

Act⁴ in that raising the thresholds for simplified arbitration and for standard arbitrations using a single arbitrator will permit such cases to be resolved more quickly and at lower cost to the parties and is consistent with the NASD's longstanding goal of providing the investing public with a fair, efficient and cost-effective forum for the resolution of disputes.

B. Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All

submissions should refer to File No. SR-NASD-97-22 and should be submitted by April 30, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-9065 Filed 4-8-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38453; File No. SR-NSCC-97-3]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change Regarding Exemption Processing

March 28, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), notice is hereby given that on March 7, 1997, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by NSCC. 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

The proposed rule change consists of modifications to NSCC's procedures regarding exemption processing in NSCC's Continuous Net Settlement ("CNS") system.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.¹

¹ The Commission has modified the text of the summaries submitted by NSCC.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(1) The purpose of the proposed rule change is to modify the methods of submitting exemptions under NSCC's procedures. As a part of the NSCC's CNS Accounting Operation, members may control the delivery of their securities to NSCC through the use of exemptions. CNS is an on-going accounting system that nets a member's securities obligations on a daily basis to produce a new short or long position in each issue.

A short position in CNS represents the quantity owed to NSCC by the member. To satisfy short positions for purposes of settlement, securities are delivered from the member's account at The Depository Trust Company ("DTC") to NSCC's account at DTC. These deliveries are subject to exemption limitations imposed by the member, which may elect to deliver to NSCC all, part, or none of any short position.

Exemptions assist members in complying with the segregation provisions of Rule 15c3-3 of the Act and in meeting other delivery needs. NSCC presently requires members to input exemption instructions on a daily basis. Currently, NSCC also permits but does not require members to input standing instructions.

In addition to submitting exemption instructions to NSCC, members may also manage their segregation and delivery needs through the use of DTC's "Memo Segregation" facility. Since a member may either use NSCC's or DTC's systems to control delivery requirements, the proposed rule change will no longer mandate that exemption instructions be submitted to NSCC every day.

If a daily instruction is not submitted, not received, or is received but cannot be processed by NSCC, the member's standing exemption instructions will be used. As a result, members will now be required to submit standing exemption instructions to NSCC since they will serve as the member's default instructions under the proposed procedures.

(2) The proposed rule change is consistent with Section 17A of the Act and the rules and regulations thereunder since it will facilitate the prompt and accurate clearance and settlement of securities transactions and in general protect investors and the public interest.

⁴ 15 U.S.C. § 78o-3.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change; or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room in Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of NSCC. All submissions should refer to File No. SR-NSCC-97-03 and should be submitted by April 30, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-9005 Filed 4-8-97; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION**[Declaration of Disaster #2940]****State of Illinois**

As a result of the President's major disaster declaration on March 21, 1997, I find that Alexander, Gallatin, Hardin, Massac, and Pope Counties in the State of Illinois constitute a disaster area due to damages caused by severe storms and flooding beginning on March 1 and continuing. Applications for loans for physical damages may be filed until the close of business on May 20, 1997, and for loans for economic injury until the close of business on December 22, 1997 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd., South 3rd Floor, Niagara Falls, NY 14303.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Hamilton, Johnson, Pulaski, Saline, Union, White, and Williamson in Illinois; Cape Girardeau, Mississippi, and Scott in Missouri. Any counties contiguous to the above-named primary counties and not listed herein have been covered under a separate declaration for the same occurrence.

Interest rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners With Credit Available Elsewhere	7.625
Homeowners Without Credit Available Elsewhere	3.875
Businesses With Credit Available Elsewhere	8.000
Businesses And Non-Profit Organizations Without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) With Credit Available Elsewhere	7.250
<i>For Economic Injury:</i>	
Businesses And Small Agricultural Cooperatives Without Credit Available Elsewhere ...	4.000

The number assigned to this disaster for physical damage is 294006. For economic injury the numbers are 944300 for Illinois and 944400 for Missouri.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: March 26, 1997.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 97-8980 Filed 4-8-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION**[Declaration of Disaster #2933, Amdt. 2]****Commonwealth of Kentucky**

In accordance with a notice from the Federal Emergency Management Agency, dated March 21, 1997, the above-numbered Declaration is hereby amended to include the Counties of Ballard, Carlisle, Estill, Fulton, Grayson, Hart, Hickman, Marshall, Monroe, Simpson, Todd, and Warren in the Commonwealth of Kentucky a disaster area due to damages caused by severe storms, tornadoes, and flooding beginning on March 1, 1997 and continuing.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the previously designated location: Allen, Barren, Calloway, Cumberland, Jackson, and Metcalfe in the Commonwealth of Kentucky; Alexander County in the State of Illinois, and Clay County in the State of Tennessee. Any counties contiguous to the above-named primary counties and not listed herein have been covered under a separate declaration for the same occurrence.

The numbers assigned to this disaster for economic injury are 944500 for Tennessee, and 943900 for Illinois.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: March 25, 1997.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 97-8981 Filed 4-8-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION**[Declaration of Disaster Loan Area #2941]****Massachusetts; (And Contiguous Counties in Connecticut, New York and Vermont)**

Berkshire County and the contiguous counties of Franklin, Hampden, and Hampshire in Massachusetts; Litchfield County in Connecticut, Dutchess, Columbia and Rennselear Counties in