# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF ENERGY

### Office of Energy Efficiency and Renewable Energy

### 10 CFR Part 430

**[Docket No. EE–RM/TP–97–600]**

**RIN 1904–AA71**

### Energy Conservation Program for Consumer Products: Test Procedures and Certification Requirements for Plumbing Products; and Certification Requirements for Residential Appliances

**AGENCY:** Office of Energy Efficiency and Renewable Energy, Department of Energy.

**ACTION:** Proposed rule; change of date for public hearing.

**SUMMARY:** On February 20, 1997 (62 FR 7834), the Department of Energy (DOE or Department) proposed regulations to codify water conservation standards and test procedures for plumbing products established in the Energy Policy and Conservation Act, as amended, incorporate by reference the revised American Society of Mechanical Engineers/American National Standards Institute water conservation standard and test procedures for faucets and test procedures for showerheads, and provide for certification of compliance with plumbing product standards. In the same notice of proposed rulemaking, the Department also proposed to clarify the certification requirements applicable to all residential appliances.

The public hearing to provide comments and/or additional information on issues being considered by DOE, in its development of the Final Rule, was originally scheduled for March 31, 1997. To accommodate travel schedules and ensure the public has ample opportunity to attend, today's notice changes the date of the public hearing from March 31 to April 1, 1997. The location and time of the hearing remain unchanged (U.S. Department of Energy, Forrestal Building, Room No. 1E–245, 9:00 a.m.–5:00 p.m.).

**DATES:** The public hearing will be held on April 1, 1997 in Washington, DC. Requests to speak at the hearing must be received by the Department no later than 4:00 p.m., March 21, 1997. Ten (10) copies of statements to be given at the public hearing must be received by the Department no later than 4:00 p.m., March 21, 1997.

**ADDRESSES:** Written comments and requests to speak at the public hearing should be labeled Test Procedures and Certification Requirements for Plumbing Products; and Certification Requirements for Residential Appliances, Docket No. EE–RM/TP–97–600'' and submitted or hand-delivered to the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Office of Codes and Standards, Mail Stop EE–43, Room 1J–018, Forrestal Building, 1000 Independence Avenue, SW, Washington, DC 20585–0121. Telephone: (202) 586–7574, Fax: (202) 586–4617.

**FOR FURTHER INFORMATION CONTACT:**

Mr. Bill Hui, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Office of Codes and Standards, Mail Stop EE–43, Forrestal Building, 1000 Independence Avenue, SW, Washington, DC 20585–0121. Telephone: (202) 586–9145, Fax: (202) 586–4617, E-Mail: WILLIAM.HUI@HQ.DOE.GOV or;

Mr. Eugene Margolis, U.S. Department of Energy, Office of General Counsel, Mail Stop GC–72, Forrestal Building, 1000 Independence Avenue, SW, Washington, DC 20585–0103. Telephone: (202) 586–9507, Fax: (202) 586–4116, E-Mail: EUGENE.MARGOLIS@HQ.DOE.GOV.

Issued in Washington, DC, on March 17, 1997.

**Christine A. Ervin,**

*Assistant Secretary, Energy Efficiency and Renewable Energy.*

[FR Doc. 97–7314 Filed 3–21–97; 8:45 am]

**BILLING CODE 6450–01–P**

## FARM CREDIT ADMINISTRATION

### 12 CFR Parts 614 and 627

**RIN 3502–AB09**

### Loan Policies and Operations; Title IV Conservators, Receivers, and Voluntary Liquidation

**AGENCY:** Farm Credit Administration.

**ACTION:** Proposed rule.

**SUMMARY:** The Farm Credit Administration (FCA) through the Farm Credit Administration Board (Board) proposes to amend the current regulation in part 614 that governs the funding relationship between a Farm Credit Bank (FCB) or agricultural credit bank (ACB) and a direct lender association or other financing institution (OFI). This proposal would repeal the existing requirement for FCA prior approval of the General Financing Agreement (GFA) between an FCB or ACB and a direct lender association or OFI and eliminate a specific regulatory direct loan limitation. The proposed rule would also amend part 627 to authorize the voluntary liquidation of Farm Credit institutions by means of an FCA-approved liquidation plan.

**DATES:** Comments should be received on or before May 23, 1997.

**ADDRESSES:** Comments may be mailed or delivered to Patricia W. DiMuzio, Director, Regulation Development Division, Office of Policy Development and Risk Control, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102–5090 or by facsimile at (703) 734–5784. Comments may also be submitted via electronic mail to ''reg-comm@fca.gov.'' Copies of all communications received will be available for review by interested parties in the Office of Policy Development and Risk Control, Farm Credit Administration.

**FOR FURTHER INFORMATION CONTACT:**

S. Robert Coleman, Policy Analyst, Regulation Development Division, Office of Policy Development and Risk Control, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498,

or

James M. Morris, Senior Attorney, Legal Counsel Division, Office of General Counsel, Farm Credit Administration,

McLean, VA 22102–5090, (703) 883–4020, TDD (703) 883–4444.

**SUPPLEMENTARY INFORMATION:**

## I. Background

The FCA proposes to amend the regulation in subpart C of part 614 that governs the funding relationship between FCBs and ACBs that operate under title I of the Farm Credit Act of 1971, as amended, (Act) and direct lender associations. The amendment of this regulation is a part of FCA's continuing effort to streamline its regulations. The GFA establishes the lending relationship between an FCB or ACB and a direct lender association or OFI. The GFAs were initially developed in the late 1960s and early 1970s when Federal intermediate credit banks (FICBs) and production credit associations (PCAs) converted their lending relationship from individual loan discounting to the direct loan method for funding short- and intermediate-term credit.

The GFAs developed in the 1970s gave FICBs extensive authority over most aspects of PCA operations. The Farm Credit Amendments Act of 1985 [1] changed the FCA's role to that of an arms-length regulator and provisions of the Agricultural Credit Act of 1987 [2] changed the structure of Farm Credit banks and direct lender associations and modified their relationship. The FCA believes that regulatory modifications are appropriate because direct lender associations now are more directly responsible for their own activities.

## II. Repealing the Prior Approval Requirement

The proposed rule would repeal the requirement in existing § 614.4130(b) for FCA prior approval of all GFAs between FCBs or ACBs and direct lender associations or OFIs. During the past decade, the Farm Credit System (FCS) has been recapitalized and its risk management and loan underwriting practices have improved. Additionally, new methods of peer discipline such as the Market Access Agreement and Contractual Interbank Performance Agreement have been put into place. In contrast to the standardized GFA format of the past, the GFAs that govern the lending relationships between FCBs or ACBs and direct lender associations or OFIs are now more similar to commercial lending agreements. In light of the changes that have occurred, FCA prior approval is no longer deemed necessary to control risk. The FCA also believes and imposing minimum regulatory requirements is more efficient and allows greater flexibility to address specific issues.

Although the proposed rule outlines minimum regulatory criteria for GFAs, the FCA will continue to rely on its ongoing examination process and enforcement powers to ensure that GFAs properly preserve the interests of the parties and do not pose safety and soundness risks. In order to facilitate the monitoring process, the amended regulation would require all FCBs and ACBs to deliver a copy of the executed GFA, and all related documentation, such as a promissory note or security agreement, and all amendments of any of these documents, to the Chief Examiner in the Office of Examination, or to such other FCA office as the Chief Examiner designates.

## III. Basic Objectives for the Proposed Regulation

The proposed regulation provides FCBs, ACBs, direct lender associations, and OFIs broad flexibility to address issues that pertain to their funding relationship. Issues such as loan pricing, dispute resolution, performance standards, and other terms of the GFA and related documentation are ultimately business decisions that the parties should address when they negotiate the terms and conditions of their GFA. It is the FCA's intent to allow the funding or discount relationship to be governed by objective performance standards negotiated between the parties. Accordingly, this proposed regulation does not prescribe specific regulatory guidelines to address these issues, but instead encourages the parties to incorporate objective standards in the GFAs that are measurable and clear in their meaning. The proposed regulation requires FCBs and ACBs to adopt policies that govern the extension of direct loans to, and the discounting of loans for, direct lender associations and OFIs. These policies would require an evaluation of the direct lender association's creditworthiness on the basis of credit factors or lending policies and loan underwriting standards [3] set forth in part 614, subpart D, prior to any credit extension from the FCB or ACB. The proposal would require FCBs and ACBs to adhere to sound credit practices to ensure that each direct lender association and OFI repays the bank. This will help to ensure that the FCS will continue to have access to favorable interest rates in the capital markets, that the Farm Credit Insurance Fund will remain solvent, and that joint and several liability will not be triggered. The FCBs and ACBs must apply these performance standards equitably to direct lender associations and must not use them to place limitations in areas that do not affect the funding relationship. While the proposed regulation addresses requirements concerning GFAs used by OFIs, other issues concerning OFIs will be addressed in a separate rulemaking.

Preserving flexibility in the regulation enables the checks and balances that the Act creates between the FCBs or ACBs and direct lender associations to function. Although direct lender associations may be viewed as being at a competitive disadvantage in negotiations with an FCB or ACB because they have virtually no other source of funds,[4] direct lender associations are stockholders in the FCBs or ACBs and elect the bank's board of directors. The FCA invites comments on what specific regulations, if any, are needed to protect the interests of FCS institutions when the terms and conditions of the GFA are negotiated.

## IV. GFA Content

Under the proposed regulation, the GFA would focus on the funding and discount relationships between the FCBs or ACBs and the direct lender associations. The proposed regulation would prohibit advancing funds to, or discounting loans for, any direct lender association or OFI except pursuant to a GFA. The proposed regulation would also establish a maximum term limit of 35 years for all GFAs. While the proposed regulation could permit unsecured lending from an FCB or ACB to a direct lender association, the FCA is proposing a maximum term of 1 year for any GFA that provides for unsecured lending. The FCA specifically seeks comments concerning the circumstances under which unsecured lending may be appropriate and what additional limitations or restrictions, if any, should be placed on such lending activity. The proposed regulation requires sound credit practices to preserve investor confidence in Systemwide obligations. At a minimum, it is imperative that FCBs and ACBs consider the risks involved with any unsecured lending when developing their lending policies and loan underwriting standards.

[1] Pub. L. No. 99–205, 99 Stat. 1678, (Dec. 23, 1985).

[2] Pub. L. No. 100–233, 101 Stat. 1568, (January 6, 1988).

[3] FCA published a proposed revision to its loan underwriting standards at 61 FR 16403 (April 15, 1996).

[4] Approval of the Farm Credit Bank or agricultural credit bank is required for a direct lender association to borrow from any other source.

Although an FCB or ACB has a legitimate need to include provisions in the GFA bearing on its ability to protect itself as a creditor, it must also be recognized that a direct lender association has the right to exercise its statutory authorities. To prevent an FCB or ACB from restricting a direct lender association from exercising its statutory authorities under the Act, FCA regulations, other Federal laws, or State laws, the proposed regulation would limit the contents of the GFA to topics that are reasonably related to the debtor/creditor relationship. In order to be reasonably related to the debtor/creditor relationship, the provisions of the GFA must be designed to protect the FCB's or ACB's rights as a creditor.

**V. Maximum Credit Limit**

The FCA proposes to eliminate the direct loan limitation formula outlined in existing § 614.4130(a). The existing direct loan formula is used to determine the maximum amount of funding that an FCB or ACB can extend to a direct lender association based on certain performance criteria. This regulation enabled the FCA to control the quality of an FCB's or ACB's bond collateral and to supervise the bank's administration of its direct loan to an association.

The proposed regulation would replace the direct loan formula with minimum criteria that the FCA deems necessary to control risks. These minimum criteria would require the FCB or ACB to set a maximum credit limit consistent with the creditworthiness of the institution, as determined by the FCB's or ACB's analysis of capital, asset quality, management, earnings, and liquidity, or other similar factors. To ensure the availability of all the FCBs' and ACBs' bond collateral, the proposed regulation would limit the amount that a direct lender association could borrow to the value of the direct lender association's assets that are free from any lien or other pledge as described in section 4.3(c) of the Act. This more flexible approach will allow an FCB or ACB to establish a direct lender association's credit limit in accordance with the bank's lending policies and loan underwriting standards.

**VI. Default Remedies**

Pursuant to section 4.12 of the Act, the FCA has the sole authority to approve a voluntary or involuntary liquidation of a Farm Credit institution. In order to ensure that this authority is preserved, the proposed regulation states that an FCB or ACB must obtain the prior written consent of the FCA before it takes any action that leads to or could lead to the liquidation of a direct lender association. In certain circumstances, accelerating repayment of the debt, canceling existing loan commitments, or foreclosing upon collateral might lead to the liquidation of the direct lender association. In that event, the FCA's prior written consent would be required. Although this provision may result in delays before a bank can exercise its ultimate rights as a creditor, the FCA believes it is necessary to ensure that a receiver can be appointed to protect the rights of all parties.

The proposed regulation would require that an FCB or ACB provide written notice to the FCA and the Farm Credit System Insurance Corporation (FCSIC) at the same time that it provides notice to a direct lender association that the direct lender association is in material default of any covenant, term, or condition of the GFA, promissory note, security agreement, or other related documents. This notification requirement would include, but is not limited to, notice from the FCB or ACB about the imposition of any monetary penalties on the direct lender association, including penalty interest, additional fees, or other service charges imposed based on a default by the direct lender association. The proposed regulation would also require the direct lender association to notify the FCA and FCSIC by facsimile, express mail, or certified mail no later than the following business day after receiving a notice that a material default has occurred in any covenant, term, or condition of the GFA, loan agreement, promissory note, security agreement, or other related documents from an FCB, ACB, or non-Farm Credit institution. This separate notification provides a reporting mechanism for notices of default received from non-Farm Credit institution creditors, as well as a secondary method of notification for notices received from FCBs or ACBs.

**VII. Voluntary Liquidation**

Section 4.12(a) of the Act prohibits the voluntary liquidation of any Farm Credit institution without the FCA's consent and permits voluntary liquidation with such consent only in accordance with FCA regulations. Section 4.12(b) of the Act grants the FCA ''exclusive power and jurisdiction'' to place a Farm Credit institution in conservatorship or receivership. Unlike section 4.12(b) of the Act, which governs involuntary liquidations, section 4.12(a) of the Act does not require the appointment of a receiver for a voluntary liquidation. Therefore, the proposed regulation would allow any Farm Credit institution, as defined in § 627.2705(b), including service corporations chartered under title IV of the Act, to voluntarily liquidate with the consent of, and in accordance with a plan approved by the FCA.

Upon adoption of a resolution to liquidate, the proposed regulation would require the Farm Credit institution to submit the resolution to liquidate and proposed voluntary liquidation plan to the FCA. The proposed voluntary liquidation plan must receive preliminary approval from the FCA. If the FCA gives preliminary approval of the liquidation plan, the board of directors of the Farm Credit institution would submit the resolution to liquidate to the stockholders for approval. The resolution to liquidate and the liquidation plan would require the approval of the stockholders by at least a majority of the voting stockholders of the institution voting, in person or by written proxy, at a duly authorized stockholders' meeting. Following an affirmative stockholder vote, the FCA would consider final approval of the liquidation plan. Any subsequent amendments, modifications, revisions, or adjustments to the liquidation plan would also require the approval of the FCA.

The FCA also proposes conforming changes to the regulation in part 627 concerning the voluntary liquidation of a Farm Credit institution by means of an FCA-approved liquidation plan. The FCA also reserves the right to terminate or modify the liquidation plan at any time, and if necessary, may appoint a receiver pursuant section 4.12 of the Act at any time.

**List of Subjects**

*12 CFR Part 614*

Agriculture, Banks, banking, Flood insurance, Foreign trade, Reporting and recordkeeping requirements, Rural areas.

*12 CFR Part 627*

Agriculture, Banks, banking, Claims, Rural areas.

For the reasons stated in the preamble, parts 614 and 627 of chapter VI, title 12 of the Code of Federal Regulations are proposed to be amended to read as follows:

## PART 614—LOAN POLICIES AND OPERATIONS

1. The authority citation for part 614 continues to read as follows:

**Authority:** 42 U.S.C. 4012a, 4014a, 4104b, 4106, and 4128; secs. 1.3, 1.5, 1.6, 1.7, 1.9, 1.10, 1.11, 2.0, 2.2, 2.3, 2.4, 2.10, 2.12, 2.13,

2.15, 3.0. 3.1, 3.3, 3.7, 3.8, 3.10, 3.20, 3.28, 4.12, 4.12A, 4.13, 4.13B, 4.14, 4.14A, 4.14C, 4.14D, 4.14E, 4.18, 4.18A, 4.19, 4.36, 4.37, 5.9, 5.10, 5.17, 7.0, 7.2, 7.6, 7.7, 7.8, 7.12, 7.13, 8.0, 8.5 of the Farm Credit Act (12 U.S.C. 2011, 2013, 2014, 2015, 2017, 2018, 2019, 2071, 2073, 2074, 2075, 2091, 2093, 2094, 2096, 2121, 2122, 2124, 2128, 2129, 2131, 2141, 2149, 2183, 2184, 2199, 2201, 2202, 2202a, 2202c, 2202d, 2202e, 2206, 2206a, 2207, 2219a, 2219b, 2243, 2244, 2252, 2279a, 2279a–2, 2279b, 2219b–1, 2279b–2, 2279f, 2279f–1, 2279aa, 2279aa–5); sec. 413 of Pub. L. 100–233, 101 Stat. 1568, 1639.

## Subpart C—Bank/Association Lending Relationship

2. Section 614.4120 is revised to read as follows:

### § 614.4120 Policies governing extensions of credit to direct lender associations and other financing institutions.

The board of directors of each Farm Credit Bank and agricultural credit bank shall adopt policies and procedures governing the making of direct loans to, and the discounting of loans for, direct lender associations and other financing institutions. The policies and procedures shall prescribe lending policies and loan underwriting standards that are consistent with sound financial and credit practices. The policies shall require an evaluation of the creditworthiness of the direct lender associations on the basis of credit factors or lending policies and loan underwriting standards set forth in part 614, subpart D, and may permit lending to such institutions on an unsecured basis only if the overall condition of the institutions warrant. The term of a general financing agreement shall not exceed 35 years. The term of any general financing agreement that provides for unsecured lending to direct lender associations shall not exceed 1 year.

3. Section 614.4125 is added as follows:

### § 614.4125 Funding and discount relationships between Farm Credit Banks or agricultural credit banks and direct lender associations.

(a) A Farm Credit Bank or agricultural credit bank shall not advance funds to, or discount loans for, any direct lender association except pursuant to a general financing agreement.

(b) The Farm Credit Bank or agricultural credit bank shall deliver a copy of the executed general financing agreement and all related documents, such as a promissory note or security agreement, and all amendments of any of these documents, within 105 business days after any such document or amendment is executed, to the Chief Examiner, Farm Credit Administration, or to such other Farm Credit Administration office as the Chief Examiner designates.

(c) The general financing agreement shall address only those matters that are reasonably related to the debtor/creditor relationship between the Farm Credit Bank or agricultural credit bank and the direct lender association.

(d) The total credit extended to a direct lender association, through direct loan or discounts, shall be consistent with the Farm Credit Bank's or agricultural credit bank's lending policies and loan underwriting standards and the creditworthiness of the direct lender association. The general financing agreement or promissory note shall establish a maximum credit limit determined by objective standards as established by the Farm Credit Bank or agricultural credit bank. In no case shall the direct lender association's maximum credit limit exceed the value of the direct lender association's assets available to the Farm Credit Bank or agricultural credit bank to support outstanding obligations under section 4.3(c) of the Farm Credit Act of 1971, as amended.

(e) A Farm Credit Bank or agricultural credit bank that provides notice to a direct lender association that it is in material default of any covenant, term, or condition of the general financing agreement, promissory note, security agreement, or other related documents simultaneously shall provide written notification to the Farm Credit Administration and the Farm Credit System Insurance Corporation.

(f) A direct lender association shall provide written notification to the Farm Credit Administration and the Farm Credit System Insurance Corporation immediately upon receipt of a notice that it is in material default under any general financing agreement, loan agreement, promissory note, security agreement, or other related documents with a Farm Credit Bank, agricultural credit bank or non-Farm Credit institution.

(g) A Farm Credit Bank or agricultural credit bank shall obtain prior written consent of the Farm Credit Administration before it takes any action that leads to or could lead to the liquidation of a direct lender association.

(h) No direct lender association shall obtain a loan from any party unless the parties agree to the requirements of this paragraph. No Farm Credit Bank, agricultural credit bank, or other party shall petition any Federal or State court to appoint a conservator, receiver, liquidation agent, or other administrator to manage the affairs of or liquidate a direct lender association.

4. Section 614.4130 is revised to read as follows:

### § 614.4130 Funding and discount relationships between Farm Credit Banks or agricultural credit banks and other financing institutions.

(a) A Farm Credit Bank or agricultural credit bank shall not advance funds to, or discount loans for, an other financing institution, as defined in § 614.4540(e), except pursuant to a general financing agreement.

(b) The Farm Credit Bank or agricultural credit bank shall deliver a copy of the executed general financing agreement and all related documents, such as a promissory note or security agreement, and all amendments of any of these documents, within 10 business days after any such document or amendment is executed, to the Chief Examiner, Farm Credit Administration, or to such other Farm Credit Administration office as the Chief Examiner designates.

(c) The total credit extended to the other financing institution, through direct loan or discounts, shall be consistent with the Farm Credit Bank's or agricultural credit bank's lending policies and loan underwriting standards and the creditworthiness of the other financing institution. The general financing agreement or promissory note shall establish a maximum credit limit determined by objective standards as established by the Farm Credit Bank or agricultural credit bank. In no case shall the other financing institution's maximum credit limit exceed the value of the other financing institution's underlying assets available to the Farm Credit Bank or agricultural credit bank to support outstanding obligations under section 4.3(c) of the Farm Credit Act of 1971, as amended.

5. The heading for part 627 is revised to read as follows:

## PART 627—TITLE IV CONSERVATORS, RECEIVERS, AND VOLUNTARY LIQUIDATIONS

6. The authority citation for part 627 is revised to read as follows:

**Authority:** Secs. 4.2, 5.9, 5.10, 5.17, 5.51, 5.58 of the Farm Credit Act (12 U.S.C. 2183, 2243, 2244, 2252, 2277a, 2277a–7).

7. Section 627.2700 is revised to read as follows:

## Subpart A—General

### § 627.2700 General—applicability.

The provisions of this part shall apply to conservatorships, receiverships, and voluntary liquidations.

### Subpart B—Receivers and Receiverships

8. Section 627.2720 is amended by removing paragraph (a); redesignating paragraphs (b), (c), (d), (e), and (f) as new paragraphs (a), (b), (c), (d), and (e); and revising newly designated paragraph (b) to read as follows:

**§ 627.2720 Appointment of receiver.**

* * * * *

(b) The receiver appointed for a Farm Credit institution shall be the Insurance Corporation.

* * * * *

9. Section 627.2730 is amended by removing paragraph (b); redesignating paragraph (c) as new paragraph (b); and revising newly designated paragraph (b) to read as follows:

**§ 627.2730 Preservation of equity.**

* * * * *

(b) Notwithstanding paragraph (a) of this section, eligible borrower stock shall be retired in accordance with section 4.9A of the Act.

* * * * *

10. Part 627 is amended by adding a new subpart D to read as follows:

### Subpart D—Voluntary Liquidation

**§ 627.2795 Voluntary liquidation.**

(a) A Farm Credit institution may voluntarily liquidate by a resolution of its board of directors, but only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board. Upon adoption of such resolution to liquidate, the Farm Credit institution shall submit the proposed voluntary liquidation plan to the Farm Credit Administration for preliminary approval. The Farm Credit Administration Board, in its discretion, may appoint a receiver as part of an approved liquidation plan. If a receiver is appointed for the Farm Credit institution as part of a voluntary liquidation, the receivership shall be conducted pursuant to subpart B of this part, except to the extent that an approved plan of liquidation provides otherwise.

(b) If the Farm Credit Administration Board gives preliminary approval to the liquidation plan, the board of directors of the Farm Credit institution shall submit the resolution to liquidate and the liquidation plan to the stockholders for approval.

(c) The resolution to liquidate and the liquidation plan shall be approved by the stockholders if agreed to by at least a majority of the voting stockholders of the institution voting, in person or by written proxy, at a duly authorized stockholders' meeting.

(d) The Farm Credit Administration Board will consider final approval of the liquidation plan after an affirmative stockholder vote on the resolution to liquidate.

(e) Any subsequent amendments, modifications, revisions, or adjustments to the liquidation plan shall require Farm Credit Administration Board approval.

(f) The Farm Credit Administration Board, in its discretion, reserves the right to terminate or modify the liquidation plan at any time.

**§ 627.2797 Preservation of equity.**

(a) Immediately upon the adoption of a resolution by its board of directors to voluntarily liquidate a Farm Credit institution, the capital stock, participation certificates, equity reserves, and allocated equities of the Farm Credit institution shall not be issued, allocated, retired, sold, distributed, transferred, assigned, or applied against any indebtedness of the owners of such equities. Such activities could resume if the stockholders of the Farm Credit institution disapprove the resolution to liquidate or the Farm Credit Administration Board disapproves the liquidation plan. In the event the resolution to liquidate is approved by the stockholders of the Farm Credit institution and the liquidation plan is approved by the Farm Credit Administration Board, the liquidation plan shall govern disposition of the equities of the Farm Credit institution, except that if the Farm Credit institution is placed in receivership, the provisions of § 627.2730(a) shall govern further disposition of the equities of the Farm Credit institution.

(b) Notwithstanding paragraph (a) of this section, eligible borrower stock shall be retired in accordance with section 4.9A of the Act.

Dated: March 19, 1997.

**Floyd Fithian,**

*Secretary, Farm Credit Administration Board.*

[FR Doc. 97–7355 Filed 3–21–97; 8:45 am]

BILLING CODE 6705–01–P

## ENVIRONMENTAL PROTECTION AGENCY

## 40 CFR Part 52

**[MO–024–1024; FRL–5800–6]**

## Approval and Promulgation of Implementation Plans; State of Missouri

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The EPA proposes to approve the State Implementation Plan (SIP) revision concerning Missouri Rule 10 CSR 10–2.330, submitted by the Missouri Department of Natural Resources (MDNR). This revision would set a summertime gasoline Reid Vapor Pressure (RVP) limit of 7.2 pounds per square inch (psi), and 8.2 pounds per square inch for gasoline containing at least 9.0 percent by volume but not more than 10.0 percent by volume ethanol, for gasoline distributed in Clay, Jackson, and Platte Counties as part of the state plan to maintain its clean air quality.

**DATES:** Comments must be received on or before April 23, 1997.

**ADDRESSES:** Comments may be mailed to Stan Walker, Environmental Protection Agency, Air Branch, 726 Minnesota Avenue, Kansas City, Kansas 66101.

**FOR FURTHER INFORMATION CONTACT:** Stan Walker at (913) 551–7494.

**SUPPLEMENTARY INFORMATION:**

### I. Background

The Clean Air Act (CAA, or the Act) requires states which have areas failing to meet the National Ambient Air Quality Standard (NAAQS) for ozone to develop SIPs with sufficient control measures to attain and maintain the standard. The EPA designated the Kansas City Metropolitan Area (KCMA) as an area failing to meet the NAAQS on March 3, 1978. The area designated as nonattainment included five counties: Platte, Clay, and Jackson Counties in Missouri, and Johnson and Wyandotte Counties in Kansas. In spite of a series of SIP revisions, the area continued to experience violations of the ozone NAAQS throughout the 1980s. Each time violations occurred beyond an attainment date, the EPA notified the Governor and called for a revision to the Missouri SIP. In response to the last of these SIP calls, MDNR submitted a SIP revision which demonstrated attainment of the ozone NAAQS by December 31, 1987. Although the area experienced a number of violations in 1988, no