

§ 928.53 (modification, suspension, or termination of regulations), and § 928.55 (inspection and certification). Each approved applicant may sell not more than 100 pounds of papayas during any one day direct to consumers for home use and not for resale.

After consideration of all relevant matters presented, including the proposal in the notice and other available information, it is hereby found that amendment of said rules and regulations is in accordance with the marketing agreement and order and will tend to effectuate the declared policy of the act.

Therefore, § 928.153 *Minimum quantities exemption* is added as follows:

**§ 928.153 Minimum quantities exemption.**

(a) Any producer may apply to the committee to handle papayas he or she produces direct to consumers exempt from the provisions of §§ 928.41, 928.52, 928.53, and 928.55. Such application shall show:

- (1) The name and address of the producer;
- (2) The location of the orchard, the acreage in such orchard, and the estimated production thereof;
- (3) The location at which the producer will sell the papayas to consumers; and
- (4) An agreement to submit such reports as may be required by the committee.

(b) Upon approval of the producer's application, such producer may sell not to exceed a total of 100 pounds of papayas during any one day direct to consumers for home use and not for resale.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated July 24, 1980, to become effective August 28, 1980.

**D. S. Kuryloski,**

*Acting Director, Fruit and Vegetable Division,  
Agricultural Marketing Service.*

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 226

[Reg. Z; Docket No. R-0295]

#### Truth in Lending; Increased Tolerance For Annual Percentage Rates in Irregular Mortgage Transactions

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board is amending Regulation Z (Truth in Lending) to

increase the tolerance for accuracy in disclosing the annual percentage rate in irregular mortgage transactions to one-half of one percentage point. The more generous tolerance will be available only until March 31, 1981; after that date, the annual percentage rate for those transactions would have to meet the general standard of accuracy of one-eighth of one percentage point. This amendment follows the recommendation in the Conference Report on the recent Truth in Lending Simplification and Reform Act.

**EFFECTIVE DATE:** August 1, 1980.

**FOR FURTHER INFORMATION CONTACT:** Ellen Maland, Section Chief, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202-452-3867).

**SUPPLEMENTARY INFORMATION:** The Truth in Lending Simplification and Reform Act (Title VI of Pub. L. 96-221, the Depository Institutions Deregulation and Monetary Control Act of 1980) was signed into law on March 31, 1980. The Conference Report (H.R. Rep. No. 96-842, 96th Cong., 2d Sess. 81 (1980)) on the act recommends that the Board consider a temporary relaxation of the rules for accuracy of annual percentage rates in irregular mortgage transactions. Under the general standard of accuracy for annual percentage rates in Regulation Z, the disclosed rate must be within one-eighth of one percentage point above or below the actual rate. The Conference Report suggests permitting a tolerance of up to one-half of one percentage point for complex mortgage transactions. This additional tolerance is intended to give lenders the time to acquire the calculation tools needed to determine accurate annual percentage rates in complicated mortgages. The effect of the special rule would be to insulate temporarily those lenders from civil liability for errors within the expanded tolerance limits.

The Board published this proposal for comment on May 20, 1980 (45 FR 33644) and received 73 comments. The majority of the comments supported adoption of the amendment as proposed. After full consideration of all the comments, the Board is now amending the annual percentage rate provisions of Regulation Z to provide a greater tolerance for irregular mortgage transactions until March 31, 1981. The amendment permits a tolerance of one-half of one percentage point, thus allowing disclosure of an annual percentage rate for such a transaction to be considered accurate as long as it is within one-half of one percentage point above or below the actual rate. This tolerance for

irregular mortgage transactions is in lieu of, not in addition to, the general one-eighth of one percentage point tolerance permitted in all transactions.

Irregular mortgage transactions are defined as those involving multiple advances or irregular payment schedules (other than an irregular first period or an irregular first or last payment amount). The annual percentage rate for this category of transactions cannot be determined by the use of Volume I of the Board's Annual Percentage Rate Tables. The category of irregular mortgage transactions includes, for example, construction financing involving multiple advances, loans with government or private mortgage insurance premiums that vary during the loan term, and graduated payment and step-rate mortgages.

The only change being made to the provision proposed in May is a clarification of the date that the provision expires. The more generous tolerance is available through March 31, 1981. Beginning on April 1, 1981, irregular mortgage transactions must meet the general standard of accuracy.

In consideration of the foregoing and pursuant to the authority granted in section 105 of the Truth in Lending Act (15 U.S.C. 1604, as amended), the Board amends § 226.5 of Regulation Z (12 CFR Part 226), effective August 1, 1980, by adding paragraph (d) to read as follows:

**§ 226.5 Determination of annual percentage rate.**

(d) *Special rule for irregular mortgage transactions.* Notwithstanding any other provision in this section, the annual percentage rate in an irregular mortgage transaction shall be considered accurate if it is not more than one-half of one percentage point above or below the annual percentage rate determined in accordance with either the actuarial method or the United States Rule method. For the purpose of this paragraph, an irregular mortgage transaction is a real property transaction involving one or more of the following features: multiple advances, irregular payment periods (other than an irregular first period, as defined in footnote 5c), and irregular payment amounts (other than irregular first and last payment amounts). This paragraph shall cease to be effective on March 31, 1981, after which date the general standard of accuracy in paragraph (b) of this section shall apply.

By order of the Board of Governors, July 23, 1980.

Griffith L. Garwood,  
Deputy Secretary of the Board.

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## FEDERAL TRADE COMMISSION

### 16 CFR Part 13

[Docket No. 9074]

#### General Motors Corp., et al.; Prohibited Trade Practices, and Affirmative Corrective Actions

AGENCY: Federal Trade Commission.

ACTION: Final order.

**SUMMARY:** In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent order requires, among other things, Chuck Olson Chevrolet, Inc. (Olson), an Oregon motor vehicle dealer with its principal place of business located in Seattle, Wash., to adopt and adhere to the "Repossession Accounting Procedures" maintained by General Motors Corporation; furnish all appropriate supervisory personnel with a copy of the procedures; and establish to the reasonable satisfaction of the Commission that it has paid all surpluses realized on repossessed vehicles returned by financing institutions other than General Motors Acceptance Corporation (GMAC) since February 10, 1973. (Surpluses generated from Olson vehicles which have been repossessed by GMAC have to be paid by GMAC.)

**DATES:** Complaint issued February 10, 1976. Decision issued July 7, 1980.

**FOR FURTHER INFORMATION CONTACT:** Thomas Armitage, Director, 10R, Seattle Regional Office, Federal Trade Commission, 28th Floor, Federal Bldg., 915 Second Ave., Seattle, Wash. 98174. (206) 442-4655.

**SUPPLEMENTARY INFORMATION:** On Friday, March 7, 1980, there was published in the *Federal Register*, 45 FR 14880, a proposed consent agreement with analysis in the Matter of General Motors Corporation, General Motors Acceptance Corporation, and Chuck Olson Chevrolet, Inc., corporations, for the purpose of soliciting public comment. Interested parties were given sixty (60) days in which to submit comments, suggestions or objections regarding the proposed form of order.

<sup>1</sup> Copies of the Decision and Order filed with the original document.

No comments having been received, the Commission has ordered the issuance of the complaint in the form contemplated by the agreement, made its jurisdictional findings and entered its order to cease and desist, as set forth in the proposed consent agreement, in disposition of this proceeding.

The prohibited trade practices and/or corrective actions, as codified under 16 CFR Part 13, are as follows: Subpart—Corrective Actions and/or Requirements: § 13.533 Corrective actions and/or requirements; 13.533-20 Disclosures; 13.533-55 Refunds, rebates and/or credits. Subpart—Delaying or Withholding Corrections, Adjustments or Action Owed: § 13.675 Delaying or withholding corrections, adjustments or action owed.

(Sec. 6, 38 Stat. 721; (15 U.S.C. 46). Interprets or applies sec. 5, 38 Stat. 719, as amended; (15 U.S.C. 45))

Carol M. Thomas,  
Secretary.

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## EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

### 29 CFR Part 1613

#### Procedures for Review of Final Decisions of the Merit Systems Protection Board Involving Allegations of Discrimination

AGENCY: Equal Employment Opportunity Commission.

ACTION: Interim regulations.

**SUMMARY:** These interim regulations provide the procedures for review of final decisions of the Merit Systems Protection Board which involve allegations of discrimination (mixed cases). The issuance of these regulations is necessitated by the Civil Service Reform Act of 1978 (Pub. L. 95-454). They provide for the processing and resolution of petitions filed with the Equal Employment Opportunity Commission from final decisions of the Merit Systems Protection Board in mixed cases.

**DATES:** These interim regulations are effective July 29, 1980. Consideration will be given to written comments or suggestions received on or before August 28, 1980.

**ADDRESSES:** Address comments to: Treva McCall, Executive Secretariat, Equal Employment Opportunity Commission, 2401 E Street, NW., Washington, D.C. 20506. Comments will be available for public inspection in the Social Sciences Library, Room 2003, at

Equal Employment Opportunity headquarters, 2401 E Street, NW., Washington, D.C. 20506 on Monday through Friday of each week from 9:30 a.m. to 5 p.m. (202-634-6990).

**FOR FURTHER INFORMATION CONTACT:** Ronald Copeland, Office of Review and Appeals, Equal Employment Opportunity Commission, 2401 E Street, NW., Washington, D.C. 20506, (703) 756-6067.

**SUPPLEMENTARY INFORMATION:** The Civil Service Reform Act of 1978, (hereinafter the Act), has been codified in Title 5 of the United States Code. 5 U.S.C. 7702(b) provides that an employee or applicant for Federal employment may, within 30 days after notice of a final decision of the Merit Systems Protection Board, petition the Commission to consider issues of prohibited discrimination. At present there are no regulations delineating the requirements for filing and review of the petitions. These interim regulations accomplish this purpose. They are effective upon publication and will remain in effect until final regulations are implemented. This is required because petitions are currently being received by the Commission; the Act requires immediate action on these petitions by the Commission.

Section 1613.416 of these interim regulations sets forth the procedures the Commission will follow upon receipt of a petition. Because of the absence of explicit statutory language in the Act regarding the Commission's scope of review, an explanation of the underlying rationale of this section will be helpful. The Act sets forth a two-step procedure for the Commission once a timely petition has been filed. Initially, the Commission must determine whether it will consider the decision of the Merit Systems Protection Board pursuant to 5 U.S.C. 7702(b)(2). This determination, if positive, initiates the Commission's decision-making authority under 5 U.S.C. 7702(b)(3). In this regard, although not explicitly stated in the Act, a concurring Commission decision is permitted by 5 U.S.C. 7702(b)(3)(A) and will be useful in supporting, elaborating on or clarifying important issues contained in Merit Systems Protection Board decisions. For example, the Commission may decide to publish a concurring opinion where the Merit Systems Protection Board decision involves the first "published" interpretation of a Commission regulation or directive.

Section 1613.416(b) states, "[t]he Commission shall determine whether to consider the decision of the Merit Systems Protection Board within thirty