Federal Reserve Bank	Rate	Effective
Minneapolis	5.00	November 1, 2005.
Kansas City	5.00	November 1, 2005.
Dallas	5.00	November 1, 2005.
San Francisco	5.00	November 1, 2005.

(b) *Secondary credit.* The interest rates for secondary credit provided to depository institutions under 201.4(b) are:

Federal Reserve Bank	Rate	Effective
Boston	5.50	November 1, 2005.
New York	5.50	November 1, 2005.
Philadelphia	5.50	November 1, 2005.
Cleveland	5.50	November 1, 2005.
Richmond	5.50	November 1, 2005.
Atlanta	5.50	November 1, 2005.
Chicago	5.50	November 1, 2005.
St. Louis	5.50	November 2, 2005.
Minneapolis	5.50	November 1, 2005.
Kansas City	5.50	November 1, 2005.
Dallas	5.50	November 1, 2005.
San Francisco	5.50	November 1, 2005.

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By order of the Board of Governors of the Federal Reserve System, November 7, 2005.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. 05–22520 Filed 11–10–05; 8:45 am]

BILLING CODE 6210–02–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

RIN 3245–AF43

Small Business Size Standards; Gulf Opportunity Pilot Loan Program

AGENCY: Small Business Administration.

ACTION: Interim final rule with request for comments.

SUMMARY: The U.S. Small Business Administration (SBA) is temporarily amending the size eligibility criteria for loan assistance provided under the ‘‘Gulf Opportunity Pilot Loan Program,’’ a one-year pilot under the 7(a) Business Loan Program. The pilot program makes available on an expedited basis 7(a) loans to small businesses located in, locating to, or relocating in disaster areas declared by the President as a result of Hurricanes Katrina and Rita and any contiguous parishes or counties. This interim final rule makes financial assistance under the pilot program available to businesses that are considered small for the purpose of SBA's 7(a) Business Loan Program and businesses considered small for the purpose of SBA's Certified Development Company Program. SBA prepared this rule as an interim final rule because its immediate implementation will facilitate the reconstruction and economic recovery of the Gulf Coast.

DATES: *Effective Date:* This regulation becomes effective on November 14, 2005.

Comment Period: Comments must be received by SBA on or before December 14, 2005.

ADDRESSES: You may submit comments identified by RIN 3245–AF43 through one of the following methods: (1) Federal eRulemaking Portal: *http://www.regulations.gov.* Follow the instructions for submitting comments; (2) Fax: (202) 205–6390; or (3) Mail/Hand Delivery/Courier: Gary M. Jackson, Assistant Administrator for Size Standards, 409 Third Street, SW., Mail Code 6530, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Charles W. Thomas, Director, Office of Program Development, Office of Financial Assistance, (202) 205–6656 or *charles.thomas@sba.gov.*

SUPPLEMENTARY INFORMATION:

Gulf Opportunity Pilot Loan Program

SBA, in cooperation with lending institutions, has established a Gulf Opportunity Pilot Loan Program (GO Loan Pilot or Pilot), as a pilot under the 7(a) Business Loan Program, to expedite delivery of small business financing in the form of 7(a) loans to small businesses located in, locating to, or re-locating in Presidentially-declared disaster areas resulting from Hurricanes Katrina and Rita and any contiguous parishes or counties (SBA Policy Notice 5000–978, November 8, 2005).

The scope and magnitude of damage caused by Hurricanes Katrina and Rita is unprecedented. SBA has determined that the small businesses located in those communities have an extraordinary need for moderately-sized loans ($150,000 or less) provided on an expedited basis. To respond to these extraordinary needs of the small business community, SBA developed a pilot program, which goes beyond the Agency's traditional disaster relief efforts, to deliver financial assistance to small businesses located in, locating to, or relocating in the Presidentially-declared disaster areas resulting from Hurricanes Katrina and Rita and any contiguous parishes or counties (A list of eligible parishes and counties is located at: *http://www.sba.gov/disaster_recov/katrinafactsheets.html.*). Borrowers under this pilot must meet the geographical requirements as well as the standard eligibility requirements for the loan. The Agency structured the GO Loan Pilot to provide its full 85 percent guaranty to more strongly encourage lenders to lend to businesses in the affected communities. The GO Loan pilot will be a temporary pilot program for use in fiscal year 2006, and will expire on September 30, 2006. This interim final rule makes the expedited small business financing available to businesses that are considered small for the purpose of SBA's 7(a) Business Loan Program and businesses considered small for the purpose of SBA's Certified Development Company (CDC) Program.

Size Standard for the 7(a) Business Loan Program

The 7(a) Business Loan Program provides a range of short-term and long-term financial assistance to start-up businesses and smaller-sized small businesses in the operation, acquisition or expansion of their existing business. To qualify for an SBA-guaranteed loan under the 7(a) Business Loan Program, the size of a business concern, including its affiliates, cannot exceed the size standard for the primary industry in which it is engaged. (13 CFR 121.301(a)). More than 90 percent of 7(a) borrowers are start-ups or businesses with 50 or fewer employees.

Size Standard for SBA's Certified Development Company Program

SBA believes that the unprecedented economic needs of businesses in the Presidentially-declared disaster areas and the contiguous parishes and counties necessitate a more expansive reach of its 7(a) Business Loan Program lending in the Gulf Coast region. Therefore, SBA has decided to utilize the size eligibility criteria of the CDC Program for the GO Loan Pilot. The structure and objectives of the CDC Program target a larger segment of the small business community than the 7(a) Business Loan Program. The CDC Program is, among other things, a long-term financing tool for economic development that provides loans for major fixed assets, such as land and buildings. To be eligible for assistance under the CDC program, a business concern must meet either the size eligibility criteria of the 7(a) Business Loan Program, or have tangible net worth not in excess of $7 million and average net income after Federal income taxes (excluding any carry-over losses) for the preceding two completed fiscal years not in excess of $2.5 million (13 CFR 120.301(b)). Size standards based on net worth and net income have been established to assist businesses that tend to be larger in size than businesses concerns that qualify for the 7(a) Business Loan Program, but still qualify as ''small'' for the purpose of SBA financing.

This action is not unprecedented. SBA temporarily applied the CDC size standards to the 7(a) Business Loan Program from December 1992 to March 4, 1993, but decided after public comment and further consideration not to continue them on a permanent basis because the alternate net worth and net income size standards of the CDC Program reflect the special purposes of that loan program (57 FR 62477, December 21, 1992 and 58 FR 12334, March 4, 1992). The urgent need for Federal financial assistance following Hurricanes Katrina and Rita created special circumstances warranting temporarily application the CDC size standards to businesses applying for 7(a) loans through the GO Loan Pilot.

Size Standard for the GO Loan Pilot

This rule amends the size eligibility criteria for 7(a) loans through the GO Loan Pilot to make those loans available to businesses currently considered small for the purpose of SBA's 7(a) Business Loan Program and to businesses considered small for the purpose of SBA's CDC program. Rather than modifying the definition of a small business, this interim final rule extends size eligibility for the GO Loan Pilot to any business concern that is already considered ''small'' for the purpose of one of SBA's major financial assistance programs.

The broader alternate size standards adopted for the GO Loan Pilot recognizes that many small business concerns located in the disaster areas (including those which may not qualify for the 7(a) loans under the existing framework) are experiencing financial hardship as a result of Hurricanes Katrina and Rita. Absent the recent hurricane disasters, many small businesses would continue to have adequate access to capital through traditional channels. With the destruction of large segments of the local infrastructure and the displacement of thousands of residents, the severe economic effects of the recent disasters on the Gulf Coast will extend over a period of many months, if not years. Many of these larger-sized small businesses have long-term viability, but need immediate access to capital to sustain or rebuild their operations during this critical recovery period.

SBA believes that applying the alternate net worth and net income size standards to the GO Loan Pilot provides an effective mechanism for the Federal Government to extend crucial financial assistance to this segment of the small business community that would otherwise be unavailable.

No Impact on SBA's Government Contracting Programs

SBA continues to believe that its current size standards for the 7(a) Business Loan Program and other small business assistance programs appropriately define small business concerns. As described above, the alternate net worth and net income size standards of the CDC Program are being applied on a limited basis to the specifically-tailored lending assistance program of the GO Loan Pilot. This interim rule does not change the size standards applicable to other small business programs, including size standards for Federal contracting. Therefore, this interim final rule will have no effect on existing Federal contracts, the pool of small businesses competing for Federal contracts, or the ability of Federal agencies to attain their small business contracting goals.

Justification for Publication as an Interim Final Rule

In general, SBA publishes a proposed rule for public comment before issuing a final rule in accordance with the Administrative Procedure Act (APA) and SBA regulations. (5 U.S.C. 553 and 13 CFR 101.108). The APA provides an exception to the standard rulemaking process, however, when an agency finds good cause to adopt a rule without prior public participation. (5 U.S.C. 553(b)(3)(B)). The good cause requirement is satisfied when prior public participation is impracticable, unnecessary, or contrary to the public interest. Under those conditions, an agency may publish an interim final rule without first soliciting public comment.

In the good cause exception to standard rulemaking procedures, Congress recognized that emergencies (such as the need for Federal assistance after major disasters) might arise when an agency must issue a rule without prior public participation. On August 29, 2005, the President declared major disaster areas in Louisiana, Mississippi, and Alabama in the aftermath of Hurricane Katrina. The President also declared major disaster areas in Louisiana and Texas after Hurricane Rita destroyed more of the Gulf Coast region. These natural disasters have severely affected businesses in the declared disaster areas and contiguous parishes and counties. Small businesses in those areas have demonstrated an extraordinary need for moderately sized loans ($150,000 or less). SBA designed the GO Loan Pilot to expedite delivery of financial assistance through the 7(a) loan program to those businesses. This rule would amend the size eligibility criteria for 7(a) loans through the GO Loan Pilot to make those loans available to businesses currently considered small for the purpose of SBA's 7(a) loan program and to businesses considered small for the purpose of SBA's CDC Program. Absent this rule, expedited financial assistance through the GO Loan Pilot would only be available to businesses considered small for the purpose of SBA's 7(a) loan program. Immediate implementation of this rule, as a component of the GO Loan Pilot, will expedite delivery of financial assistance to a greater number of businesses. Strengthening small businesses in the declared disaster areas by making financial assistance available on an expedited basis is in the best interest of the public because it will facilitate economic recovery of the Gulf Coast. Restoring economic stability in the region is essential to attracting residents and revitalizing communities that were destroyed by Hurricanes Katrina and Rita in 2005. Accordingly, SBA finds good cause to publish this rule as an interim final rule. The urgent need to expedite delivery of Federal financial assistance to the declared disaster areas makes immediate implementation of this rule in the public interest.

Furthermore, advance solicitation of comments for this rulemaking would be impracticable and contrary to the public interest because it would delay delivery of critical financial assistance to these businesses by at least four to six months. Such delay could have serious adverse affects on small businesses in the disaster areas and the public. Providing financial assistance now can help protect some small businesses that might otherwise have to cease operations before a rule could be promulgated under standard notice and comment rulemaking procedures.

Although SBA is publishing this rule as an interim final rule, the Agency requests interested parties to submit their comments on the amended size standard. SBA must receive the comments on or before December 14, 2005. SBA may then consider these comments in making any necessary revisions to these regulations.

Justification for Immediate Effective Date of Interim Final Rule

The APA requires that ‘‘publication or service of a substantive rule shall be made not less than 30 days before its effective date, except * * * as otherwise provided by the agency for good cause found and published with the rule.’’ 5 U.S.C. 553(d)(3). SBA finds that good cause exists to make this final rule become effective on the same day it is published in the **Federal Register**.

The purpose of the APA provision delaying the effective date of a rule for 30 days after publication is to provide interested and affected members of the public sufficient time to adjust their behavior before the rule takes effect. In this case, however, the 30-day delay is unnecessary because this interim final rule would not require businesses, lenders or SBA to make significant changes to their current procedures when applying for, issuing, or guaranteeing loans. SBA will generally apply the policies and procedures in place for the Agency’s existing SBAExpress program (although there are several substantial differences between the two programs). Lenders participating in the GO Loan Pilot are knowledgeable about these policies and procedures because they must be authorized to make 7(a) loans through SBAExpress in order to participate in the GO Loan Pilot. In addition, SBA will provide OMB-approved forms for the GO Loan Pilot, which are modeled after the SBAExpress forms.

Furthermore, SBA does not expect to receive any comments from stakeholders in the 7(a) loan or SBAExpress programs or others opposing the immediate effective date of this interim final rule. SBA believes, based on its discussions with state and local officials and interested members of the public, that there is a strong interest in immediate implementation of this rule because it will help small businesses in the disaster areas and facilitate economic recovery of the Gulf Coast region.

Compliance With Executive Orders 12866, 12988, and 13132, the Regulatory Flexibility Act (5 U.S.C. 601–612) and the Paperwork Reduction Act (44 U.S.C. Ch. 35)

The Office of Management and Budget (OMB) has determined that this rule is a ‘‘significant regulatory action’’ under section 3(f) under Executive Order 12866. The emergency nature of this interim final rule makes timely compliance with Executive Order 12866 impracticable. SBA is currently assessing the potential economic impacts of this action.

For purposes of Executive Order 12988, SBA has drafted this rule, to the extent practicable, in accordance with the standards set forth in section 3 of that Order.

This regulation will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibility among the various levels of government. Therefore, under Executive Order 13132, SBA determines that this rule does not have sufficient federalism implications to warrant the preparation of a federalism assessment.

Pursuant to § 608 of the Regulatory Flexibility Act (RFA), SBA is delaying the preparation of a regulatory flexibility analysis. As discussed above, SBA is promulgating this rule on an emergency basis, making timely compliance with the provisions of § 603 of the RFA impracticable.

SBA has determined that this rule does not impose any new information collection requirements from SBA that require approval by OMB under the Paperwork Reduction Act of 1980, 44 U.S.C. Ch. 35. SBA currently has forms established to determine small business status. However, as a separate action, SBA will develop new forms pertaining to GO Loan Pilot loans that are modeled after the forms currently used by SBA Express lenders. SBA has sought OMB’s approval for these forms on an emergency basis.

List of Subjects in 13 CFR Part 121

Loan programs—business, Disaster assistance loans, Reporting and recordkeeping requirements, Small business.

■ For reasons set forth in the preamble, amend part 121 of title 13 Code of Federal Regulations as follows:

PART 121—SMALL BUSINESS SIZE REGULATIONS

■ 1. The authority citation for part 121 is revised to read as follows:

Authority: 15 U.S.C. 632, 634(b)(6), 636(b), 637(a), 644, and 662(5); and Pub. L. 105–135, sec. 401 *et seq.*, 111 Stat. 2592.

■ 2. Amend § 121.301 by revising paragraph (a) to read as follows:

§ 121.301 What size standards are applicable to financial assistance programs?

(a)(1) For Business Loans and Disaster Loans (other than physical disaster loans), an applicant business concern, including its affiliates, must not exceed the size standard for the industry in which the applicant is primarily engaged.

(2) For 7(a) Business Loans under the Gulf Opportunity Pilot Loan ‘‘GO Loan’’ Program, (applicable to business concerns located in, locating to, or re-locating in parishes or counties that were declared disaster areas by the President as a result of the 2005 Hurricanes Katrina or Rita, plus any contiguous parishes or counties), an applicant business concern must meet either the size standard under paragraph (a)(1) or the size standard under paragraph (b) of this section.

* * * * *

Dated: November 7, 2005.

Hector V. Barreto,

Administrator.

[FR Doc. 05–22569 Filed 11–10–05; 8:45 am]

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