

Ballots invalid under this subpart shall not be counted.

**§ 1209.306 Referendum report.**

Except as otherwise directed, the referendum agent shall prepare and submit to the Administrator a report on results of the referendum, the manner in which it was conducted, the extent and kind of public notice given, and other information pertinent to analysis of the referendum and its results.

**§ 1209.307 Confidential information.**

The ballots and other information or reports that reveal, or tend to reveal, the identity or vote of any person covered under the Act shall be held confidential and shall not be disclosed.

Dated: December 11, 1997.

**Sharon Boner Lauritsen,**

Associate Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 97-32812 Filed 12-22-97; 8:45 am]

BILLING CODE 3410-02-P

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**NUCLEAR REGULATORY COMMISSION**

**10 CFR Part 50**

RIN 3150-AF73

**Codes and Standards; IEEE National Consensus Standard, Withdrawal**

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Direct final rule; withdrawal.

**SUMMARY:** The Nuclear Regulatory Commission is withdrawing a direct final rule that would have amended Commission's regulations to incorporate by reference the most recent published version of IEEE Std. 603-1991, a national consensus standard for power, instrumentation, and control portions of safety systems in nuclear power plants. The NRC is taking this action because it has received significant adverse comments in response to an identical proposed rule which was concurrently published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** Satish K. Aggarwal, Senior Program Manager, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Telephone (301) 415-6005, Fax (301) 415-5074 (e-mail: SKA@NRC.GOV).

**SUPPLEMENTARY INFORMATION:** On October 17, 1997 (62 FR 5393), the Nuclear Regulatory Commission published in the **Federal Register** a direct final rule amending its regulations at 10 CFR 50.55a(h) to incorporate by reference the most recently published version of a national consensus standard. The direct final

rule was to become effective on January 1, 1998. The NRC also concurrently published an identical proposed rule on October 17, 1997 (62 FR 53975). In these documents, the NRC indicated that if it received significant adverse comments in response to this action, the NRC would withdraw the direct final rule and would consider the comments received as in response to the proposed rule and address these comments in a subsequent final rule. The NRC has received significant adverse comments on the direct final rule. Therefore, the Commission is withdrawing the October 17, 1997, direct final rule. The public comments received will be addressed in a subsequent final rule issued in either a notice of final rulemaking or in a notice of withdrawal of the proposed rule.

Dated at Rockville, Maryland, this 16th day of December, 1997.

For the Nuclear Regulatory Commission.

**John C. Hoyle,**

Secretary of the Commission.

[FR Doc. 97-33424 Filed 12-22-97; 8:45 am]

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**FEDERAL HOUSING FINANCE BOARD**

**12 CFR Part 960**

[No. 97-N-10]

**Questions and Answers Regarding The Affordable Housing Program**

**AGENCY:** Federal Housing Finance Board.

**ACTION:** Staff interpretation of affordable housing regulations.

**SUMMARY:** The Federal Housing Finance Board (Finance Board) is publishing Questions and Answers regarding the Affordable Housing Program (AHP). The Questions and Answers have been prepared by staff of the Finance Board in response to questions about changes in the Finance Board's regulation governing the AHP that will go into effect on January 1, 1998. The Questions and Answers constitute informal staff guidance for Finance Board personnel, the Federal Home Loan Banks (Bank), Bank members, and program participants. The Answers are intended to be interpretive of the Finance Board's regulation governing the AHP, and are not statements of agency policy. The Questions and Answers have not been considered or approved by the Board of Directors of the Finance Board.

**FOR FURTHER INFORMATION CONTACT:** Richard Tucker, Deputy Director, Compliance Assistance Division, (202) 408-2848, or Janet M. Fronckowiak, Program Analyst, Compliance

Assistance Division, (202) 408-2575, or Diane E. Doriis, Associate Director, Program Development Division, (202) 408-2576, Office of Policy, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

**SUPPLEMENTARY INFORMATION:** On August 4, 1997, the Finance Board published a final rule amending its existing regulation governing the AHP. See 62 FR 41812 (Aug. 4, 1997). The final rule will become effective on January 1, 1998. In the months following

publication of the final rule, the Finance Board has provided training to the staffs of the Banks to assist them in making a smooth transition to operation under the amended AHP regulation. A number of questions of regulatory interpretation were raised by Bank staff as a result of the Finance Board's training sessions. The staff of the Finance Board has prepared answers to the most frequently asked questions. The Questions and Answers constitute informal interpretive guidance for Finance Board personnel, the Banks, Bank members, and program participants. The Answers are intended to be interpretive of the AHP regulation, not statements of agency policy, and they have not been considered or approved by the Board of Directors of the Finance Board.

The Questions and Answers are grouped by the provision of the AHP regulation that they discuss and are presented in the same order as the regulatory provisions. The text of the Questions and Answers follows:

**Text of the Questions and Answers**

*Questions and Answers Regarding the AHP*

**Definitions (§ 960.1)**

*Low- and Moderate-Income and Very Low-Income Household Eligibility for Current Occupants:*

Q1. When a rental project involves both purchase and rehabilitation, which point in time should be used for purposes of determining household eligibility?

A1. The regulation permits a choice of determining income eligibility either at the time of completion of the purchase or at the time of completion of the rehabilitation.

Q2. In the case of projects involving the purchase or rehabilitation of rental housing with current occupants, can an occupying household that is a very low-income or a low- or moderate-income household at the time the AHP application is submitted to the Bank be deemed to be a very low-income or a low- or moderate-income household at

the time the purchase or rehabilitation of the housing is completed?

A2. Yes.

*Median Income for the Area:*

Q3. How can median income standards published by the U.S. Department of Agriculture (USDA) be available for all projects in a Bank's District if USDA publishes median income standards only for rural areas?

A3. USDA income standards would be applicable only to the rural areas identified in the USDA standards. A Bank selecting this median income standard would have to select another income standard to be used in non-rural areas.

*Sponsor:*

Q4. Does the definition of "sponsor" include a not-for-profit organization that owns a for-profit entity that is the general partner in the partnership that owns an AHP-eligible rental project?

A4. Yes.

**Advisory Councils (§ 960.4)**

*Terms (section 960.4(d)):*

Q1. Is each Advisory Council member required to be appointed for a three-year term?

A1. Yes.

Q2. Do terms already served or which currently are being served by Advisory Council members who are in office on January 1, 1998, count toward the limit of three consecutive terms?

A2. No. Only terms that begin on or after January 1, 1998, the effective date of the revised AHP regulation, count toward the limit of three consecutive terms.

**Minimum Eligibility Standards for AHP Projects (§ 960.5)**

*Experienced Counseling Organization (section 960.5(a)(2)(ii)):*

Q1. What is a homebuyer or homeowner counseling program provided by, or based on one provided by, an organization recognized as experienced in homebuyer or homeowner counseling?

A1. A program such as one that is provided by a counseling organization approved by HUD or a state or local agency would qualify. Programs that are based on counseling guides such as those provided by the American Homeowners Education and Counseling Institute also would meet this requirement.

*Homeownership Set-Aside Incentives (section 960.5(a)(6)):*

Q2. What are financial or other incentives to a household that are required of a member that provides mortgage financing?

A2. A Bank may determine what it considers to be financial or other

incentives. For example, financial incentives could include lower (or foregone) origination fees, other discounted fees, reduced interest rates, lower downpayment requirements, or reductions in other closing costs. Two examples of other non-financial incentives are using underwriting standards that are more flexible than the member's usual practice, and making loans with longer terms than the member usually makes.

*Counseling Costs (§ 960.5(a)(7)):*

Q3. Under what circumstances can counseling costs be paid by AHP subsidies?

A3. For the competitive application program, counseling costs may be paid with AHP subsidies if the costs are incurred in connection with counseling of homebuyers who actually purchase an AHP-assisted unit and the cost of the counseling has not been covered by another funding source, including the member.

For the homeownership set-aside program, counseling costs may be paid with AHP subsidies if the costs are incurred in connection with counseling of homebuyers who actually purchase an AHP-assisted unit; the cost of the counseling has not been covered by another funding source, including the member; and the AHP subsidies are used to pay only for the amount of such reasonable and customary costs that exceed the highest amount the member has spent annually on homebuyer counseling costs within the preceding three years. A member may certify to the amount it spent, including in-house costs, over the preceding three years. If a member is not covering the cost of counseling and has not paid for counseling costs in the previous three years, AHP subsidies may be used to pay for reasonable and customary counseling costs incurred in connection with counseling of homebuyers who actually purchase an AHP-assisted unit.

*Direct Subsidy Processing Fees (§ 960.5(b)(4)(iii)):*

Q4. Does the prohibition on using AHP funds to pay for direct subsidy processing fees cover fees for costs incurred by a member in order to pass on the subsidy, such as legal and underwriting costs?

A4. Yes.

*Member Subsidy Limits (§ 960.5(b)(10)):*

Q5. A Bank may establish certain eligibility requirements for its AHP. May the limitation on the amount of AHP subsidy available per member be based on a percentage of a member's assets or a percentage of the total available AHP funds?

A5. District eligibility requirements must apply equally to all members. A limitation based on a percentage of a member's assets would result in larger members being eligible to compete for more AHP funds than smaller members; therefore, such a limitation would not be permitted. However, since limiting each member to no more than a certain percentage of total available AHP funds would apply equally to each member, such a limitation would be permitted.

**Procedure for Approval of AHP Applications for Funding (§ 960.6)**

*Scheduled Funding Periods (§ 960.6(b)(1)):*

Q1. If a Bank schedules one funding period per year, but is unable to allocate its entire annual AHP contribution in that period, may the Bank hold a second funding period to allocate the remaining subsidies, even if the second funding period does not have a comparable amount of funds?

A1. Yes. The concept of allocating comparable amounts in each funding period is based on the premise that a Bank schedules more than one funding period a year. If a Bank plans one funding period and an insufficient number of qualifying applications are approved in that period, a Bank may hold a second funding period to allocate the unused subsidies and that period does not have to be comparable in amount to the first period.

*Nominal Price (§ 960.6(b)(4)(iv)(A)):*

Q2. Regarding the conveyance of government-owned or other properties for a "nominal" price, what is a "nominal" price?

A2. A small, negligible amount, most often one dollar, is a nominal price. Modest expenses related to the conveyance of the property may also be paid.

*Not-for-profit Organization/Government Entity Sponsor Scoring Criterion (§ 960.6(b)(4)(iv)(B)):*

Q3. Does the definition of "sponsor" in § 960.1 apply to the not-for-profit organization/government entity sponsor scoring criterion such that a not-for-profit or government entity sponsor of a rental project must have an ownership interest in the project in order for the project to get any points under that criterion?

A3. Yes.

*First District Priority (§ 960.6(b)(4)(iv)(F)):*

Q4. If a Bank chooses more than one criterion for which an AHP application may receive points under the First District Priority scoring category, how are points to be allocated among those criteria?

A4. If a Bank permits applications to receive points for meeting more than one criterion under the First District Priority scoring category, the Bank must split the total number of points for the First District Priority among those criteria. The sum of the points allocated to each of the criteria must equal the total number of points allocated to the First District Priority. Each application must be scored according to the extent to which it meets each of the criteria. An application cannot receive more than the total number of points allocated to a particular criterion if the application meets that criterion. If an application meets all the criteria under the First District Priority, the application cannot receive more than the total number of points allocated to the First District Priority.

*Subsidy-Per-Unit  
(§ 960.6(b)(4)(iv)(H)):*

Q5. Is subsidy-per-unit based on AHP-targeted units only?

A5. Yes. The project is scored based on the extent to which the project proposes to use the least amount of AHP subsidy per AHP-targeted unit. AHP-targeted units are any units that will be purchased by, or reserved for occupancy by and affordable for, households with incomes of 80 percent or less of area median income.

*Funding Alternates (§ 960.6(b)(5)(i)):*

Q6. If sufficient AHP funds are recovered or repaid from previously committed AHP awards, must they be used to fund projects approved as alternates in a previous funding period?

A6. No. Recovered and repaid AHP subsidies must be returned to a Bank's AHP fund. A Bank may, but is not required to, fund alternate projects from recovered or repaid AHP funds.

*Board of Directors Approval  
(§ 960.6(b)(5)(ii)):*

Q7. May responsibility to approve or disapprove AHP applications be delegated by the board of directors of a Bank to a committee of the board?

A7. Yes. Such delegation should be done on an annual basis.

**Modification of AHP Applications Prior to Project Completion (§ 960.7)**

*Material Change (§ 960.7(a)):*

Q1. For purposes of modifications to AHP applications prior to project completion, what constitutes a change in a project that "materially" affects the facts under which the project's application was originally scored and approved for AHP funding?

A1. A change that materially affects the facts under which an AHP application was originally scored and approved is any change that has the potential for rendering the project

ineligible or for changing the score that the project received in the funding period in which it was originally scored, had the changed facts been operative at that time. Examples include changes in the level of income targeting or the number of targeted units in a project.

**Procedures for Funding (§ 960.8)**

*Direct Subsidy Changes  
(§ 960.8(c)(3)(i)):*

Q1. When a Bank has approved a direct subsidy for an interest rate or principal write-down, is the Bank required to reduce the amount of the direct subsidy when interest rates decrease?

A1. Yes. The Bank must reduce the amount of AHP subsidy when interest rates have decreased from the time of the approval of the AHP application to the time of funding. However, the Bank does have the discretion to process a project modification under § 960.7 to cover additional amounts of subsidy required due to increased project costs or the loss or reduction of other funding sources. The modification could be approved by the Bank's staff, rather than the Bank's board of directors, if the amount of AHP subsidy required does not exceed the amount of the originally approved subsidy.

**Modification of AHP Applications After Project Completion (§ 960.9)**

*Material Change (§ 960.9):*

Q1. For purposes of modifications to AHP applications after project completion, what constitutes a change in a project that "materially" affects the facts under which the project's application was originally scored and approved for AHP funding?

A1. A change that materially affects the facts under which an AHP application was originally scored and approved is any change that has the potential for rendering the project ineligible or for changing the score that the project received in the funding period in which it was originally scored, had the changed facts been operative at that time. Examples include changes in the level of income targeting or the number of targeted units in a project.

*Financial Distress (§ 960.9(a)):*

Q2. May a completed project qualify for a modification if it is at risk of falling into financial distress?

A2. Yes. A project must provide sufficient information for the Bank to determine that it either is in financial distress or is at substantial risk of falling into financial distress. This section is intended to provide flexibility to modify the commitments made in the approved AHP application if those modifications will help to avert the potential financial

distress. However, if a completed project needs additional AHP funds, it must compete for those additional funds.

**Initial Monitoring Requirements  
(§ 960.10)**

*Verification of Reasonable and Customary Costs (§§ 960.10(c)(1)(ii) and (c)(2)(ii)):*

Q1. What types of documentation may a Bank rely on in order to establish that a project's actual costs were reasonable and customary in accordance with the Bank's project feasibility guidelines?

A1. If a project is funded by other funding sources (such as Federal Low-Income Housing Tax Credits, FHA) that require a cost certification upon completion of construction or rehabilitation, the Bank may rely upon that cost certification to make its own determination whether the costs are reasonable and customary. If a cost certification is unavailable, the Bank shall review the final statement of sources and uses of funds to make that determination.

*Verification of Provision of Activities and Services (§ 960.10(c)(2)(i)):*

Q2. Is a site visit necessary to confirm that the services and activities committed to in an AHP rental housing application have been provided?

A2. A site visit is not necessary if the Bank has a certification and sufficient documentation to provide the Bank with reasonable assurance that the services and activities have been provided.

**Long-Term Monitoring (§ 960.11)**

*Reasonable Sampling Plan  
(§ 960.11(a)(3)(iii)(C)):*

Q1. What would be considered a reasonable sampling plan for the selection of projects to be monitored by a Bank each year?

A1. A Bank, working with its internal auditors, may develop a sampling methodology that is designed to assure that all projects are monitored according to the schedule established in § 960.11(a)(3)(iii) of the revised AHP regulation.

**Remedial Action for Noncompliance (§ 960.12)**

*Reasonable Collection Efforts  
(§ 960.12(a)(2)(ii)):*

Q1. What are reasonable collection efforts in the recovery of AHP subsidy by a member from the project sponsor or owner?

A1. Reasonable collection efforts will depend on the facts and circumstances of a given situation, including, but not limited to, the expected cost of recovery of the AHP subsidy and the amount of subsidy to be recovered. Reasonable

collection efforts may involve negotiation and pursuit of legal remedies against a project sponsor or owner, in addition to the enforcement of a member's rights under a mortgage or other lien on the project.

*Use of Recovered Interest for AHP-Eligible Projects (§ 960.12(c)(1)(i)):*

Q2. If AHP subsidy and interest are recovered by a Bank from a member, does the interest, as well as the AHP subsidy, have to be made available for other AHP-eligible projects under § 960.12(e)?

A2. Yes.

**Other Issues**

*Project Completion (§§ 960.1, 960.10 and 960.11):*

Q1. When is "project completion" to be determined for monitoring purposes?

A1. The date on which a certificate of occupancy is issued is one way to determine project completion. In areas that do not require certificates of occupancy, a Bank should identify in its monitoring procedures alternative ways that it will use to determine that a project is completed.

*Use of AHP Funds for Otherwise Eligible Costs (§ 960.5):*

Q2. May a Bank prohibit the use of AHP funds for certain types of costs that are otherwise eligible under the statute and revised AHP regulation?

A2. No.

*Retention and Monitoring Requirements Applicable to Projects Approved Prior to January 1, 1998 (§§ 960.1, 960.11, and 960.16):*

Q3. What are the retention and monitoring periods for projects approved prior to January 1, 1998?

A3. The retention and monitoring periods for projects approved prior to January 1, 1998, are 5 years from project completion for owner-occupied housing and 15 years from project completion for rental housing.

Dated: December 12, 1997.

**William W. Ginsberg,**

*Managing Director.*

[FR Doc. 97-33254 Filed 12-22-97; 8:45 am]

BILLING CODE 6725-01-U

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. 97-NM-283-AD; Amendment 39-10262; AD 97-26-19]

RIN 2120-AA64

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

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule; request for comments.

**SUMMARY:** This amendment supersedes an existing airworthiness directive (AD), applicable to all Aerospatiale Model ATR42-300 and ATR42-320 series airplanes, that currently requires repetitive ultrasonic inspections to detect fatigue cracks of the lower lugs of the barrel of the main landing gear (MLG); and replacement of cracked lower lugs with new or serviceable parts, and a follow-on inspection. This amendment expands the applicability of the existing AD. This action also provides for an optional terminating action, which, if accomplished, terminates the repetitive inspection requirement. This amendment is prompted by issuance of mandatory continuing airworthiness information by a foreign civil airworthiness authority. The actions specified in this AD are intended to detect and correct fatigue cracking of the lower lugs of the barrel of the MLG, which could lead to the collapse of the MLG.

**DATES:** Effective January 7, 1998.

The incorporation by reference of Messier-Dowty Service Bulletin 631-32-133, dated February 24, 1997, as revised by Messier-Dowty Service Bulletin Change Notice No. 1, dated March 18, 1997, as listed in the regulations, is approved by the Director of the Federal Register as of January 7, 1998.

The incorporation by reference of Messier-Dowty Service Bulletin 631-32-132, dated January 21, 1997, as listed in the regulations, was approved previously by the Director of the Federal Register as of March 7, 1997 (62 FR 7665, February 20, 1997).

Comments for inclusion in the Rules Docket must be received on or before January 22, 1998.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 97-NM-

283-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

The service information referenced in this AD may be obtained from Aerospatiale, 316 Route de Bayonne, 31060 Toulouse, Cedex 03, France. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:**

International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2110; fax (425) 227-1149.

**SUPPLEMENTARY INFORMATION:** On February 10, 1997, the FAA issued AD 97-04-09, amendment 39-9933 (62 FR 7665, February 20, 1997), which is applicable to certain Aerospatiale Model ATR42-300 and ATR42-320 series airplanes. That AD requires repetitive ultrasonic inspections to detect fatigue cracks of the lower lugs of the barrel of the main landing gear (MLG), for airplanes on which the barrel assembly has been overhauled or repaired. If any lower lug is found to be cracked, the AD further requires replacement of the MLG barrel assembly with new or serviceable parts, and a follow-on inspection. That action was prompted by reports indicating that, due to fatigue cracking in the lower lugs of the barrel, the MLG collapsed. The actions required by that AD are intended to detect and correct such fatigue cracking, which could lead to the collapse of the MLG.

**Actions Since Issuance of Previous Rule**

Since the issuance of that AD, the Direction Générale de l'Aviation Civile (DGAC), which is the airworthiness authority for France, advises that further investigation has revealed that the fatigue cracking is the result of a design flaw that may also affect new barrel assemblies that have never been overhauled or repaired. In addition, the DGAC advises that the interval for the repetitive inspections may be extended from 700 landings to 900 landings.

**Relevant Service Information**

Messier-Dowty has issued Service Bulletin 631-32-133, dated February 24, 1997, which describes procedures to modify the lower lugs of the barrel of the MLG. The modification entails reconditioning the lower lugs and installing new bushings on the swinging lever. Accomplishment of this modification will prevent failure of the lugs due to fatigue cracking. Accomplishment of the modification