

# Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## OFFICE OF PERSONNEL MANAGEMENT

### 5 CFR Part 213

RIN 3206-AH18

#### Revocation of Schedule A Authority 213.3102(cc)

**AGENCY:** Office of Personnel Management.

**ACTION:** Final rule.

**SUMMARY:** The Office of Personnel Management (OPM) is eliminating the regulation establishing Schedule A authority 213.3102(cc) because it will be revoked. Under the terms of this authority, its Schedule A positions are filled by persons identified as Interchange Executives by the President's Commission on Executive Exchange. This Commission no longer exists.

**EFFECTIVE DATE:** November 2, 1995.

**FOR FURTHER INFORMATION CONTACT:** Armond A. Grant, (202) 606-0950.

**SUPPLEMENTARY INFORMATION:** E.O. 12760 abolished the President's Commission of Executive Exchange and terminated its functions. Since new appointments can no longer be made and no appointments under this authority currently remain, the authority is not needed and will be revoked.

#### Waiver of Notice of Proposed Rulemaking and 30-day Delay of Effective Date

Under 5 U.S.C. 553(b)(3)(B) and (d)(3), I find that good cause exists for waiving the general notice of proposed rulemaking and for making this amendment effective in less than 30 days. That is because this amendment is solely for the purpose of deleting an outdated regulation.

## Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities (including small businesses, small organizational units, and small governmental jurisdictions) because they apply only to Federal employees.

### List of Subjects in 5 CFR Part 213

Government employees, reporting and recordkeeping requirements.

U.S. Office of Personnel Management.

James B. King,

*Director.*

Accordingly, OPM is amending 5 CFR part 213 as follows:

### PART 213—EXCEPTED SERVICE

1. The authority citation for part 213 continues to read as follows:

Authority: 5 U.S.C. 3301 and 3302, E.O. 10577, 3 CFR 1954-1958 Comp., p. 218; section 213.101 also issued under 5 U.S.C. 2103; section 213.3102 also issued under 5 U.S.C. 3301, 3302, 3307, 8337(h) and 8457; E.O. 12364, 47 FR 22931, 3 CFR 1982 Comp., p. 185.

#### § 213.3102 [Amended]

2. In 213.3102, paragraph (cc) is removed and reserved.

[FR Doc. 95-27160 Filed 11-1-95; 8:45 am]

BILLING CODE 6325-01-M

## SMALL BUSINESS ADMINISTRATION

### 13 CFR Part 122

#### Business Loans; Microloans

**AGENCY:** Small Business Administration (SBA).

**ACTION:** Final rule.

**SUMMARY:** Under this final rule, SBA is implementing certain provisions of the "Small Business Administration Reauthorization and Amendments Act of 1994", enacted on October 22, 1994, which are relevant to the SBA microloan financing program (Program). On a pilot basis, the rule authorizes SBA to guarantee up to 100 percent of loans made to intermediary lenders. It adds native American tribal governments as eligible intermediaries in the Program, authorizes SBA to provide additional grant assistance to an intermediary which by its lending assists residents in economically distressed areas, and

extends the sunset date of the Program for an additional fiscal year.

**EFFECTIVE DATE:** This rule is effective November 2, 1995.

**FOR FURTHER INFORMATION CONTACT:** John R. Cox, 202/205-6490.

**SUPPLEMENTARY INFORMATION:** On January 24, 1995, SBA published in the Federal Register (60 FR 4574) a notice of proposed rulemaking with respect to amendments made by Pub. L. 103-403, enacted on October 22, 1994 (1994 legislation), to subsection 7(m) of the Act (15 U.S.C. 636(m)), relating to the Program. SBA received four favorable comments in response to the proposed rule. Accordingly, SBA is promulgating this final rule basically as proposed.

Consistent with section 202 of the 1994 legislation, section 122.61-2 of SBA's regulations (13 CFR 122.61-2) is amended by including in the definition of an intermediary eligible to participate in the Program as a microloan lender an agency or nonprofit entity established by a native American tribal government. Currently, only private, nonprofit entities or quasi-governmental entities can be microlenders.

Consistent with section 203 of the 1994 legislation, section 122.61-1 of SBA's regulations is amended to extend the sunset date for the Program an additional year, to October 1, 1997.

Consistent with section 206 of the 1994 legislation, section 122.61-6 of SBA's regulations is amended to increase the aggregate maximum amount of SBA lending available to an intermediary during the intermediary's participation in the Program. The previous limit was \$1,250,000; the new aggregate maximum is \$2,500,000.

Consistent with section 207 of the 1994 legislation, section 122.61-9 of SBA's regulations is amended to authorize (but not require) an intermediary to expend up to fifteen percent of any grant funds provided to it by the SBA for the provision of information and technical assistance to small businesses which are prospective borrowers. This final rule recognizes that intermediaries hold outreach seminars, perform screening analyses, and provide other assistance for prospective borrowers. It encourages them to continue these programs and to use their technical assistance grants efficiently and cost effectively.

SBA presently ensures that at least one-half of its intermediaries provide

microloans to small businesses in rural areas. Consistent with section 205 of the 1994 legislation, section 122.61-3 of SBA's regulations is amended so that SBA now must select entities that will ensure availability of loans for small businesses in all industries located throughout the lender's jurisdiction in both rural and urban areas. The SBA is no longer required to meet numerical requirements based on intended borrowers in selecting entities to participate as intermediaries in the Program, but it will consider whether a proposed intermediary would provide assistance to a variety of industries.

Under SBA's present rules, an intermediary seeking to qualify for an SBA grant must contribute matching funds equal to twenty-five percent of the amount of the grant. Consistent with section 208(a)(1) of the 1994 legislation, section 122.61-9 of SBA's regulations is amended to provide that this twenty-five percent requirement is inapplicable to an intermediary which provides more than half of its loans to small businesses located in or owned by residents of an economically distressed area. Thus, if an intermediary would make sixty percent of its loans in an economically distressed geographic area, it would not have to provide a twenty-five percent match to an SBA grant.

Under current rules, each intermediary can receive an SBA grant equal to twenty-five percent of the outstanding balance of its loans from SBA. Consistent with section 208(a)(2) of the 1994 legislation, section 122.61-9 of SBA's regulations is amended to provide that an intermediary can receive an SBA grant of an additional five percent (which it is not required to match) if it will provide no less than twenty-five percent of its loans to small businesses located in or owned by residents of an economically distressed area.

Consistent with section 208(b) of the 1994 legislation, section 122.61-2 of SBA's regulations is amended to define "economically distressed area" to mean a county or equivalent division of local government in which not less than forty percent of the residents have an annual income that is at or below the poverty level. SBA will obtain this information from the Bureau of the Census.

Consistent with section 201 of the 1994 legislation, new section 122.61-13 of SBA's regulations implements a microloan financing pilot in which SBA can guarantee no less than ninety and no more than one hundred percent of a loan made to an intermediary by a for-profit or non-profit entity or by an alliance of such entities. This guaranty authority by SBA terminates on

September 30, 1997. Under this pilot, SBA will guarantee loans to no more than ten intermediaries in urban areas and ten in rural areas. The loans will have a maturity of ten years, with interest calculated as set forth in section 122.61-6 of SBA's regulations (13 CFR 122.61-6). During the first year of the loan, interest accrues, but the intermediary will not be required to repay principal or interest. During the second through fifth years of the loan, the intermediary pays only interest. During the sixth through tenth years of the loan, the intermediary must make interest payments and fully amortize the principal. There are no balloon payments.

Compliance with Executive Orders 12612, 12778 and 12866, the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.* and the Paperwork Reduction Act, 44 U.S.C. Ch. 35.

For purposes of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, SBA certifies that this final rule does not have a significant economic impact on a substantial number of small entities.

SBA certifies that this final rule does not constitute a significant regulatory action for the purposes of Executive Order 12866, since it is not likely to result in an annual effect on the economy of \$100 million or more.

SBA certifies that this final rule does not impose additional reporting or recordkeeping requirements which would be subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35, and does not have federalism implications warranting the preparation of a Federalism Assessment in accordance with Executive Order 12612.

For purposes of Executive Order 12778, SBA certifies that this final rule is drafted, to the extent practicable, in accordance with the standards set forth in section 2 of that Order.

(Catalog of Federal Domestic Assistance Programs, No. 59.012)

#### List of Subjects in 13 CFR Part 122

Loan programs—business, Small businesses.

Accordingly, pursuant to the authority contained in section 5(b)(6) of the Small Business Act (15 U.S.C. 634(b)(6)), SBA amends part 122, chapter I, title 13, Code of Federal Regulations, as follows:

### PART 122—BUSINESS LOANS

1. The authority citation for Part 122 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6), 636(a), 636(m).

2. Section 122.61-1(a) is amended by revising the last sentence to read as follows:

#### § 122.61-1 Policy.

(a) *Program.* \* \* \* This Microloan Demonstration Program terminates on October 1, 1997.

\* \* \* \* \*

3. Section 122.61-2 is amended by republishing (d) introductory text, by removing the "or" at the end of paragraph (d)(3), by removing the period at the end of paragraph (d)(4) and adding "; or" in its place, and adding new paragraphs (d)(5) and (h) to read as follows:

#### § 122.61-2 Definitions.

\* \* \* \* \*

(d) *Intermediary* means: \* \* \*

(5) An agency of or a nonprofit entity established by a Native American Tribal Government.

\* \* \* \* \*

(h) *Economically distressed area* means a county or equivalent division of local government of a state in which, according to the most recent data available from the United States Bureau of the Census, not less than 40 percent of residents have an annual income that is at or below the poverty level.

4. Section 122.61-3 is amended by adding a new sentence at the end of paragraph (a) to read as follows:

#### § 122.61-3 Participation of intermediary.

(a) *Eligibility.* \* \* \* In evaluating applications to become an intermediary, SBA shall select intermediaries that will ensure appropriate availability of loans for small business concerns in all industries located throughout each state, in both urban and in rural areas.

\* \* \* \* \*

5. Section 122.61-6 is amended by revising paragraph (e) to read as follows:

#### § 122.61-6 Conditions on SBA loan to intermediary.

\* \* \*

(e) *Loan limits by SBA.* No loan shall be made to an intermediary by SBA under this program if the total amount outstanding and committed (excluding outstanding grants) to the intermediary (and its affiliates, if any) from the business loan and investment fund established under section 4(c) of the Act would, as a result of such loan, exceed \$750,000 in the first year of the intermediary's participation in the program, and \$2,500,000 in the

remaining years of the intermediary's participation in the program.

\* \* \* \* \*

6. Section 122.61-9 is amended by adding a new third sentence in paragraph (a), by revising paragraph (b)(1), and by adding a new sentence at the end of paragraph (b)(2) to read as follows:

**§ 122.61-9 SBA grant to intermediary for marketing, management, and technical assistance.**

(a) *General.* \* \* \* Each intermediary is authorized to expend up to 15% of any SBA grant funds to provide information and technical assistance to small business concerns that are prospective borrowers under this program. \* \* \*

(b) *Amount of grant.* (1) Subject to the requirement of paragraph (b)(2) of this section, and the availability of appropriations, each intermediary under this program shall be eligible to receive a grant equal to 25% of the outstanding balance of loans made to it by SBA. If an intermediary provides no less than 25% of its loans to small business concerns located in or owned by one or more residents of an economically distressed area, it shall be eligible to receive an additional grant from SBA equal to 5% of the outstanding balance of SBA loans made to the intermediary (with no obligation to match this additional amount).

(2) \* \* \* This requirement for an intermediary contribution is inapplicable if the intermediary provides at least 50% of its loans to small business concerns located in or owned by one or more residents of an economically distressed area.

\* \* \* \* \*

7. A new § 122.61-13 is added to read as follows:

**§ 122.61-13 SBA guaranteed loans to intermediaries.**

(a) *General.* For up to 10 intermediaries in urban areas and 10 intermediaries in rural areas, SBA may guarantee not less than 90 percent nor more than 100 percent of a loan made by a for-profit or non-profit entity or by an alliance of such entities.

(b) *Maturity and repayment.* Any SBA guaranteed loan made to an intermediary under this section shall have a maturity of 10 years. During the first year of the loan, interest shall accrue, but the intermediary shall not be required to repay any interest or principal. During the second through fifth years of the loan, the intermediary shall pay interest only. During the sixth through tenth years of the loan, the intermediary shall make interest

payments and fully amortize the principal.

(c) *Interest rate.* The interest rate on an SBA guaranteed loan to an intermediary shall be calculated as set forth in § 122.61-6.

(d) *Termination of SBA authority to guarantee.* The authority of SBA to guarantee loans to intermediaries under this § 122.61-13 shall terminate on September 30, 1997.

Dated: July 26, 1995.

Philip Lader,  
Administrator.  
[FR Doc. 95-27155 Filed 11-1-95; 8:45 am]  
BILLING CODE 8025-01-U

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 71**

[Airspace Docket No. 95-ANM-18]

**Proposed Establishment of Class E Airspace; Baker, Montana**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action establishes the Baker, Montana, Class E airspace. This action is necessary to accommodate a new instrument approach procedure at Baker Municipal Airport, Baker, Montana.

**EFFECTIVE DATE:** 0901 UTC, January 4, 1996.

**FOR FURTHER INFORMATION CONTACT:** James C. Frala, System Management Branch, ANM-535/A, Federal Aviation Administration, Docket No.95-ANM-18, 1601 Lind Avenue S.W., Renton, Washington 98055-4056; telephone number: (206) 227-2535.

**SUPPLEMENTARY INFORMATION:**

**History**

On September 13, 1995, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to establish Class E airspace at Baker, Montana, to accommodate a new instrument approach procedure at Baker Municipal Airport (60 FR 47503). Interested parties were invited to participate in the rulemaking proceeding by submitting written comments on the proposal. No comments were received.

This action is the same as the proposal except for an error (corrected herein) in the location of the Bowman Municipal Airport in Montana rather than North Dakota. The coordinates for this airspace docket are based on North

American Datum 83. Class E airspace areas extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9C dated August 17, 1995, and effective September 16, 1995, which is incorporated by reference in 14 CFR 71.1. The Class E airspace listed in this document will be published subsequently in the Order.

**The Rule**

This amendment to part 71 of Federal Aviation Regulations establishes Class E airspace at Baker, Montana. The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (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) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

**List of Subjects in 14 CFR Part 71**

Airspace, Incorporation by reference, Navigation (air).

**Adoption of the Amendment**

In consideration of the foregoing, the FAA amends 14 CFR part 71 as follows:

**PART 71—[AMENDED]**

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR 1959-1963 Comp., p. 389; 14 CFR 11.69

**§ 71.1 [Amended]**

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9C, Airspace Designations and Reporting Points, dated August 17, 1995, and effective September 16, 1995, is amended as follows:

*Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth*

\* \* \* \* \*

ANM MT E5 Baker, MT [New]  
Baker Municipal Airport, MT  
(Lat. 46°20'52" N, long. 104°15'34" W)

That airspace extending upward from 700 feet above the surface within a 8.9-mile