recommendations generally involved small changes that could produce only minor improvements that likely would not be worth the corresponding compliance costs for creditors associated with reprinting forms or retraining personnel. HUD is separately considering whether to propose minor simplification amendments to various RESPA-required forms. HUD will also weigh the merits of proposing such changes in light of the associated costs.

On April 2, 1997, the Board published a second notice summarizing the comments and reopening the comment period to allow interested parties more time to comment on potential legislative action. (62 FR 15624) The Board determined, in consultation with HUD, that beyond the revisions that have been made over the past several years, without legislative action any additional regulatory changes would be inadequate to achieve the goal of harmonizing TILA and RESPA to any significant degree. The notice stated that the Agencies would consider holding public meetings, as was suggested by many of the commenters, to help in developing legislative recommendations.

II. Public Forum

Although TILA and RESPA both regulate mortgage transactions, they differ in fundamental ways. In crafting legislative recommendations, the Board and HUD believe that it is important to examine the goals of RESPA and TILA, and what problems this dual—but not identical—statutory scheme presents. Therefore, the Board and HUD will hold a joint public forum on July 30, 1997, to help the Agencies in their consideration of issues to be addressed in the legislative recommendations. The forum will be held at the Board's offices in Washington, D.C. The Agencies have invited speakers representing industry and consumer interests to participate in the discussion, which will be followed by an open session for other members of the public to express their views.

At the forum, the Board's staff will present preliminary findings of a survey on consumer credit shopping that was commissioned by the Board. Each invited speaker will be given an opportunity to make a brief introductory statement. The invitees will be asked to discuss a number of topics, including (1) consumer credit shopping behavior, (2) the goals of TILA and RESPA, and whether the current statutory and regulatory scheme for home mortgage lending satisfies those goals, and (3) whether significant improvement can be made to the existing provisions of TILA and RESPA, or whether there is a need for more comprehensive reform.

There will be an opportunity during the open session for other attendees to offer the Agencies their views on these issues. Oral statements in this open session should be brief to allow as many speakers as possible to offer their views. Written statements of any length may be submitted for the record, and are due by August 15, 1997.

Dated: July 14, 1997.

Nicolas P. Retsinas,

Assistant Secretary for Housing-Federal Housing Commissioner.

By order of the Board of Governors of the Federal Reserve System, July 14, 1997.

William W. Wiles,

Secretary of the Board.

[FR Doc. 97–18940 Filed 7–17–97; 8:45 am]

BILLING CODE 6210–01–P (½)
BILLING CODE 4210–27–P (½)

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96–NM–59–AD]

RIN 2120–AA64

Airworthiness Directives; Lockheed Model L–1011 Series Airplanes Equipped With Rolls Royce Model RB211–22B Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the supersedure of an existing airworthiness directive (AD), applicable to certain Lockheed Model L–1011 series airplanes, that currently requires various modifications and corrective actions to prevent a potential fire hazard caused by heat damage to the flex fuel feed line from an undetected gearbox fire. In lieu of the various modifications and corrective actions, that AD also provides for an optional terminating action (i.e., installation of a vent air tube in the gear compartment and thickened gearbox housings) for another existing AD. For airplanes on which that optional terminating action has been accomplished, this action would require accomplishment of the various modifications and corrective actions. This proposal is prompted by a report indicating that, due to bearing failure, an in-flight fire occurred on an airplane on which a thickened gearbox housing was installed. The actions specified by the proposed AD are intended to detect and correct bearing failure, which could lead to a fire in the gearbox.

DATES: Comments must be received by August 25, 1997.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM–103, Attention: Rules Docket No. 96–NM–59–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 Lockheed Aeronautical Systems Support Company, Field Support Department, Dept. 693, Zone 0755, 2251 Lake Park Drive, Smyrna, Georgia 30080. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Atlanta Aircraft Certification Office, Campus Building, 1701 Columbia Avenue, Suite 2–160, College Park, Georgia.

FOR FURTHER INFORMATION CONTACT: Thomas B. Peters, Aerospace Engineer, Systems and Flight Test Branch, ACE–116A, FAA, Small Airplane Directorate, Atlanta Aircraft Certification Office, Campus Building, 1701 Columbia Avenue, Suite 2–160, College Park, Georgia 30337–2748; telephone (404) 305–7367; fax (404) 305–7348.

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,