(2) The borrower will immediately notify FSA of any adverse actions such as:
   (i) Anticipated default on FSA debt;
   (ii) Potential recall vote of an assessment referendum; or
   (iii) Being named as a defendant in litigation;
   (3) Submission of other specific financial reports for the borrower;
   (4) The right of deferral under 7 U.S.C. 1981a; and
   (5) Applicable liquidation procedures upon default.

(d) Fees. The borrower will pay all fees for recording any legal instruments determined to be necessary and all notary, lien search, and similar fees incident to loan transactions. No fees will be assessed for work performed by FSA employees.

§ 1941.990 Loan monitoring.
(a) Annual and periodic reviews. At least annually, the borrower will meet with FSA representatives to review the financial status of the borrower, assess the progress of the eradication program utilizing loan funds, and identify any potential problems or concerns.

(b) Performance monitoring. At any time FSA determines it necessary, the borrower must allow FSA or its representative to review the operations and financial condition of the borrower. This may include, but is not limited to, field visits, and attendance at Foundation Board meetings. Upon FSA request, a borrower must submit any financial or other information within 14 days unless the data requested is not available within that timeframe.

§ 1941.991 Loan servicing.
(a) Advances. FSA may make advances to protect its financial interests and charge the borrower’s account for the amount of any such advances.

(b) Payments. Payments will be made to FSA as set forth in loan agreements and debt instruments. The funds from extra payments will be applied entirely to loan principal. Extra payments will not extend the time for the next scheduled payment. Funds from other payments will be applied first to any advances, then to accrued interest, and when all accrued interest is paid, the remainder of the payment will be applied to loan principal.

(c) Restructuring. FSA may restructure loan debts provided:
   (1) The Government’s interest will be protected;
   (2) The restructure will be performed within FSA budgetary restrictions, and
   (3) The loan objectives cannot be met unless the loan is restructured. The provisions of part 1951, subpart S are not applicable to loans made under this section.

(d) Default. In the event of default, FSA will take all appropriate actions to protect its interest.

§ 1941.992 Restructuring.
(a) Notwithstanding any other provision, the Government’s interest will be protected.

(b) The borrower will immediately notify FSA of any adverse actions such as:
   (i) Anticipated default on FSA debt;
   (ii) Potential recall vote of an assessment referendum; or
   (iii) Being named as a defendant in litigation;
   (4) The right of deferral under 7 U.S.C. 1981a; and
   (5) Applicable liquidation procedures upon default.

(c) The borrower will pay all fees for recording any legal instruments determined to be necessary and all notary, lien search, and similar fees incident to loan transactions. No fees will be assessed for work performed by FSA employees.

§ 1941.993 Loan termination.
(a) The requirements of this section shall be determined to be necessary and all fees for recording any legal instruments determined to be necessary and all notary, lien search, and similar fees incident to loan transactions. No fees will be assessed for work performed by FSA employees.

§ 1941.994 Loan forgiveness.
(a) The requirements of this section shall be determined to be necessary and all fees for recording any legal instruments determined to be necessary and all notary, lien search, and similar fees incident to loan transactions. No fees will be assessed for work performed by FSA employees.

§ 1941.995 Loan monitoring.
(a) Annual and periodic reviews. At least annually, the borrower will meet with FSA representatives to review the financial status of the borrower, assess the progress of the eradication program utilizing loan funds, and identify any potential problems or concerns.

(b) Performance monitoring. At any time FSA determines it necessary, the borrower must allow FSA or its representative to review the operations and financial condition of the borrower. This may include, but is not limited to, field visits, and attendance at Foundation Board meetings. Upon FSA request, a borrower must submit any financial or other information within 14 days unless the data requested is not available within that timeframe.

§ 1941.996 Loan servicing.
(a) Advances. FSA may make advances to protect its financial interests and charge the borrower’s account for the amount of any such advances.

(b) Payments. Payments will be made to FSA as set forth in loan agreements and debt instruments. The funds from extra payments will be applied entirely to loan principal. Extra payments will not extend the time for the next scheduled payment. Funds from other payments will be applied first to any advances, then to accrued interest, and when all accrued interest is paid, the remainder of the payment will be applied to loan principal.

(c) Restructuring. FSA may restructure loan debts provided:
   (1) The Government’s interest will be protected;
   (2) The restructure will be performed within FSA budgetary restrictions, and
   (3) The loan objectives cannot be met unless the loan is restructured. The provisions of part 1951, subpart S are not applicable to loans made under this section.

(d) Default. In the event of default, FSA will take all appropriate actions to protect its interest.
as part of its ongoing regulatory reorganization, the Finance Board is redesignating the definition to part 934 of its regulations, which concerns the operations of the FHLBanks. See 12 CFR part 934.

As amended, the definition of the term “deposits in banks or trusts” includes FHLBank deposits in any U.S. branch or agency of a foreign bank that has legal authority to accept deposits or engage in federal funds transactions as eligible investments for purposes of section 11(g) of the Bank Act. To achieve this result, the Finance Board has added a new paragraph (c)(3) that includes expressly a deposit in, or federal funds transactions with, a U.S. branch or agency of a foreign bank that is subject to the supervision of the Board of Governors and is designated by a FHLBank’s board of directors. The terms “branch,” “agency,” and “foreign bank” have the same meaning as in the International Banking Act of 1978, as amended. See 12 U.S.C. 3101 (1), (3), (7).

The commenter urged the Finance Board to encourage the FHLBanks to place deposits with small, domestic FDIC-insured financial institutions rather than U.S. branches and agencies of foreign banks in order to provide these community banks with needed liquidity and to facilitate the FHLBanks’ mission of extending credit for housing in the United States. Because provisions of federal law require the treatment of all U.S. branches and agencies of foreign banks to be similar to the treatment of domestic depository institutions, the Finance Board believes that the amendment permitting FHLBank deposits in U.S. branches and agencies of foreign banks is consistent with federal law. The commenter also suggested that placing deposits in uninsured U.S. branches and agencies of foreign banks might create additional unnecessary risk for the FHLBanks. As pointed out in the interim final rulemaking, a foreign bank may establish a U.S. branch or agency only with the prior approval of the Board of Governors and an appropriate licensing authority, i.e., either the Comptroller of the Currency or a state banking regulator, and such branches and agencies are subject to the supervision of the Board of Governors and must meet many of the rules and regulations, including safety and soundness rules and regulations, applicable to domestic commercial banks. In addition, because FHLBank deposits generally exceed the $100,000 FDIC deposit insurance limit, and U.S. branches of foreign banks principally accept only wholesale deposits, FDIC insurance would be of little benefit, and the absence thereof would pose little additional risk, to the FHLBanks.

III. Notice and Public Participation

The Finance Board finds that the notice and comment procedure required by the Administrative Procedure Act is unnecessary, impracticable, and contrary to the public interest in this instance because the changes made by the final rule are technical in nature and apply only to the FHLBanks. See 5 U.S.C. 553(b)(3)(B). In addition, as explained above, the changes made by the final rule are necessary to comply with various provisions of federal law.

IV. Effective Date

For the reasons stated in part III above, the Finance Board for good cause finds that the interim final rule should become effective on May 16, 1997. See 5 U.S.C. 553(d)(3).

V. Regulatory Flexibility Act

The Finance Board is adopting the technical amendment in the form of a final rule and not as a proposed rule. Therefore, the provisions of the Regulatory Flexibility Act do not apply. See 5 U.S.C. 601(2), 603(a).

VI. Paperwork Reduction Act

This final rule does not contain any collections of information pursuant to the Paperwork Reduction Act of 1995. See 44 U.S.C. 3501, et seq. Consequently, the Finance Board has not submitted any information to the Office of Management and Budget for review.

List of Subjects
12 CFR Part 931
   Banks, Banking, Federal home loan banks.
12 CFR Part 934
   Federal home loan banks, Securities, Surety bonds.

Accordingly, the Federal Housing Finance Board hereby adopts the interim final rule amending 12 CFR part 931 that was published at 62 FR 6860 on February 14, 1997 as a final rule with the following changes, and amends 12 CFR part 934 of the Code of Federal Regulations as follows:

PART 934—OPERATIONS OF THE BANKS

1. Revise the authority citation for part 934 to read as follows:
   Authority: 12 U.S.C. 1422a and 1422b.

PART 931—DEFINITIONS

1. Revise the authority citation for part 931 to read as follows:
   Authority: 12 U.S.C. 1422a and 1422b.

DEPARTMENT OF COMMERCE

Bureau of Export Administration

15 CFR Part 744
[Docket No. 970428099±7099±01]
RIN 0694±AB60

Revisions to the Export Administration Regulations: Addition of Bharat Electronics, Ltd., (aka Baharat Electronics, Ltd.) India, to Entity List

AGENCY: Bureau of Export Administration, Commerce.