

process the filing as an application under § 516.3(a)(3) of this chapter. If the OTS suspends the applicable processing time frames, the savings association may not open a branch until the OTS provides a notification of its approval.

* * * * *

11. In § 545.95, paragraph (a) and paragraph (b)(1)(ii) are revised to read as follows:

§ 545.95 Change of office location and redesignation of offices.

(a) *Eligibility.* A Federal savings association may change the permanent location of its home office or any approved branch office, or redesignate a home or branch office subject to the appropriate expedited or standard treatment procedures for establishing a branch office set forth in § 545.92 of this part.

(b) * * *

(1) * * *

(ii) The applicant shall post notice of the application for 25 days from the date of first publication in a prominent location in the office to be closed or redesignated.

* * * * *

PART 552—INCORPORATION, ORGANIZATION, AND CONVERSION OF FEDERAL STOCK ASSOCIATIONS

12. The authority citation for part 552 continues to read as follows:

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

13. Section 552.2-1 is amended by revising paragraph (a) to read as follows:

§ 552.2-1 Procedure for organization of Federal stock association.

(a) *Application for permission to organize.* Applications for permission to organize a Federal stock association are subject to this section and to § 543.3 of this chapter. Recommendations by employees of the OTS regarding applications for permission to organize are privileged, confidential, and subject to § 510.5 (b) and (c) of this chapter. The processing of an application under this section shall be subject to the following procedures:

(1) *Publication.* (i) The applicant shall publish a public notice of the application to organize in accordance with the procedures specified in subpart B of part 516 of this chapter.

(ii) Promptly after publication of the public notice, the applicant shall transmit copies of the public notice and publisher's affidavit of publication to the OTS in the same manner as the original filing.

(iii) Any person may inspect the application and all related

communications at the Regional Office during regular business hours, unless such information is exempt from public disclosure.

(2) *Notification to interested parties.* The OTS shall give notice of the application to the State official who supervises savings associations in the State in which the new association is to be located.

(3) *Submission of comments.* Commenters may submit comments on the application in accordance with the procedures specified in subpart C of part 516 of this chapter.

(4) *Meetings.* The OTS may arrange informal or formal meetings in accordance with the procedures specified in subpart D of part 516 of this chapter.

* * * * *

14. Section 552.2-2 is amended by revising paragraph (a) to read as follows:

§ 552.2-2 Procedures for organization of interim Federal stock association.

(a) Applications for permission to organize an interim Federal savings association are not subject to subparts B, C and D of part 516 of this chapter or § 552.2-1(b)(3) of this part.

* * * * *

PART 556—STATEMENTS OF POLICY

15. The authority citation for part 556 continues to read as follows:

Authority: 5 U.S.C. 552, 559; 12 U.S.C. 1464, 1701j-3; 15 U.S.C. 1693-1693r.

16. Section 556.5 is amended by revising paragraph (c)(4) to read as follows:

§ 556.5 Branching by Federal savings associations.

* * * * *

(c) * * *
(4) *Comment procedures.* Comments on applications for branches must be submitted in writing and factually documented. Comment procedures are set forth in subpart C of part 516 of this chapter, § 563e.29 (c) and (d) of this chapter, the OTS Application Processing Handbook, and other supervisory guidance issued by the OTS.

* * * * *

PART 563—OPERATIONS

17. The authority citation for part 563 continues to read as follows:

Authority: 12 U.S.C. 375b, 1462, 1462a, 1463, 1464, 1467a, 1468, 1817, 1828, 3806; 42 U.S.C. 4012a, 4104a, 4104b, 4106, 4128.

18. Section 563.22 is amended by revising paragraphs (e)(1), (e)(4) and (f)(3) to read as follows:

§ 563.22 Merger, consolidation, purchase or sale of assets, or assumption of liabilities.

* * * * *

(e)(1) Unless the OTS finds that it must act immediately in order to prevent the probable default of one of the savings associations involved, the applicant must publish a public notice of the application in accordance with the procedures specified in subpart B of part 516 of this chapter. In addition to initial publication, the applicant must publish on a weekly basis during the period allowed for furnishing reports under paragraph (e)(2) of this section.

* * * * *

(4) Commenters may submit comments on the application in accordance with the procedures set forth in subpart C of part 516 of this chapter, except that comments may be submitted at any time during the period described in paragraph (e)(2) of this section. The OTS may arrange informal or formal meetings in accordance with the procedures set forth in subpart D of part 516 of this chapter.

* * * * *

(f) * * *

(3) The OTS suspends the applicable processing time frames under § 516.190 of this chapter;

* * * * *

Dated: November 26, 1997.

By the Office of Thrift Supervision.

Ellen Seidman,
Director.

[FR Doc. 97-31612 Filed 12-3-97; 8:45 am]
BILLING CODE 6720-01-M

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 703

Investment and Deposit Activities

AGENCY: National Credit Union Administration (NCUA).

ACTION: Interim final rule with request for comments.

SUMMARY: On June 12, 1997, the NCUA Board issued comprehensive final amendments to the NCUA Rules and Regulations on investment and deposit activities. Two new provisions will result in a number of credit unions having to significantly change the way they do business with broker-dealers, which was not NCUA's intention. In addition, there are a few minor errors in the regulatory language. This document revises the two broker-dealer provisions to make them consistent with NCUA's intent and corrects the minor errors.

DATES: The interim rule is effective January 1, 1998. Comments must be received on or before February 2, 1998.

ADDRESSES: Comments should be directed to Becky Baker, Secretary of the Board. Mail or hand-deliver comments to: National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428. Fax comments to (703) 518-6319. E-mail comments to boardmail@ncua.gov. Please send comments by one method only.

FOR FURTHER INFORMATION CONTACT: David M. Marquis, Director, Office of Examination and Insurance, (703) 518-6360, or Daniel Gordon, Senior Investment Officer, Office of Investment Services, (703) 518-6620, or at the above address.

SUPPLEMENTARY INFORMATION: The comprehensive final rule amendments to 12 CFR part 703 were published on June 18, 1997 (62 FR 32989).

Broker-Dealers

Section 703.50(a) of the final rule requires that any broker-dealer used by a federal credit union be either a federally regulated depository institution or registered with the Securities and Exchange Commission (SEC). NCUA particularly was concerned about credit unions doing business with entities that sell only certificates of deposit (CDs), as these entities are not subject to comprehensive regulatory oversight. NCUA does not wish to force credit unions to stop doing business with legitimate CD brokers, however, and has determined that a credit union has sufficient control over the transaction when it purchases a CD or share certificate directly from the issuing bank, credit union, or other depository institution. Under the rule, as amended by this document, a federal credit union can use a CD broker to find an institution offering high rates, and may compensate the broker for that service, but it must send the funds directly to the institution and not through the broker or other third party.

Safekeeping

Section 703.60(c) provides that a federal credit union may not allow a selling broker-dealer to safekeep its securities. NCUA's intent was to ensure that the credit union was the beneficial owner of securities it purchased. NCUA did not intend to change the way most federal credit unions do business. NCUA believes that the regulations and oversight of the SEC and depository institution regulators provide adequate protection for credit unions and is

amending the rule to require only that safekeepers be entities regulated by such agencies.

Corrections

Section 703.80(a) of the final rule provides that before a federal credit union purchases or sells a security, except for new issues it purchases at par, it must obtain a price quotation on the security from at least two broker-dealers or from an industry-recognized information provider. NCUA added the requirement to ensure that federal credit unions are aware of the market prices of securities they buy and sell. The exception recognizes that the selling price of a new issue is, by definition, the market price.

Although NCUA intended to exempt all new issues of securities from the pricing requirement, new issues of some securities are sold at a discount from their face value, not at par. NCUA is correcting this oversight by adding that a federal credit union need not obtain two prices, or a price from an industry-recognized information provider, for a new issue of a security purchased at original issue discount.

NCUA also is correcting three other minor errors with this document.

Interim Final Rule

The new amendments to Part 703 take effect January 1, 1998. If the provisions discussed above are not revised before then, credit unions will have to unnecessarily change the way they do business. NCUA has determined that, in this case, the Administrative Procedure Act notice and comment procedures are impracticable and contrary to the public interest. 5 U.S.C. 553(b)(3)(B). Accordingly, NCUA is issuing this document as an interim final rule, with an effective date of January 1, 1998. NCUA is requesting comments, however, to determine whether further changes to the provisions are warranted.

Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact any final regulation may have on a substantial number of small credit unions, defined as those having less than \$1 million in assets. NCUA has determined and certifies that the final rule will not have a significant economic impact on a substantial number of small credit unions.

Paperwork Reduction Act

This interim final rule does not change the paperwork requirements of Part 703.

Executive Order 12612

Executive Order 12612 requires NCUA to consider the effect of its actions on state interests. This interim final rule applies only to federal credit unions, and as such, has no direct effect on states, on the relationship between the states, or on the distribution of power and responsibilities among the various levels of government.

List of Subjects in 12 CFR Part 703

Credit unions, Investments, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board on November 24, 1997.

Becky Baker,
Secretary of the Board.

Accordingly, NCUA amends 12 CFR part 703 as follows:

PART 703—INVESTMENT AND DEPOSIT ACTIVITIES

1. The authority citation for part 703 continues to read as follows:

Authority: 12 U.S.C. 1757(7), 1757(8), 1757(15).

2. Amend § 703.50 as follows:

§ 703.50 [Amended]

a. In paragraph (a), by removing "You" at the beginning of the paragraph and adding the phrase "Except as provided in paragraph (c) of this section, you" in its place; and

b. Add paragraph (c) to read as follows:

§ 703.50 What rules govern my dealings with entities I use to purchase and sell investments ("broker-dealers")?

* * * * *

(c) The requirements of paragraph (a) of this section do not apply when you purchase a certificate of deposit or share certificate directly from a bank, credit union, or other depository institution.

3. Amend § 703.60 by revising paragraph (c) to read as follows:

§ 703.60 What rules govern my safekeeping of investments?

* * * * *

(c) Any safekeeper you use must be regulated and supervised by either the Securities and Exchange Commission or a federal or state depository institution regulatory agency.

* * * * *

§ 703.80 [Amended]

4. Amend § 703.80 by adding the phrase "or at original issue discount" after the word "par" and before the comma in paragraph (a) introductory text.

§ 703.100 [Amended]

5. Amend § 703.100 by adding the word "security" between the words "priority" and "interest" in paragraph (k)(2).

§ 703.150 [Amended]

6. Amend § 703.150 by adding the word "investment" in place of the word "security" each time it appears in the definitions of "Adjusted trading" and "Pair-off transaction."

[FR Doc. 97-31504 Filed 12-3-97; 8:45 am]

BILLING CODE 7535-01-P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 704

Corporate Credit Unions

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule; delay of compliance.

SUMMARY: On March 7, 1997, the NCUA Board issued final amendments to part 704 of the NCUA Rules and Regulations, which governs corporate credit unions. The effective date of the final amendments is January 1, 1998. While the effective date remains the same, this document delays mandatory compliance with the final amendments until May 1, 1998. The delay gives corporate credit unions more time to meet the capital, staff, and infrastructure requirements of the new regulation.

DATES: Mandatory compliance with part 704, as published at 62 FR 12929 (March 19, 1997), is delayed until May 1, 1998.

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

FOR FURTHER INFORMATION CONTACT: Robert F. Schafer, Director, Office of Corporate Credit Unions, at the above address or telephone (703) 518-6640; or Edward Dupcak, Director, Office of Investment Services, at the above address or telephone (703) 518-6620.

By the National Credit Union Administration Board on November 24, 1997.

Becky Baker,

Secretary of the Board.

[FR Doc. 97-31503 Filed 12-3-97; 8:45 am]

BILLING CODE 7535-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. 97-ACE-05]

Removal of Class D Airspace, Marshall Army Airfield, Ft. Riley, KS

AGENCY: Federal Aviation Administration, DOT.

ACTION: Direct final rule; confirmation of effective date.

SUMMARY: This action confirms the effective date of a direct final rule which removed the Class D airspace area at Marshall Army Airfield, Ft. Riley, Kansas. The control tower at Marshall Army Airfield is not in operation and will not be operational in the foreseeable future.

EFFECTIVE DATE: The direct final rule published at 62 FR 17052 became effective 0901 UTC July 17, 1997.

FOR FURTHER INFORMATION CONTACT: Kathy Randolph, Air Traffic Division, Airspace Branch, ACE-520C, Federal Aviation Administration, 601 East 12th Street, Kansas City, Missouri 64106; telephone (816) 426-3408.

SUPPLEMENTARY INFORMATION: The FAA published this direct final rule with a request for comments in the **Federal Register** on April 9, 1997 (62 FR 17052). The FAA uses the direct final rulemaking procedure for a non-controversial rule where the FAA believes that there will be no adverse public comment. This direct final rule advised the public that no adverse comments were anticipated, and that unless a written adverse comment, or a written notice of intent to submit such an adverse comment, was received within the comment period, the regulation would become effective on July 17, 1997. No adverse comments were received, and thus this document confirms that the direct final rule became effective on that date.

Issued in Kansas City, MO, on October 23, 1997.

Christopher R. Blum,

Acting Manager, Air Traffic Division, Central Region.

[FR Doc. 97-31706 Filed 12-3-97; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. 97-ACE-22]

Amendment to Class E Airspace; St. Louis, MO

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Direct final rule; request for comments.

SUMMARY: This action amends the Class E airspace area at Lambert-St. Louis International Airport, St. Louis, MO. The FAA has developed an Instrument Landing System (ILS) Runway (RWY) 6 Standard Instrument Approach Procedure (SIAP) and a VHF Omnidirectional Range/Distance Measuring Equipment (VOR/DME) RWY 17 SIAP to serve the Lambert-St. Louis International Airport. Additional controlled airspace extending upward from 700 feet Above Ground Level (AGL) is needed to accommodate these SIAPs. The Class E airspace for St. Louis Regional, St. Charles County Smartt, and Spirit of St. Louis Airports are enlarged to conform to requirements of FAA Order 7400.2D. The intended effect of this rule is to provide Class E airspace for aircraft executing ILS RWY 6 and VOR/DME RWY 17 SIAPs, and to conform with the requirements of FAA Order 7400.2D.

DATES: *Effective date:* 0901 UTC April 23, 1998.

Comment date: Comments must be received on or before January 15, 1998.

ADDRESSES: Send comments regarding the rule in triplicate to: Manager, Airspace Branch, Air Traffic Division, ACE-520, Federal Aviation Administration, Docket Number 97-ACE-22, 601 East 12th St., Kansas City, MO 64106.

The official docket may be examined in the Office of the Regional Counsel for the Central Region at the same address between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

An informal docket may also be examined during normal business hours in the Air Traffic Division at the same address listed above.

FOR FURTHER INFORMATION CONTACT: Kathy Randolph, Air Traffic Division, Airspace Branch, ACE-520C, Federal Aviation Administration, 601 East 12th Street, Kansas City, Missouri 64106; telephone (816) 426-3408.

SUPPLEMENTARY INFORMATION: The FAA has developed ILS RWY 6 and VOR/