

The amendments impose certain further restrictions necessary to prevent the interstate spread of hog cholera and must be made effective immediately to accomplish their purpose in the public interest. Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendments are impracticable and contrary to the public interest, and good cause is found for making them effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 18th day of July 1969.

R. J. ANDERSON,
*Acting Administrator,
Agricultural Research Service.*

[F.R. Doc. 69-8786; Filed, July 25, 1969;
8:46 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Regs. G, T, U]

PART 207—SECURITIES CREDIT BY PERSONS OTHER THAN BANKS, BROKERS, OR DEALERS

PART 220—CREDIT BY BROKERS AND DEALERS

PART 221—CREDIT BY BANKS FOR THE PURPOSE OF PURCHASING OR CARRYING MARGIN STOCKS

Adoption of Forms

1. The Board of Governors has adopted the following new and revised forms for use by banks, brokers and dealers, and other persons in fulfilling certain requirements of Parts 207, 220, and 221 of Title 12 (Regulations G, T, and U) that became effective July 8, 1969.¹

a. Registration Statement for Persons Other Than Commercial Banks and Brokers That Extend Credit Secured by Margin Securities (Federal Reserve Form G-1).

b. Deregistration Statement for Persons Registered Pursuant to Regulation G (Federal Reserve Form G-2).

c. Statement of Purpose of an Extension of Credit by a Person Subject to Registration Under Regulation G Secured by Margin Securities (Federal Reserve Form G-3).

d. Quarterly Report (Federal Reserve Form G-4).

e. Statement of Purpose of an Extension of Credit by a Creditor (Federal Reserve Form T-4).

f. Statement of Purpose of a Stock Secured Extension of Credit by a Bank (Federal Reserve Form U-1).

¹ A copy of each form is filed as a part of the original document. Copies are available upon request to the Board of Governors of the Federal Reserve System or any Federal Reserve Bank after July 18, 1969.

g. Statement of Purpose of an Extension of Credit Under Section 221.3(w) of Federal Reserve Regulation U (Federal Reserve Form U-2).

2. General notice of the proposed rule making with respect to Parts 207, 220, and 221 was published in the FEDERAL REGISTER of February 15, 1969 (34 F.R. 2257, 2261, and 2268), and notice of adoption thereof in the FEDERAL REGISTER of June 11, 1969 (34 F.R. 9191, 9196, and 9203). The adoption of these forms implements certain requirements of such regulations as revised by the Board, effective July 8, 1969.

Dated at Washington, D.C., this 18th day of July 1969.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

[F.R. Doc. 69-8769; Filed, July 25, 1969;
8:45 a.m.]

[Reg. Z, Supp. II]

PART 226—TRUTH IN LENDING

Procedures and Criteria for State Exemption From Federal Law

1. Effective July 1, 1969, Supplement II to Part 226 is added as set forth below.

2. On April 9, 1969, notice of proposed rule making regarding Supplement II to Part 226 (Regulation Z) was published in the FEDERAL REGISTER (34 F.R. 6295). Supplement II is incorporated by reference in § 226.12(b) and contain procedures and criteria to be followed by a State seeking an exemption from the Federal Act on the basis of a determination by the Board that under its law a class or classes of credit transactions are subject to requirements substantially similar to the requirements of Chapter 2 of the Federal Truth in Lending Act (15 U.S.C. 1631-1641) and that there is adequate provision for enforcement thereof.

3. After consideration of all such relevant matter presented by interested persons, in addition to editorial and minor structural changes, the following substantive changes have been made in the proposals as published in the notice of proposed rule making:

a. Requirements relating to the submission of documents to support an application were broadened to include information concerning fiscal arrangements for administrative enforcement, the number and qualification of personnel, and procedures for enforcement including enforcement with respect to federally chartered creditors. In this connection although a class of transactions in general may be granted an exemption, federally chartered institutions otherwise included within the class may be treated as a separate class subject to the Federal Act unless appropriate arrangements have been made with Federal authorities to assure effective enforcement of the requirements of State law.

b. Classes of transactions subject to exemption were broadened to include any significant class of credit transactions which is determined by the Board to be readily susceptible to treatment as a separate class of transactions consistent with the purpose of the Act and without undue likelihood of impairing enforcement.

c. The final version of the supplement clarifies the fact that State classes of transactions must encompass all transactions within the dollar amount limits set in the Federal Act. Additionally the supplement makes it clear that no class of transactions which normally involves a security interest in real property which the customer uses or expects to use as his principal residence will be exempted unless that class of transactions is subject to the right of rescission under State law as provided under section 125 of the Federal Act. Classes of transactions which normally do not involve such security interests may be conditionally exempted although not subject to a State right of rescission provided that any transaction within the class which does involve such security interest remains subject to section 125 of the Federal Act.

d. The procedure for consideration of an application has been modified to provide notice in the FEDERAL REGISTER of the filing of any application in advance of Board determination as to possible exemption. A copy of the application will be available for examination at the Board and the Federal Reserve Bank of each Federal Reserve District in which any part of the applicant State is situated.

e. Provision for procedures to be followed in the event of an adverse determination on an exemption are included in the supplement, and procedures for revocation of exemption are expanded.

4. The Board found that the rules contained in Supplement II are essentially procedural in nature. Accordingly, the provisions of section 553 of title 5, United States Code, relating to deferred effective date with respect to changes in substantive rules, were not followed in promulgating this supplement.

(15 U.S.C. 1633)

Dated at Washington, D.C., this 1st day of July 1969.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

SUPPLEMENT II TO REGULATION Z

PROCEDURES AND CRITERIA UNDER WHICH ANY
STATE MAY APPLY FOR EXEMPTION PURSUANT
TO PARAGRAPH (A) OF § 226.12

(a) *Application.*—Any State may make application to the Board, pursuant to the terms of this supplement and the Board's Rules of Procedure (12 CFR 262), for a determination that, under the laws of that State,¹ any class

¹ Any reference to State law in Supplement II includes a reference to any regulations which implement State law and formal interpretations thereof.

of transactions² within that State is subject to requirements substantially similar to those imposed under Chapter 2 of the Act³ and that there is adequate provision for enforcement of such requirements. Such application shall be:

(1) Made by letter addressed to the Board signed by the Governor, the Attorney General, or any official of the State having responsibilities under the State laws which are applicable to that class of transaction and supported by the documents specified in paragraph (b); and

(2) Made with respect to any class of transactions described in subparagraph (c) (1) under which creditors extend or arrange to extend, or in connection with which creditors offer to extend or offer to arrange to extend, consumer credit within that State.

(b) *Supporting documents.* The application shall be accompanied by:

(1) A copy of the full text of the laws of the State which are claimed by the applicant to impose requirements substantially similar to those imposed under Chapter 2 of the Act with respect to the class of transactions within that State.

(2) A comparison of each requirement of State law with the corresponding requirement of Chapter 2 of the Act, together with reasons to support the claim that applicable requirements of State law are substantially similar to all requirements imposed under Chapter 2 of the Act (including the provisions of § 125) with respect to that class of transactions, and to demonstrate that any differences are not inconsistent with the requirements of Chapter 2 of the Act and that there are no other effective State laws which are inconsistent with the requirements of Chapter 2 of the Act with respect to that class of transactions.

(3) A copy of the full text of the laws of the State which provide for enforcement of the State laws referred to in subparagraph (1) of this paragraph.

(4) A comparison of the provisions of State law with the provisions of §§ 108, 112, 130, and 131 of the Act, together with reasons to support the claim that such State laws provide for:

(i) Administrative enforcement of the State laws referred to in subparagraph (1) of this paragraph which is tantamount to the provisions for enforcement under § 108 of the Act;

(ii) Criminal liability for willful and knowing violation with penalties substantially similar to those prescribed under § 112 of the Act;

(iii) Civil liability for failure to make required disclosures substantially similar to those provided under §§ 130 and 131 of the Act, except that more severe penalties may be provided; and

(iv) A statute of limitations that prescribes a period, with respect to civil liability actions, of substantially similar duration as that provided under paragraph (e) of § 130 of the Act.

(5) A statement identifying the office designated or to be designated to administer the State laws referred to in subparagraph (1) of this paragraph, together with complete information regarding the fiscal arrangements for administrative enforcement (including the amount of funds available or to be provided), the number and qualification of personnel engaged therein, and a description of the procedures under which

such State laws are to be administratively enforced, including administrative enforcement with respect to federally chartered creditors.⁴ The foregoing statement should include reasons to support the claim that there is adequate provision for enforcement of such State laws.

(c) *Criteria for determination.* The Board will consider the following criteria along with any other relevant information in making a determination of whether the laws of a State impose requirements substantially similar to those imposed under Chapter 2 of the Act with respect to any class of transactions within that State, and whether there is adequate provision for enforcement of such laws:

(1) A class of transactions shall be:

(i) Transactions under open end consumer credit plans which are subject to the requirements of § 127 of the Act;

(ii) Consumer credit sale transactions not under open end credit plans which are subject to the requirements of § 128 of the Act;

(iii) Consumer loan transactions not under open end credit plans which are subject to the requirements of § 129 of the Act; or

(iv) Any significant class of credit transactions which is determined by the Board to be readily susceptible to treatment as a separate class of transactions consistent with the purpose of the Act and without undue likelihood of impairing enforcement. Such class of credit transactions may be identified by reference to the type of creditor or the type of subject matter of the transaction, or both.

(2) In order for requirements of State law to be substantially similar to requirements imposed under Chapter 2 of the Act, the provisions of State law⁵ shall require that:

(i) Definitions and rules of construction, as applicable, import the same meaning and have the same application as those prescribed under § 226.2;

(ii) Each class of transactions shall include all consumer credit transactions in that class in which a security interest in real property is or will be retained or acquired irrespective of the amount financed, but may exclude other transactions where the amount financed exceeds \$25,000;

(iii) Creditors make required disclosures and deliver required notices in form, content, and terminology as prescribed in this part; however, references to Federal law in the form of notice required under § 226.9(b) may be changed so as to refer to State law;

(iv) Creditors make disclosures of the finance charge determined as prescribed under § 226.4;

(v) Creditors make disclosures of the annual percentage rate determined as prescribed under § 226.5;

(vi) Customers shall have a right to re-

⁴ All transactions within an exempt class of transactions in which a federally chartered institution is a creditor shall be treated as a separate class of transactions not subject to the exemption, and such federally chartered creditors shall remain subject to the requirements of the Act and administrative enforcement by the appropriate Federal authority under § 108 of the Act, unless it is established to the satisfaction of the Board that appropriate arrangements have been made with such Federal authorities to assure effective enforcement of the requirements of State laws with respect to such creditors.

⁵ This paragraph is not to be construed as indicating that the Board would consider adversely any additional requirements of State law which are not inconsistent with the purpose of the Act or the requirements imposed under Chapter 2 of the Act.

scind certain transactions as provided under § 125 of the Act and shall also be afforded remedies in event of rescission as provided under that section;⁶

(vii) Creditors make delivery of required disclosures and notices in the circumstances and at a time no later than as prescribed under §§ 226.7, 226.8, and 226.9, as applicable;

(viii) If the Comparative Index of Credit Cost is permitted or required to be disclosed, it is determined and disclosed as prescribed under § 226.11; and

(ix) Creditors comply with general disclosure requirements prescribed in accordance with paragraphs (a), (d), (e), and (i) of § 226.6, and any provision in State law which permits the supplying of additional information or explanations shall be subject to restrictions as provided under the first sentence of § 226.6(c).

(3) In determining whether provision for enforcement of State law referred to in subparagraph (1) of paragraph (b) is adequate, consideration will be given to the extent to which, under the laws of the State, provision is made for:

(i) Administrative enforcement, including necessary facilities, personnel and funding;

(ii) Criminal liability for willful and knowing violation with penalties substantially similar to those prescribed under § 112 of the Act;

(iii) Civil liability for failure to make required disclosures substantially similar to those provided under §§ 130 and 131 of the Act, except that more severe penalties may be provided; and

(iv) A statute of limitations with respect to civil liability of substantially similar duration as that provided under § 130 of the Act.

(d) *Public notice of filing and proposed rule making.* In connection with any application which has been filed in accordance with the requirements of paragraphs (a) and (b), notice of such filing and proposed rule making will be published by the Board in the FEDERAL REGISTER, and a copy of such application will be made available for examination by interested persons during business hours at the Board and at the Federal Reserve Bank of each Federal Reserve District in which any part of the State of the applicant is situated. A period of time will be allowed from the date of such publication for the Board to receive written comments from interested persons with respect to that application.

(e) *Exemption from requirements of Chapter 2.* If the Board determines on the basis of the information before it that under the law of a State any class of transactions is subject to requirements substantially similar to those imposed under Chapter 2 of the Act and that there is adequate provision for enforcement, the Board will exempt such class

⁶ No class of transactions which normally involves a security interest in real property which the customer uses or expects to use as his principal residence will be exempted unless that class of transactions is subject to the right of rescission under State law as provided under § 125 of the Act. However, any other class of transactions which in the opinion of the Board does not normally involve any such security interest may be conditionally exempted although it is not subject to the right of rescission under State law, the condition being that those transactions within the class which do involve any such security interest shall remain subject to the provisions of § 125 of the Act. In such cases, the right to rescind shall exist until midnight of the third business day following the date of consummation of that transaction or the date of delivery of the disclosures required under § 226.9 and all other material disclosures required under State law, whichever is later.

² References to "class of transactions" in Supplement II, as applicable, include two or more of such classes of transactions.

³ Any reference to Chapter 2 of the Act or any section thereof in Supplement II includes a reference to the implementing provisions of this part and the Board's formal interpretations thereof.

of transactions in that State from the requirements of Chapter 2 of the Act in the following manner and subject to the following conditions:

(1) Notice of the exemption will be published in the FEDERAL REGISTER, and the Board will furnish a copy of such notice to the official who made application for such exemption and to each Federal authority responsible for administrative enforcement of the requirements of Chapter 2 of the Act.

(2) The appropriate official of any State which receives an exemption shall inform the Board within 30 days of the occurrence of any change in its related law (or regulations). The report of any such change shall contain copies of the full text of that change together with statements setting forth the information and opinions with respect to that change as specified in subparagraphs (2) and (4) of paragraph (b). The appropriate official of any State which has received an exemption shall file with the Board from time to time such reports as the Board may require.

(3) The Board will inform the appropriate official of any State which receives an exemption of any subsequent amendments of Chapter 2 of the Act (including the implementing provisions of this part and the Board's formal interpretations) which might call for amendment of State law, regulations, or formal interpretations.

(f) *Adverse determination.* (1) If after publication of notice in the FEDERAL REGISTER as provided under paragraph (d) the Board finds on the basis of the information before it that it cannot make any favorable determination in connection with the application, the Board will notify the appropriate State official of the facts upon which such findings are based and shall afford that State a reasonable opportunity to demonstrate or achieve compliance.

(2) If, after having afforded the State such opportunity to demonstrate or achieve compliance, the Board finds on the basis of the information before it that it still cannot make any favorable determination in connection with the application, the Board will publish in the FEDERAL REGISTER a notice of its decision with respect to such application and will furnish a copy of such notice to the official who made application for such exemption.

(g) *Revocation of exemption.* (1) The Board reserves the right to revoke any exemption if at any time it determines that the State law does not in fact impose requirements which are substantially similar to those imposed under Chapter 2 of the Act or that there is not in fact adequate provision for enforcement.

(2) Before revoking any State exemption, the Board will notify the appropriate State official of the facts or conduct which in the opinion of the Board warrant such revocation and shall afford that State such opportunity as the Board deems appropriate in the circumstances to demonstrate or achieve compliance.

(3) If, after having been afforded the opportunity to demonstrate or achieve compliance, the Board determines that the State has not done so, notice of the Board's intention to revoke such exemption shall be published as a notice of proposed rule making in the FEDERAL REGISTER. A period of time will be allowed from the date of such publication for the Board to receive written comments from interested persons with respect to the proposed rule making.

(4) In the event of revocation of such exemption, notice of such revocation shall be published by the Board in the FEDERAL REGISTER, and a copy of such notice shall also be furnished to the appropriate State official and to the Federal authorities responsible for enforcement of requirements of Chapter 2 of the Act, and the class of transactions affected within that State shall then be sub-

ject to the requirements of Chapter 2 of the Act and subject to administrative enforcement as provided under § 108 of the Act.

[F.R. Doc. 69-8770; Filed, July 25, 1969; 8:45 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 69-CE-13-AD; Amdt. 39-806]

PART 39—AIRWORTHINESS DIRECTIVES

Beech Model 99 Series Airplanes

An airworthiness directive was adopted on July 11, 1969, and made effective immediately as to all known owners of Beech Model 99 series airplanes. The Beech Model 99 series airplanes include the Beech Models 99 and 99A airplanes. This airworthiness directive was issued because recent investigations have established that cracks may exist in the elevator torque tubes in these model airplanes. Failure of these tubes can result in the airplane being uncontrollable. In order to prevent this condition the directive requires before further flight and thereafter at 100 hour intervals on all Beech Model 99 series airplanes with 500 or more hours' time in service and to other Beech Model 99 series airplanes when 500 hours' time in service is accrued, removal of both aluminum elevator torque tubes and inspection of the entire tubes for cracks utilizing dye-penetrant or zygo inspection methods. If cracks are found, the elevator torque tubes must be replaced with Beech P/N 115-610010-191 steel torque tubes. Both elevator torque tubes must be replaced with Beech P/N 115-610010-191 steel torque tubes within 300 hours' of the initial inspection. In addition, the airworthiness directive requires that notification, in writing, will be given to the Chief, Engineering and Manufacturing Branch, Federal Aviation Administration, Central Region, of all cracks found on inspections made pursuant to this airworthiness directive.

Since it was found that immediate corrective action was required, notice and public procedure thereon was impracticable and contrary to the public interest and good cause existed in making the airworthiness directive effective immediately as to the owners of Beech Models 99 and 99A airplanes by individual telegrams dated July 11, 1969. These conditions still exist and the airworthiness directive is hereby published in the FEDERAL REGISTER as an amendment to § 39.13 of Part 39 of the Federal Aviation Regulations to make it effective as to all persons.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator (31 F.R. 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

BEECH. Applies to all Models 99 and 99A (Serial Nos. U-1 through U-128) airplanes with 500 or more hours' time in service and to other Models 99 and 99A (Serial Nos. U-1 through U-128) airplanes when 500 hours' time in service is accrued.

Compliance: Required as indicated, unless already accomplished.

To prevent possible loss of elevator control, accomplish the following:

(a) Before further flight, remove both aluminum elevator torque tubes and inspect the entire tubes for cracks utilizing dye-penetrant or zygo inspection methods. If cracks are found, replace the elevator torque tubes with Beech P/N 115-610010-191 steel torque tubes. To accomplish this inspection, the airplane may be flown in accordance with FAR 21.197 to a base where the inspection can be performed.

(b) The inspection required by paragraph (a) must be repeated each 100 hours' time in service after the initial inspection and if cracks are found the tubes must be replaced as provided in paragraph (a).

(c) Both elevator torque tubes must be replaced with Beech P/N 115-610010-191 steel torque tubes within 300 hours' of the initial inspection.

(d) When the replacement described in this Airworthiness Directive has been accomplished, the inspections required by this Airworthiness Directive are no longer required.

(e) Notification, in writing, will be given the Chief, Engineering and Manufacturing Branch, Federal Aviation Administration, Central Region, of all cracks found on inspections pursuant to this airworthiness directive. (Reporting approved by the Bureau of the Budget under BOB No. 04-R0174.)

This amendment becomes effective July 26, 1969, for all persons except those to whom it was made effective by telegram dated July 11, 1969.

(Secs. 313(a), 601 and 603 of the Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421 and 1423, and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c))

Issued in Kansas City, Mo., on July 18, 1969.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 69-8779; Filed, July 25, 1969; 8:46 a.m.]

Chapter V—National Aeronautics and Space Administration

PART 1221—NASA OFFICIAL SEAL, INSIGNIA, OFFICIAL ASTRONAUT BADGES AND FLAGS

1. Part 1221: The title of part and the text is revised in its entirety as follows:

Sec.	
1221.100	Scope.
1221.101	Establishment of the NASA Seal.
1221.102	Establishment of the NASA Insignia.
1221.103	Establishment of official NASA Astronaut Badges.
1221.104	Policy.
1221.105	The official NASA Flag.
1221.106	Administrator's, Deputy Administrator's, and Associate Administrator's Flags.
1221.107	Compliance and enforcement.
1221.108	Illustration of the NASA Seal.
1221.109	Illustration of the NASA Insignia.

AUTHORITY: The provisions of this Part 1221 issued pursuant to 42 U.S.C. 2472(a) and 2473(b) (1).