INELIGIBLE FEDERAL SUPPLY CODE GROUPS

FSC Group	Name
10	Weapons.
11	Nuclear ordinance.
13	Ammunition and explosives.
14	Guided missiles.
18	Space vehicles.

(b) The property in the FSC's listed below are discouraged from transfer and not approved on a routine basis. However, Institutions may request items in these FSC groups, but all requests will be referred to the Director, Office of Procurement and Property Management for consideration and approval:

FSC Group	Name
15	Aircraft and airframe structural components.
16	Aircraft components and accessories.
17	Aircraft launching, landing and ground handling equipment.
20	Ship and marine equipment.

* * * * *

■ 4. Revise § 3200.10 to read as follows:

§ 3200.10 Disposal.

Once the requirements in § 3200.9 are met for retention and use of property by the Institution and title is transferred, Federal excess personal property (FEPP) no longer needed by an Institution will be disposed of in accordance with the Institution's disposal practices. Regardless of ownership, FEPP must never be disposed of in any manner which is detrimental or dangerous to public health or safety. Also, any costs incurred during the disposal process are the responsibility of the Institution.

Done at Washington, DC, this 22nd day of December, 2003.

W. R. Ashworth,

Director, Office of Procurement and Property Management.

[FR Doc. 03–32013 Filed 12–29–03; 8:45 am]

BILLING CODE 3410–TX–P

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Parts 506, 550, 560, 563, 563g, and 575

[No. 2003–68]

Technical Amendments

AGENCY: Office of Thrift Supervision, Treasury.

ACTION: Final rule.

SUMMARY: The Office of Thrift Supervision (OTS) is amending its regulations to incorporate a number of technical and conforming amendments. They include clarifications, updated statutory and other references, and corrections of typographical errors.

EFFECTIVE DATE: December 30, 2003.

FOR FURTHER INFORMATION CONTACT: Marilyn K. Burton, Senior Paralegal (Regulations), (202) 906–6467, or Karen A. Osterloh, Special Counsel, (202) 906–6639, Regulations and Legislation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

SUPPLEMENTARY INFORMATION: OTS is amending its regulations to incorporate a number of technical and conforming amendments. OTS is making the following miscellaneous changes:

- *Part 506—Information Collection Requirements under the Paperwork Reduction Act (PRA).* The final rule updates the table displaying the OMB control numbers assigned to various OTS regulations under the PRA by adding and amending references to a control number. *See* 12 CFR 506.1(b).
- *Part 550—Fiduciary Powers of Savings Associations.* The final rule corrects typographical errors in the chart in § 550.70.
- *Part 560—Lending and Investment.* The final rule corrects a typographical error in § 560.30.
- *Part 563—Savings Associations—Operations.* The final rule adds a regulatory reference to § 563.41(b) and deletes a citation to an outdated regulation in § 563.180(c).
- *Parts 563g—Securities Offerings.* The final rule updates a reference to an OTS Office and revises citations in §§ 563g.1(a)(6), (a)(9) and (a)(10), and 563g.5.
- *Part 575—Mutual Holding Companies.* The final rule corrects a typographical error in § 575.7.

Administrative Procedure Act; Riegle Community Development and Regulatory Improvement Act of 1994

OTS finds that there is good cause to dispense with prior notice and comment on this final rule and with the 30-day delay of effective date mandated by the Administrative Procedure Act.[1] OTS believes that these procedures are unnecessary and contrary to public interest because the rule merely corrects and clarifies existing provisions. Because the amendments in the rule are not substantive, these changes will not detrimentally affect savings associations.

Section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994 provides that regulations that impose additional reporting, disclosure, or other new requirements may not take effect before the first day of the quarter following publication.[2] This section does not apply because this final rule imposes no additional requirements and makes only technical changes to existing regulations.

Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act,[3] the OTS Director certifies that this technical corrections regulation will not have a significant economic impact on a substantial number of small entities.

Executive Order 12866

OTS has determined that this rule is not a ''significant regulatory action'' for purposes of Executive Order 12866.

Unfunded Mandates Reform Act of 1995

OTS has determined that the requirements of this final rule will not result in expenditures by State, local, and tribal governments, or by the private sector, of $100 million or more in any one year. Accordingly, a budgetary impact statement is not required under section 202 of the Unfunded Mandates Reform Act of 1995.

List of Subjects

12 CFR Part 506

Reporting and recordkeeping requirements.

12 CFR Part 550

Savings associations, Trusts and trustees.

12 CFR Part 560

Consumer protection, Investments, Manufactured homes, Mortgages, Reporting and recordkeeping requirements, Savings associations, Securities.

[1] 5 U.S.C. 553.

[2] Pub. L. No. 103–325, 12 U.S.C. 4802.

[3] Pub. L. No. 96–354, 5 U.S.C. 601.

12 CFR Part 563

Accounting, Advertising, Crime, Currency, Investments, Reporting and recordkeeping requirements, Savings associations, Securities, Surety bonds.

12 CFR Part 563g

Reporting and recordkeeping requirements, Savings associations, Securities.

12 CFR Part 575

Administrative practice and procedure, Capital, Holding companies, Reporting and recordkeeping requirements, Savings associations, Securities.

■ Accordingly, the Office of Thrift Supervision amends title 12, chapter V of the Code of Federal Regulations, as set forth below.

PART 506—INFORMATION COLLECTION REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT

■ 1. The authority citation for part 506 continues to read as follows:

Authority: 44 U.S.C. 3501 *et seq.*

■ 2. Amend the table in § 506.1(b) by:

■ a. Revising the entries for §§ 563.22 and 563.81; and

■ b. Removing the entries for §§ 552.6, 552.7, 563.80, 563b.4, and 563b.20 through 563b.32.

§ 506.1 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

* * * * *

(b) *Display.*

12 CFR part or section where identified and described	Current OMB control No.
* * * * * * *	
563.22	1550–0016, 1550–0025
* * * * * * *	
563.81	1550–0030
* * * * * * *	

PART 550—FIDUCIARY POWERS OF SAVINGS ASSOCIATIONS

■ 3. The authority citation for part 550 continues to read as follows:

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

■ 4. Revise the table in § 550.70 at paragraphs (b) and (d) to read as follows:

§ 550.70 Must I obtain OTS approval or file a notice before I exercise fiduciary powers?

* * * * *

If you will conduct . . .	Then . . .
* * * * * * *	
(b) Fiduciary activities that are materially different from the activities that OTS has previously approved for you, including fiduciary activities that OTS has previously approved for you that you have not exercised for at least five years.	You must obtain prior approval from OTS under §§ 550.80 through 550.120 before you conduct the activities
* * * * * * *	
(d) Activities that are ancillary to your fiduciary business	You do not have to obtain prior OTS approval or file a notice with OTS.

PART 560—LENDING AND INVESTMENT

■ 5. The authority citation for part 560 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1701j–3, 1828, 3803, 3806; 42 U.S.C. 4106.

■ 6. Revise the fifth entry in the table in § 560.30 to read as follows:

§ 560.30 General lending and investment powers of Federal savings associations.

* * * * *

LENDING AND INVESTMENT POWERS CHART

Category	Statutory authorization [1]	Statutory investment limitations (Endnotes contain applicable regulatory limitations)
* * * * * * *		
Community development loans and equity investments.	5(c)(3)(A)	5% of total assets, provided equity investments do not exceed 2% of total assets.[4]
* * * * * * *		

Endnotes:

1. All references are to section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) unless otherwise indicated.

* * * * * * * *

4. The 2% of assets limitation is a sublimit for investments within the overall 5% of assets limitation on community development loans and investments. The qualitative standards for such loans and investments are set forth in HOLA section 5(c)(3)(A) (formerly 5(c)(3)(B), as explained in an opinion of the OTS Chief Counsel dated May 10, 1995 (available at *http://www.ots.treas.gov*)).

* * * * *

PART 563—SAVINGS ASSOCIATIONS—OPERATIONS

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

Authority: 12 U.S.C. 375b, 1462, 1462a, 1463, 1464, 1467a, 1468, 1817, 1820, 1828, 1831o, 3806; 42 U.S.C. 4106.

■ 8. Revise the last sentence of the introductory paragraph of § 563.41(b) to read as follows:

§ 563.41 Transactions with affiliates.

* * * * *

(b) * * * In addition, a savings association should read all references to ''the Board'' or ''appropriate federal banking agency'' to refer only to ''OTS,'' except for references at 12 CFR 223.2(a)(9)(iv), 223.3(h), 223.3(z), 223.14(c)(4), 223.43, and 223.55.

* * * * *

§ 563.180 [Amended]

■ 9. Amend § 563.180(c) by removing the last sentence.

PART 563g—SECURITIES OFFERINGS

■ 10. The authority citation for part 563g continues to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464; 15 U.S.C. 78c(b), 78*l*, 78m, 78n, 78p, 78w.

§ 563g.1 [Amended]

■ 11. In § 563g.1, amend paragraph (a)(6) by removing ''Corporate and Securities Division'' and by adding in lieu thereof ''Business Transactions Division'; amend paragraph (a)(9) by removing ''§ 563b.2(a)(27)'' and adding in lieu thereof ''§ 563b.25''; and amend paragraph (a)(10) by removing ''§ 563b.2(a)(29)'' and adding in lieu thereof ''§ 563b.25''.

§ 563g.5 [Amended]

■ 12. Amend § 563g.5(a) by removing the phrase ''§ 563b.8(e)(1), (e)(3), and (e)(4), (f) through (q), and (s)'' and adding in lieu thereof ''§§ 563b.115(a), 563b.150(a)(6), 563b.155, 563b.180(b), and Form AC, General Instruction B''.

PART 575—MUTUAL HOLDING COMPANIES

■ 13. The authority citation for part 575 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1828, 2901.

§ 575.7 [Amended]

■ 14. Amend § 575.7 by removing ''12 CFR Form OC'' in paragraph (d)(6)(i) and by adding in lieu thereof ''Form OC''.

Dated: December 17, 2003.

By the Office of Thrift Supervision.

Richard M. Riccobono,

Deputy Director.

[FR Doc. 03–31692 Filed 12–29–03; 8:45 am]

BILLING CODE 6720–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

Organization and Operations of Federal Credit Unions

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: NCUA is updating and clarifying the definitions of certain terms used in NCUA's loan participation rule. Specifically, the definition of ''credit union organization'' is amended to conform to the terms of the credit union service organizations (CUSOs) rule. Also, the definition of ''financial organization'' is broadened to provide federal credit unions (FCUs) greater flexibility in choosing appropriate loan participation partners.

DATES: This final rule is effective January 29, 2004.

FOR FURTHER INFORMATION CONTACT: Frank Kressman, Staff Attorney, Office of General Counsel, at the above address or telephone: (703) 518–6540.

SUPPLEMENTARY INFORMATION:

A. Background

NCUA issued a proposed rule on June 26, 2003 to update and clarify § 701.22, its loan participation rule. 68 FR 39866 (July 3, 2003). In the proposal, NCUA noted many of the benefits loan participation offers FCUs. Specifically, engaging in loan participations is an effective tool for FCUs to manage liquidity and concentration risk. Loan participation is also a way for FCUs to comply with NCUA or self-imposed lending limits. Small FCUs are able to improve the diversification of their loan portfolios by participating in loans originated by larger FCUs that have the resources to underwrite a wider variety of loan types.

Section 701.22 of NCUA's regulations provides that an FCU may engage in loan participations with ''eligible organizations'' and defines that term as a credit union, credit union organization, or financial organization. 12 CFR 701.22(b), 12 CFR 701.22(a)(2). The rule further defines ''credit union organization'' and ''financial organization.'' 12 CFR 701.22(a)(4) and (a)(5).

The Federal Credit Union Act (Act) defines ''credit union organization'' as ''any organization as determined by the Board, which is established primarily to serve the needs of its member credit unions, and whose business relates to the daily operations of the credit unions they serve.'' 12 U.S.C. 1757(5)(D). Section 701.22(a)(4) echoes this definition, but specifically excludes, among others, some CUSOs, which it describes as ''corporations or other businesses which principally provide services to credit union members as opposed to corporations or businesses whose business relates to the daily in-house operation of credit unions.'' 12 CFR 701.22(a)(4). Formerly, NCUA's CUSO rule distinguished between CUSOs providing operational services to FCUs and those providing financial services to FCU members.

In a 1998 final rule, NCUA eliminated that distinction in the CUSO rule. 63 FR 10743 (March 5, 1998). Under NCUA's regulations, CUSOs are entities that engage in providing products and services related to the routine daily operations of credit unions to credit unions and credit union members. 12 CFR 712.3, 712.5. In the June 2003 proposal, NCUA proposed to amend the definition of ''credit union organization'' in the loan participation rule to conform to NCUA's interpretation of that term in the CUSO rule.

The Act does not define the term ''financial organization.'' Section 701.22(a)(5) defines it as ''any federally chartered or federally insured financial institution.'' 12 CFR 701.22(a)(5). Although the Act is silent, the rule derives its definition from the legislative history of the 1977 public law that granted FCUs various additional authorities, including the authority to engage in loan participations. H.R. Rep. No. 95–23, at 12 (1977), *reprinted* in 1977 U.S.C.C.A.N. 115. In granting this authority, Congress expressed its intent to enhance the ability of FCUs to serve their members' loan demands.

Consistent with congressional intent to enhance the ability of FCUs to serve their members' loan demands through participations, NCUA proposed to expand the regulatory definition of ''financial organization'' to include state and federal government agencies. NCUA is aware that there are various state and federal government supported loan programs that are particularly geared to underserved borrowers. These types of programs, which include agricultural and small business lending, are ideally suited to the mission of FCUs. Also, the proposal was intended to afford FCUs