OFFICE OF PERSONNEL MANAGEMENT

Submission for OMB Review; Comment Request for Review of a New Generic Clearance Plan

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104–13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) has submitted to the Office of Management and Budget a request for review of a new Generic Clearance Plan to measure customer satisfaction with the Retirement and Insurance Service's (RIS) programs and services. This Plan satisfies the requirements of Executive Order 12862 and the guidelines set forth in OMB's ''Resource Manual for Customer Surveys''. RIS is requesting approval for conducting these voluntary customer satisfaction surveys in fiscal years 1998, 1999, and 2000.

For RIS survey questionnaires, we estimate surveying approximately 464,975 customers per year for an annual burden of 109,101 hours for FY 1998 and 94,517 hours each for fiscal years 1999 and 2000. For our telephone surveys, including Interactive Voice Response (IVR) technology, we estimate surveying 264,080 customers per year for an annual burden of 22,072 hours. For Internet surveys, we estimate surveying 1,000 Internet readers for an annual burden of 167 hours. For Focus Groups, we estimate that we may have 10–20 focus groups consisting of 10–15 participants (300 total per year), lasting up to about two hours each for an annual burden of 600 hours. For Comment Card/Postcard surveys that the RIS Washington, DC, Retirement Information Office may use, we estimate that it would take about 7 minutes to complete and 3,000 customers may respond for an annual burden of 350 hours. *The total annual estimated burden is 133,000 hours in FY 1998 and 118,000 hours each for fiscal years 1999 and 2000.*

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606–8358, or E-mail to mbtoomey@opm.gov.

DATES: Comments on this proposal should be received on or before September 16, 1998.

ADDRESS: Send or deliver comments to—

Christopher G. Brown, Acting Chief, Quality Assurance Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 4316, Washington, DC 20415

and

Joseph Lackey, OPM Desk Officer, Office of Information & Regulatory Affairs, Office of Management and Budget, New Executive Office Building, NW, Room 10235, Washington, DC 20503.

FOR INFORMATION REGARDING ADMINISTRATIVE COORDINATION—CONTACT: Donna G. Lease, Budget & Administrative Services Division, (202) 606–0623.

U.S. Office of Personnel Management.

Janice R. Lachance,

Director.

[FR Doc. 98–22017 Filed 8–14–98; 8:45 am]

BILLING CODE 6325–01–P

SECURITIES AND EXCHANGE COMMISSION

Requests Under Review by Office of Management and Budget

Upon written request, copies available from: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extensions:

Reg. 12B, SEC File No. 270–70, OMB Control No. 3235–0062.
Form 15, SEC File No. 270–170, OMB Control No. 3235–0167.
Form S–4, SEC File No. 270–287, OMB Control No. 3235–0324.
Form F–4, SEC File No. 270–288, OMB Control No. 3235–0325.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget requests for approval of extension on the following:

Regulation 12B governs all registration statements filed pursuant to Sections 12(b) and 12(g) under the Securities Exchange Act of 1934 (''Exchange Act'') and all reports filed pursuant to Sections 13 and 15(d) of the Exchange Act, including amendments thereto. The information is needed to provide guidance on how to prepare these filings. Public companies are the likely respondents. Regulation 12B does not directly impose any information collection burdens on respondents and is assigned one burden hour for administrative convenience.

Form 15 is filed by public companies subject to the Exchange Act reporting requirements to certify termination of registration of a class of security under Section 12(g) or notice of suspension of a duty to file reports pursuant to Sections 13 and 15(d) of the Exchange Act. Approximately 1,644 respondents file Form 15 annually for a total annual burden of 1,644 hours.

Forms S–4 and F–4 are filed by companies to register securities issued in business combination and exchange transactions under the Securities Act. Approximately 505 registrants file Form S–4 annually for a total annual burden of 622,665 hours. Approximately 2 respondents file Form F–4 annually for a total annual burden of 2,616 hours.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: August 10, 1998.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–21960 Filed 8–14–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–23383; 812–11164]

Countrywide Investment Trust, et al.; Notice of Application

August 11, 1998.

AGENCY: Securities and Exchange Commission (''SEC'').

ACTION: Notice of application under sections 6(c) and 17(b) of the Investment Company Act of 1940 (the ''Act'') for an exemption from sections 17(a)(1) and (2) and 17(e) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit Countrywide Investment Trust, Countrywide Tax-Free Trust, and Countrywide Strategic Trust (collectively, the ''Trusts'' and individually, a ''Trust'') to engage in certain securities transactions with banks, bank holding companies, and their affiliates that are ''affiliates'' of a Trust solely because they own, hold, or

control 5% or more of the outstanding voting securities of the Trust, or are an affiliated person, within the meaning of section 2(a)(3) of the Act, of the bank, bank holding company or its affiliate (collectively, ''Affiliated Banks'').

APPLICANTS: The Trusts and Countrywide Investments, Inc. (the ''Adviser'').

FILING DATES: The application was filed on June 1, 1998 and amended on June 23, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 8, 1998, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants: 312 Walnut Street, 21st Floor, Cincinnati, Ohio 45202.

FOR FURTHER INFORMATION CONTACT: J. Amanda Machen, Senior Counsel, at (202) 942–7120, or Nadya B. Roytblat, Assistant Director, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549 (tel. 202–942–8090).

Applicants' Representations

1. Each Trust is organized as a Massachusetts business trust and is registered under the Act as an open-end management investment company. All of the Trusts have multiple portfolios (each a ''Fund''). The Adviser, a wholly-owned indirect subsidiary of Countrywide Credit Industries, Inc., is an investment adviser registered under the Investment Advisers Act of 1940 and serves as investment adviser to each of the Funds. Applicants request that the relief apply to any other existing or future registered open-end management investment company for which the Adviser, or any entity controlling, controlled by, or under common control with the Adviser, may in the future act as investment adviser.[1]

2. Applicants request an order that would permit the Funds to engage in securities transactions with Affiliated Banks that involve: (a) U.S. government securities; (b) municipal securities, repurchase agreements, bank obligations, synthetic municipal securities, and commercial paper (''Qualified Securities''); and (c) reverse repurchase agreements (collectively, ''Covered Securities'').

3. All Qualified Securities will meet the following credit standards:

a. For obligations that have a remaining maturity of 397 days or less, each security shall constitute an ''Eligible Security'' within the meaning of rule 2a–7; provided that, in the case of unrated securities (as defined in rule 2a–7(a)(28)), in addition to the requirements of rule 2a–7 applicable to the unrated securities, all determinations with respect to the comparability of the securities to rated securities (as defined in rule 2a–7(a)(19)) are also reviewed and approved at least quarterly by a majority of the Trust's trustees who are not interested persons of the Trust or Fund.

b. For obligations that have a remaining maturity of more than 397 days, each security (or another long-term security of the same issuer having comparable priority and security to such obligation) shall have been rated by a nationally-recognized statistical rating organization (''NRSRO'') in one of the four highest rating categories for long-term obligations; or, if the security and issuer have not been rated by any NRSRO, are determined by the Trust's or Fund's investment adviser to be comparable in credit quality to a security carrying a long-term rating in one of the four highest rating categories of an NRSRO, and the determination is reviewed and approved at least quarterly by a majority of the Trust's trustees who are not interested persons of the Trust or Fund.

c. Any repurchase agreements will be collateralized fully within the meaning of rule 2a–7.

d. For obligations subject to unconditional, irrevocable credit enhancement (including, without limitation, a guarantee, letter of credit or put), the Trust or Fund may rely upon the NRSRO ratings of the provider of the credit enhancement to determine whether the obligation satisfies the requirements of paragraphs (a) and (b) above. Such obligations shall be treated as rated securities to the extent that the credit enhancement is of comparable priority and security to the rated obligations of the provider of the credit enhancement.

4. Applicants also request relief to permit the Funds to pay compensation to Affiliated Banks within the limits of section 17(e)(2) of the Act when the Affiliated Bank acts as agent for the Funds in executing transactions in Covered Securities.

Applicants' Legal Analysis

1. Sections 17(a)(1) and 17(a)(2) of the Act prohibit an affiliated person of a registered investment company, or an affiliated person of an affiliated person of the registered company, from knowingly selling to or purchasing from the registered company any security or other property.

2. Section 17(e)(1) of the Act prohibits any affiliated person of a registered investment company, or any affiliated person of such person, when acting as agent, from accepting from any source any compensation (other than a regular salary or wages from the registered company) for the purchase or sale of any property to or for the registered company, except in the course of the person's business as an underwriter or broker. Section 17(e)(2) of the Act provides that an affiliated person of a registered investment company, when acting as broker in the sale of securities to the registered company, may not receive compensation that exceeds: (a) The usual and customary broker's commission for sales made on a securities exchange; (b) 2% of the sales price for sales made in a secondary distribution of the security; or (c) 1% of the purchase or sale price of the securities sold in any other manner.

3. Section 2(a)(3) of the Act defines an ''affiliated person'' of another person to include: (a) any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the other person; and (c) any person directly or indirectly controlling, controlled by, or under common control with, the other person.

4. Applicants state that where an entity is a record owner of 5% or more of the outstanding shares of a Fund, the entity may be considered an affiliated person (''first-tier affiliate'') of the Fund. Applicants further state that an entity

[1] All existing entities that currently intend to rely on the requested order are named as applicants. Any other entities that subsequently rely on the order will comply with the terms and conditions of the application.

that is an affiliated person of a Fund may also be deemed an affiliated person of each other Fund that is advised by the same investment adviser. Moreover, an entity that is an affiliated person of the first-tier affiliate, also would be an affiliated person of an affiliated person of the Funds. Thus, applicants state that Affiliated Banks would be prohibited by sections 17(a)(1) and (2) of the Act from engaging in securities transactions with the Funds. Applicants further state that banks are specifically excluded from the definition of broker in section 2(a)(6) of the Act. Thus, an Affiliated Bank that is a bank may be prohibited by section 17(e) from accepting any consideration in connection with a brokerage transaction when it acts as agent for the Funds.

5. Section 17(b) of the Act provides that the SEC may exempt a transaction from the prohibitions of section 17(a) if evidence establishes that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned and that the proposed transaction is consistent with the policy of the registered investment company concerned and with the general purposes of the Act.

6. Section 6(c) of the Act provides that the SEC may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provisions of the Act, if and to the extent the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

7. Applicants request an exemption under sections 17(b) and 6(c) from sections 17(a)(1) and 17(a)(2) to permit the Funds to engage in transactions in Covered Securities with Affiliated Banks. Applicants also request an exemption under section 6(c) to permit Affiliated Banks to receive brokerage commissions from the Funds within the limits of section 17(e)(2) in connection with transactions in Covered Securities.

8. Applicants assert that their proposal does not raise the concerns underlying sections 17(a) and 17(e) of the Act because of the technical nature of affiliation between the Affiliated Banks and the Funds and the types of securities that are Covered Securities. Applicants believe the applicability of sections 17(a)(1) and (2) of the Act to securities transactions between the Funds and Affiliated Banks in Covered Securities unnecessarily reduces the breadth of investment alternatives available to the Funds and would cause a significant disadvantage to the Funds' shareholders by restricting and inhibiting portfolio management. In addition, applicants state that the prohibitions of section 17(e) would inhibit the Funds' discretion to select the best agent for execution of their Covered Securities transactions.

9. Applicants state that no Fund will engage in transactions with an Affiliated Bank that serves as investment adviser (including sub-adviser) or sponsor to the Fund or Trust. Moreover, no Fund will engage in transactions in Covered Securities with any Affiliated Bank that controls the Fund or Trust within the meaning of section 2(a)(9) of the Act.

10. Applicants also represent that there is no express or implied understanding between them and any Affiliated Bank that the applicants will cause the Funds to enter into transactions with the Affiliated Bank. Applicants further state that they will give no preference to any Affiliated Bank in effecting transactions between a Fund and an Affiliated Bank because the Affiliated Bank or its customers purchase shares of any of the Funds.

11. Applicants also state that the conditions to the requested order would assure that the proposed transactions would be reasonable and fair, would not involve any overreaching, and would be consistent with the policies under section 17(a) and (e) of the Act.

12. Applicants also state that in circumstances in which a Fund enters into a hold-in-custody repurchase agreement with an Affiliated Bank that is its custodian, they have adopted detailed procedures designed to give the Fund an ownership and/or perfected security interest in the collateral (*i.e.,* the securities underlying the repurchase agreement). Applicants believe that these procedures ameliorate the risks associated with repurchase transactions when custody is maintained by the counterparty and not transferred to a third party. These risks may involve the insolvency of, and consequent default by, the repurchase counterparty, an attempt by the counterparty to retain assets (or offset against assets) when a dispute arises between the parties, or losses resulting from fraud or operational error due to the Fund's inability to determine whether the collateral exists.

13. Applicants represent that the securities underlying a hold-in-custody repurchase transaction are maintained either in the Fund's custody account or on behalf of the specific Fund in an omnibus custodial account maintained by the Fund's custodian at the Federal Reserve Bank of Cleveland. Applicants further state that, in both cases, the securities are transferred to, or identified in, the custody account against a transfer of monies out of the Fund's account to the custodian's proprietary account. Applicants contend that the repurchase securities so maintained are the assets of the Fund, not of the custodian. Accordingly, applicants assert that the risk of insolvency and the risks associated with commingling of assets are eliminated. Moreover, applicants state that the Fund's custodian, in its capacity as such, marks its books and records to reflect the Fund's interest in the hold-in-custody repurchase securities. In addition, applicants state that written confirmations specifying the particular securities which are the subject of the hold-in-custody repurchase transactions currently are sent to the Funds at the end of each trading day. In applicants' view, these procedures provide the Funds the same types of protections as would be the case if the securities were transferred to a third party.

14. Applicants also represent that, at the time a Fund enters into a reverse repurchase agreement, the Fund will segregate assets with an approved custodian, consisting of cash, U.S. government securities, or other appropriate high-grade debt securities having a value not less than the value of the proceeds received plus accrued interest. The segregated assets will be marked-to-market daily and additional assets will be segregated on any day in which the assets fall below the repurchase price (plus accrued interest). Applicants submit that the credit standards applied to transactions with Affiliated Banks limit the risk of counterparty insolvency and that the solicitation procedures provide a high level of assurance that quoted rates will be representative of the prevailing available reverse repurchase rates. Applicants further assert that under the conditions to the application, the terms of reverse repurchase agreements will reflect arms-length negotiations and that the terms will be no less favorable to the Funds than similar agreements with other parties.

Applicants' Conditions

Applicants agree that any order of the SEC granting the requested relief will be subject to the following conditions:

A. General Conditions

1. *The board of trustees of each of the Trusts, including a majority of the trustees who are not interested persons of the Trust:* (a) Will adopt procedures that are reasonably designed to provide that the conditions set forth below and

the requirements of Investment Company Act Release No. 13005 (Feb. 2, 1983), have been complied with; (b) will make and approve from time to time such changes to the procedures as are deemed necessary; and (c) will determine no less frequently than quarterly that the transactions made pursuant to the order during the preceding quarter were effected in compliance with such procedures. The Adviser may implement these procedures, subject to the direction and control of the board of trustees of the relevant Trust.

2. *Each Trust:* (a) Will maintain and preserve permanently in an easily accessible place a written copy of the procedures (and any modifications to them); and (b) will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any transactions occurred, the first two years in an easily accessible place, a written record of each such transaction setting forth a description of the transaction, including the identity of the person on the other side of the transaction, the terms of the transaction, and the information or material upon which the determinations described below were made.

3. No Fund will engage in a transaction with an Affiliated Bank that is an investment adviser or sponsor to that Fund, or an Affiliated Bank controlling, controlled by, or under common control with the investment adviser or sponsor. No Fund will engage in transactions with an Affiliated Bank if such entity exercises a controlling influence over that Fund (and ''controlling influence'' shall be deemed to include, but is not limited to, directly or indirectly owning, controlling, or holding with power to vote more than 25% of the outstanding voting securities of that Fund). No Fund will purchase obligations of any Affiliated Bank (other than repurchase agreements) if, as a result, more than 5% of that Fund's total assets would be invested in obligations of that Affiliated Bank.

4. The transactions entered into by a Fund will be consistent with the investment objectives and policies of that Fund as recited in the Trust's registration statement and reports filed under the Act. Further, the security to be purchased or sold by that Fund will be comparable in terms of quality, yield, and maturity to other similar securities that are appropriate for that Fund and that are being purchased or sold during a comparable period of time.

5. The Funds will engage in transactions with Affiliated Banks only in U.S. government securities, reverse repurchase agreements, or Qualified Securities.

B. U.S. Government and Qualified Securities

1. Before any transaction in U.S. government securities or Qualified Securities may be entered into with an Affiliated Bank, the Fund or the Adviser will obtain such information as it deems necessary to determine that the price or rate to be paid or received for the security is at least as favorable as that available from other sources for the same or substantially comparable securities in terms of quality and maturity. In this regard, the Fund or the Adviser will obtain and document competitive quotations from at least two other dealers or counterparties with respect to the specific proposed transaction. Competitive quotation information will include price or yield and settlement terms. These dealers or counterparties will be those who, in the experience of the Fund and the Adviser, have demonstrated the consistent ability to provide professional execution of U.S. government security and Qualified Security transactions at competitive market prices or yields. These dealers or counterparties also must be those who are in a position to quote favorable prices.

2. Any repurchase agreement will be ''collateralized fully'' within the meaning of rule 2a–7.

3. The commission, fee, spread, or other remuneration to be received by the Affiliated Bank as agent in transactions involving U.S. government and Qualified Securities will be reasonable and fair compared to the commission, fee, spread, or other remuneration received by other brokers or dealers in connection with comparable transactions involving similar securities being purchased or sold during a comparable period of time, but in no event will such commission, fee, spread or other remuneration exceed that which is stated in section 17(e)(2) of the Act.

C. Reverse Repurchase Agreements

Before any transaction in reverse repurchase agreements may be entered into with an Affiliated Bank, the Fund or the Adviser will obtain such information as it deems necessary to determine that the rate to be paid for the agreement is at least as favorable as that available from other sources. In this regard, the Fund or the Adviser will obtain and document quoted rates from at least two unaffiliated potential counterparties with which the Funds have arrangements to engage in such transactions. Solicited terms shall include the repurchase price, interest rates, repurchase dates, acceleration rights, maturity, collateralization requirements, and transaction charges.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–21959 Filed 8–14–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–40310; File No. SR–NASD–98–14]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. (''NASD'' or ''Association'') Concerning Related Performance Information

August 7, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'' or ''Act''),[1] notice is hereby given that on March 12, 1998, that National Association of Securities Dealers, Inc. (''NASD'' or ''Association''), through its wholly-owned subsidiary, NASD Regulation, Inc. (''NASD Regulation''), filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization.[2] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD Regulation is proposing amendments to Rule 2820 (the ''Variable

[1] 15 U.S.C. 78s(b)(1).

[2] NASD Regulation initially submitted the proposed rule change on February 17, 1998; however, the submission failed to provide a statutory basis section. Because proposed rule changes are not deemed filed until all necessary components, such as a statutory basis section, are provided, the proposed rule change was deemed filed when the Commission received NASD Regulation's amendment providing the statutory basis for the proposed rule change (''Amendment No. 1''). *See* Letter to Katherine A. England, Assistant Director, Commission, from Joan C. Conley, Secretary, NASD Regulation, dated March 12, 1998. NASD Regulation submitted another amendment on June 11, 1998, making certain technical corrections (''Amendment No. 2''). Amendment No. 2, however, was insufficient in form. As a result, on July 13, 1998, NASD Regulation filed another amendment, superseding and replacing all previous versions of the filing (''Amendment No. 3''). The substance of Amendment No. 3 is being published today.