

report or statement was originally filed with the Commission.

3. Section 108.2 is amended by revising the first sentence to read as follows:

§ 108.2 Filing copies of reports and statements in connection with the campaign of any candidate seeking nomination for election to the Office of President or Vice-President (2 U.S.C. 439(a)(2)).

Except as provided in § 108.1(b), a copy of each report and statement required to be filed under the Act (including 11 CFR part 104) by a Presidential or Vice Presidential candidate's principal campaign committee, or under 11 CFR 104.4 or part 109 by any other person making independent expenditures, in connection with a candidate seeking nomination for election to the office of President or Vice-President, shall be filed with the State officer of each State in which an expenditure is made in connection with the campaign of a candidate seeking nomination for election to the office of President or Vice-President. * * *

4. Section 108.3 is revised to read as follows:

§ 108.3 Filing copies of reports and statements in connection with the campaign of any congressional candidate (2 U.S.C. 439(a)(2)).

(a) Except as provided in § 108.1(b), a copy of each report and statement required to be filed under 11 CFR part 104 by candidates, and the authorized committees of candidates, for nomination for election or election to the office of Senator; by other committees that support only such candidates; and by the National Republican Senatorial Committee and the Democratic Senatorial Campaign Committees shall be filed with the appropriate State officer of that State in which an expenditure is made in connection with the campaign.

(b) Except as provided in § 108.1(b), a copy of each report and statement required to be filed under 11 CFR part 104 by candidates, and authorized committees of candidates, for nomination for election or election to the office of Representative in, Delegate or Resident Commissioner to the Congress, or by unauthorized committees, or by any other person under 11 CFR part 109, in connection with these campaigns shall be filed with the appropriate State officer of that State in which an expenditure is made in connection with the campaign.

(c) Unauthorized committees that file reports pursuant to paragraph (b) of this

section are required to file, and the Secretary of State is required to retain, only that portion of the report applicable to candidates seeking election in that State.

5. Section 108.4 is revised to read as follows:

§ 108.4 Filing copies of reports by committees other than principal campaign committees (2 U.S.C. 439(a)(2)).

Except as provided in § 108.1(b), any unauthorized committee that makes contributions in connection with a Presidential election and that is required to file a report(s) and statement(s) under the Act shall file a copy of such report(s) and statement(s) with the State officer of the State in which both the recipient and contributing committees have their headquarters.

6. Section 108.6 is amended by revising the introductory text and paragraph (b), by removing the period and adding “; and” at the end of paragraph (d), and by adding new paragraph (e), to read as follows:

§ 108.6 Duties of State officers (2 U.S.C. 439(b)).

Except as provided in § 108.1(b), the Secretary of State, or the equivalent State officer, shall carry out the duties set forth in paragraphs (a) through (e) of this section:

* * * * *

(b) Preserve such reports and statements (either in original form or in facsimile copy by microfilm or otherwise) filed under the Act for a period of 2 years from the date of receipt, except that reports and statements that can be accessed and duplicated electronically from the Commission need not be so preserved;

* * * * *

(d) * * * ; and

(e) If the State has received a waiver of these filing requirements pursuant to § 108.1(b), allow access to and duplication of reports and statements covered by that waiver, except that such access and duplication shall be at the expense of the person making the request and at a reasonable fee.

Dated: March 17, 2000.

Darryl R. Wold,

Chairman, Federal Election Commission.

[FR Doc. 00-7109 Filed 3-21-00; 8:45 am]

BILLING CODE 6715-01-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 amending its lending regulation to permit federal credit unions to advance money to members to cover account deficits without having a credit application from the member on file if the credit union has a written overdraft policy. The change will enable credit unions to offer this service without subjecting credit unions to undue risk.

DATES: This rule is effective July 1, 2000.

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

FOR FURTHER INFORMATION CONTACT: Michael J. McKenna, Senior Staff Attorney, or Regina M. Metz, Staff Attorney, in the Division of Operations, Office of General Counsel, at the above address or telephone: (703) 518-6540.

SUPPLEMENTARY INFORMATION:

A. Background

The Federal Credit Union Act does not specifically address a federal credit union's (FCU's) authority to pay or honor a share draft that will result in an overdrawn account. NCUA's longstanding position has been that an overdraft, as a financial accommodation to a member, constitutes a loan or line of credit to a member.

A number of FCUs and trade associations contended that FCUs are at a competitive disadvantage because they are unable to cover a member's overdraft absent a prearranged, written agreement for the extension of credit. The NCUA Board believed this argument had merit although there might be some safety and soundness concerns with extending credit to a member without a written lending agreement. Therefore, on September 16, 1999, the NCUA Board issued a proposed amendment to its general lending regulation with a sixty-day comment period (64 FR 52694 September 30, 1999).

The proposed amendment to section 701.21(c)(3) provided that a credit union could advance money to a member to cover his or her account deficit without having a credit application on file if the credit union had a written overdraft policy. Specifically, the NCUA Board proposed that a credit union's written

overdraft policy must: (1) Address how the credit union will honor overdrafts; (2) set a cap on the total dollar amount of all overdrafts the credit union will honor; (3) establish a time limit, not to exceed ten business days, for a member either to deposit funds or obtain an approved loan from the credit union to cover each overdraft; (4) limit the number and dollar amount of overdrafts the credit union will honor per member; and (5) establish the fee and interest rate, if any, the credit union will charge members for honoring overdrafts.

B. Comments

The comment period ended on November 29, 1999. Twenty-four comments were received. Comments were received from fourteen federal credit unions, eight state leagues, and two national credit union trade associations. The commenters were generally supportive of permitting payment of overdrafts without credit applications on file, but most commenters suggested modifications.

Two commenters completely supported NCUA's proposal. Five commenters generally supported the proposal. Eight commenters supported requiring credit unions to have overdraft policies; however, seven of these eight commenters opposed NCUA mandating what should be included in the overdraft policy. Seven of the twenty-four commenters stated that an overdraft is not a loan and this regulation is unnecessary. These commenters believe that credit unions have the ability to engage in this activity without regulatory authorization. The NCUA Board disagrees. The NCUA Board believes an overdraft is a loan, and, in order for a federal credit union to advance funds to cover an overdraft without first having a written application in place as required by NCUA's lending regulation, a regulatory change is in order. The NCUA Board also continues to believe that a written overdraft policy will offset safety and soundness concerns and prevent insider abuses.

We received comment on the following issues:

Should the policy address how the credit union will honor overdrafts?

One commenter requested clarification on what NCUA is seeking to cover with this requirement. After further review, the NCUA Board believes stating how the overdraft is covered is superfluous because of the other specific items the policy must address. The NCUA Board has deleted this requirement from the final amendment.

Should the policy set a cap on the total dollar amount of all overdrafts the credit union will honor?

Two commenters approved of setting a dollar cap in the policy. Three commenters opposed setting such a limit. Eight commenters stated that the written policy should address this issue, but that NCUA should not establish the limit. The NCUA Board did not suggest a specific dollar cap in the proposal. The NCUA Board has decided that the policy must set a cap and the credit union should establish the dollar amount.

Should the overdraft policy establish a time limit not to exceed ten business days for a member either to deposit funds or obtain an approved loan from the credit union to cover each overdraft?

Two commenters supported the ten-day time limit. Eight commenters stated that the credit union, not NCUA, should establish the time limit for the member to either deposit funds or obtain an approved loan from the credit union. Three commenters suggested a 30-day time limit and two commenters suggested a 90-day time limit. Three commenters suggested other time limits. The NCUA Board believes that a time limit is necessary for safety and soundness reasons. A ten-day time limit may not be sufficient for the member in all cases; therefore, the rule provides that a credit union's policy must establish a time limit, not to exceed forty-five days. This should be sufficient time for any prudent individual to cover the overdraft or apply for a loan.

One commenter asked whether the time limit begins to run at the time the credit union advances the overdraft protection to cover the member's account deficit or from the date the member receives notice of the overdraft. The time limit starts to run the day the credit union advances the overdraft protection.

Should the overdraft policy require a credit union to write off any overdraft for which the member has not either repaid the credit union or obtained an approved loan?

One commenter stated that NCUA should set a time limit after which the credit union must write off the loan. One commenter suggested 30 days. Eight commenters stated that the credit union, not NCUA, should set the time limit to write off the loan. The NCUA Board did not propose to establish when a credit union needs to write off an overdraft for which the member has not either repaid the credit union or obtained an approved loan. In the final

rule, to maintain maximum flexibility for credit unions, the NCUA Board is not setting a time limit. Each credit union should establish its own requirement for when it will write off an overdraft consistent with its lending policies.

Should the policy limit the number and dollar amount of overdrafts the credit union will honor per member?

Four commenters stated that the credit union, not NCUA, should establish this limit in the policy. One commenter stated that a credit union's management, not the board of directors, should set the limit on the dollar amount of overdrafts the credit union will honor per member. Three commenters would eliminate a limit on the number of overdrafts the credit union will honor per member. These commenters believe that the number of overdrafts have no bearing on risk and the reference to the "number of overdrafts" should be removed from the rule. These commenters would also go farther and eliminate the limit on the dollar amount per member from the written overdraft policy.

In the proposal, the NCUA Board did not establish a number and dollar limit but rather proposed that each credit union should establish its own limit. However, the NCUA Board agrees with those commenters who stated that the number of overdrafts a member incurs may have no bearing on risk. The NCUA Board continues to believe that the dollar amount per member does raise significant safety and soundness concerns. Therefore, the final rule simply requires that the credit union's own policy set forth the dollar amount of overdrafts the credit union will honor per member. As in the proposed rule, to provide maximum flexibility to credit unions, it is up to the credit union, not NCUA, to establish this dollar amount. This dollar amount should be consistent with the credit union's ability to absorb losses and manage risk.

Should the policy establish the fee and interest rate, if any, the credit union will charge members for honoring overdrafts?

One commenter stated the policy itself need not contain the amount of the overdraft fee and interest rate, but simply should require that such fee and interest rate be established and disclosed. The NCUA Board continues to believe that, if a credit union is going to engage in this activity, the fee and interest rate, if any, should be set forth in the policy. The NCUA Board believes this is a matter of prudent internal control and sound judgment.

Should the rule impose additional restrictions on overdrafts by credit union employees or officials?

Eight commenters opposed any additional restrictions. These commenters believe that additional regulatory restrictions are not necessary. Two commenters would impose additional restrictions on overdrafts by credit union employees or officials but provided no persuasive rationale on why the rule should treat them differently than other credit union members. NCUA's regulations on loans to officials and nonpreferential treatment provide sufficient regulatory protection against any impropriety or appearance of impropriety. See 12 CFR 701.21(d).

C. 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 entities (primarily those under \$1 million in assets). For purposes of this analysis, credit unions under \$1 million in assets will be considered small entities. As of June 30, 1999, there were 1,690 such entities with a total of \$807.3 million in assets, with an average asset size of \$0.5 million. These small entities make up 15.6 percent of all credit unions, but only 0.2 percent of all credit union assets.

The final amendment permits federal credit unions to advance money to members to cover account deficits without having a credit application from the member on file if the credit union has a written overdraft policy. The NCUA Board does not believe that the final amendment will impose reporting or recordkeeping burdens that require specialized professional skills not available to them.

The NCUA Board has determined and certifies that this final amendment, if adopted, will not have a significant economic impact on a substantial number of small credit unions.

Paperwork Reduction Act

The reporting requirements in section 701.21(c)(3) have been submitted to and approved by the Office of Management and Budget under OMB control number 3133-0139. Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB number. The control number is displayed in the table at 12 CFR part 795.

Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their regulatory action on state and local interests. NCUA, an independent regulatory agency as defined in 44 U.S.C 3502(5), voluntarily adheres to the fundamental federalism principles addressed by the executive order. This final amendment will only apply to federal credit unions. This final rule makes no changes with respect to state credit unions and therefore, will not impact state and local interests.

Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121) provides generally for congressional review of agency rules. A reporting requirement is triggered in instances where NCUA issues a final rule as defined by Section 551 of the Administrative Procedures Act. 5 U.S.C. 551. The Office of Management and Budget has determined that this is not a major rule.

D. Agency Regulatory Goal

NCUA's goal is clear, understandable regulations that impose a minimal regulatory burden. We requested comments on whether the proposed amendment were understandable and minimally intrusive if implemented as proposed. We received no specific comment on this issue.

List of Subjects in 12 CFR Part 701

Credit, Credit unions, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board on March 16, 2000.
Becky Baker,
Secretary of the Board.

For the reasons set forth in the preamble, the National Credit Union Administration is amending 12 CFR part 701 as follows:

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

1. The authority citation continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1787, and 1789.

Section 701.6 is also authorized by 15 U.S.C. 3717.

Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601-3610.

Section 701.35 is also authorized by 42 U.S.C. 4311-4312.

2. Amend § 701.21 by revising paragraph (c)(3) to read as follows:

§ 701.21 Loans to members and lines of credit to members.

* * * * *

(c) * * *

(3) *Credit applications and overdrafts.* Consistent with policies established by the board of directors, the credit committee or loan officer shall ensure that a credit application is kept on file for each borrower supporting the decision to make a loan or establish a line of credit. A credit union may advance money to a member to cover an account deficit without having a credit application from the borrower on file if the credit union has a written overdraft policy. The policy must: set a cap on the total dollar amount of all overdrafts the credit union will honor consistent with the credit union's ability to absorb losses; establish a time limit not to exceed forty-five calendar days for a member either to deposit funds or obtain an approved loan from the credit union to cover each overdraft; limit the dollar amount of overdrafts the credit union will honor per member; and establish the fee and interest rate, if any, the credit union will charge members for honoring overdrafts.

* * * * *

[FR Doc. 00-7039 Filed 3-21-00; 8:45 am]

BILLING CODE 7535-01-U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98-NM-94-AD; Amendment 39-11636; AD 2000-05-26]

RIN 2120-AA64

Airworthiness Directives; Aerospatiale Model ATR42-200, ATR42-300, and ATR42-320 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment supersedes an existing airworthiness directive (AD), applicable to certain Aerospatiale Model ATR42-300 and ATR42-320 series airplanes, that currently requires inspections to determine the proper installation of rivets in certain key holes and to detect cracks in the area of the key holes where rivets are missing; and correction of discrepancies. This amendment increases the compliance time for the existing requirements and expands the applicability of the existing