B. Board Action under the CEBA

1. Mandatory Board Action

Title I

a. Section 104—Qualified Thrift Lender ("QTL") test—Regulations to define terms and implement the requirements of the QTL test. Regulations which tie Federal Home Loan Bank ("FHLBank") advances to members' ability to meet the QTL test.

Deadline: Institutions have until January 1, 1988, to satisfy the QTL test.

Title IV

b. Section 402—Regulations on classification of assets; appraisal standards; reappraisal upon foreclosure; use of the Statements of Financial acconting Standards No. 5 and No. 15 for troubled debt restructurings; uniform GAAP accounting; asset evaluations; and loan loss deferrals.[2]

Deadline: Must be "implemented" by January 7, 1988; except that GAAP accounting rule "shall take effect" on December 31, 1987. Proposals due to Congress by November 8, 1987.

c. Section 404—Regulations implementing Capital Forbearance provisions.

Deadline: Regulations must be "implemented" by January 7, 1988. Proposal due to Congress by November 8, 1987.

d. Section 410—Guidelines for approval and disapproval procedures for all applications to the Board.

Deadline: Guidelines must become "effective" by October 9, 1987.

e. Section 411—Guidelines for asset disposition.

Deadline: Guidelines must be "promulgated" by February 6, 1988.

f. Section 415—Guidelines for employment of outside accountants, attorneys, conservators, other consultants, and outside professionals.

Report on guidelines to be submitted to Congress by February 6, 1988.

2. Required Board Action Without Specified Time Frames

Title III

a. Section 302—Regulations to avoid conflicts of interest with respect to disclosure to and use by members of the FSLIC Industry Advisory Committee or information relating to Board, FSLIC, FHLBanks, and the Federal Asset Disposition Association.

Title IV

b. Section 406—Regulations implementing Board's authority to set minimum capital requirements.

c. Section 407—Guidelines providing greater supervisory flexibility including: flexible approval procedures for renegotiated loans; recognition of the additional financial capacity of the borrower; appraisal review system; elimination of scheduled items except for I–4 family residences; and informal review procedures for appeal of Principal Supervisory Agent decisions.

3. Other Board Action

Title I

a. Section 104—Regulations or amendments to existing requlations concerning Savings and Loan Holding Company activities and grandfathering regulations; anti-tying regulations; treatment of Federal Deposit Insurance Corporation ("FDIC") insured savings banks and cooperative banks as FSLIC-insured institutions upon application to the Board; and new exceptions to interstate acquisitions.

b. Section 105—Regulations concerning advances to insured institutions from FHLBanks (tied to the QTL test).

c. Section 106—Regulations or amendments to existing regulations concerning securities affiliations of FSLIC-insured institutions.

d. Section 107—Regulations or amendments to existing regulations concerning establishment of holdiong companies for FSLIC-insured or FDIC-insured mutual savings and loans.

e. Section 110—Regulations or amendments to existing regulations concerning exemption from affiliate transaction restrictions.

f. Section 111—Regulations or amendments to existing regulations concerning consideration of tax implications on FSLIC-arranged and emergency acquisitions.

Title III

g. Sections 302, 304–307—Regulations concerning the establishment and authority of the financing corporation and related matters.

h. Section 306—Regulations on exit fees.

Title IV

i. Section 405—Regulations or guidelines to govern a capital instrument purchase program to complement the capital forbearance program.

j. Section 406—Regulations or guidelines establishing minimum capital requirements.

k. Section 413—Regulations or guidelines concerning the disclosure requirements of the authority for those acting on behalf of the Board.

l. Section 414—Regulations or guidelines regarding the extension of forbearance provisions granted prior to March 31, 1987.

Title VI

m. Section 603–605—Regulations, in conjunction with or patterned after those of other banking regulatory agencies, concerning expedited funds availability and automatic teller machine provisions.

By the Federal Home Loan Bank Board.

John F. Ghizzoni,

Assistant Secretary.

[FR Doc. 87–20487 Filed 9–3–87; 8:45 am]

BILLING CODE 6720–01–M

[2] Section 402 also contains provisions requiring regulations on the treatment of loan loss reserves as regulatory capital and accounting for subordinated debt and good will. This required regulatory action has already been taken in the Board's final regulation on the definition of regulatory capital. Board Res. No. 87–529, 52 FR 18340 (May 15, 1987).

FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Reg. Z; Doc. No. R–0612]

Truth in Lending; Intent To Make Determination of Effect on State Law; Indiana

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice of intent to make preemption determination.

SUMMARY: The Board is publishing for comment a proposed determination that a provision in the law of Indiana is inconsistent with the Truth in Lending Act and Regulation Z and therefore preempted. A final determination that the provision is preempted would have an effective date of October 1, 1988, although compliance may begin from the date of the Board's determination.

This notice also includes a discussion of the procedures that the Board follows upon receipt of a request for a determination and a statement of the principles used in making preemption determinations.

DATE: Comments must be received on or before November 3, 1987.

ADDRESS: Comments should be mailed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, DC, 20551, or delivered to the 20th Street courtyard entrance, on 20th Street between C Street and Constitution Avenue NW., Washington, DC, between 8:45 a.m. and 5:15 p.m. weekdays. Comments should include a reference to Docket No. R–0612. Comments may be inspected in

Room B-1122 between 8:45 a.m. and 5:15 p.m. weekdays.

FOR FURTHER INFORMATION CONTACT: Sharon Bowman, Attorney, Division of Consumer and Community Affairs, at (202) 452-3667 For the hearing impaired *only*, Telecommunication Device for the Deaf (TDD), Earnestine Hill or Dorothea Thompson, at (202) 452-3544, Board of Governors of the Federal Reserve System, Washington, DC, 20551.

SUPPLEMENTARY INFORMATION:

(1) General

The Board has received a request for a determination as to whether a provision of Indiana law is inconsistent with the Truth in Lending Act or Regulation Z, and therefore preempted. Section 111(a)(1) of the Truth in Lending Act authorizes the Board to determine whether any inconsistency exists between Chapters 1, 2, and 3 of the federal act or the implementing provisions of the regulation and any state law relating to the disclosure of information in connection with consumer credit transactions. These proposed preemption determinations are issued under authority delegated to the Director of the Division of Consumer and Community Affairs, as set forth in the Board's Rules Regarding Delegation of Authority (12 CFR 265.2(h)(3)).

The procedures for requesting a determination and the general procedures followed in making a determination are contained in Appendix A to 12 CFR Part 226.

(2) Principles Followed in Preemption Analysis

In determining whether a state law is inconsistent with federal provisions, § 226.28(a)(1) of Regulation Z, which implements § 111 of the act, provides that state requirements are inconsistent with, and therefore preempted by, the federal provisions if the state law requires a creditor to make disclosures or take actions that contradict the requirements of the Federal law. A state law is contradictory, and therefore preempted, if it significantly impedes the operation of the Federal law or interferes with the ppurposes of the Federal statute. Two examples of contradictory state laws are included in § 226.28(a)(1). They are (1) a law that requires the use of the same term to represent a different amount or a different meaning than the Federal law, or (2) a law that requires the use of a term different from the Federal term to describe the same item.

In previous preemption determinations (48 FR 4454, February 1, 1983) the Board developed the following principles that are applied in making preemption determinations:

- For purposes of making preemption determinations, state law is deemed to require the use of specific terminology in the State disclosures if the State statute uses certain terminology in the disclosure provision.
- A State disclosure does not "describe the same item," under § 226.28(a)(1), if it is not the functional equivalent of a Federal disclosure.
- Preemption occurs only in those transactions in which an actual inconsistency exists between the State law and the Federal law.
- A State law is not inconsistent merely because it requires more information than Federal law or requires disclosure in transactions where Federal law requires none.

In general, preemption determinations will be limited to those provisions of State law identified in the request for a determination. At the Board's discretion, however, other State provisions that may be affected by the Federal law will also be addressed.

(3) Effect of Preemption Determination

If the Board determines that a state-required disclosure is inconsistent with the Federal law, the State law is preempted to the extent of the inconsistency. Disclosures using the inconsistent term or form may not be given, even on a separate document from the Federal disclosures. Preemption determinations have an effective date of the October 1 that follows the determination by at least 6 months, as required by section 105(d) of the act. This proposed determination, if adopted, will have an effective date of October 1, 1988, although compliance with the determination may begin before that time.

A determination on provisions in the law of one State will have no effect on the validity of similar provisions in other States.

(4) Discussion of Specific Request and Proposed Determination

The Board has been asked to examine section 8(d) of the recently amended Indiana "Loan Broker" statute, Ind. code section 23-2-5-1 *et seq.* The requesting party believes that section 8(d) of the Indiana statute, as amended, requires certain disclosures that contradict the disclosures required under the Federal act and regulation.

The relevant provisions of the State statute (which has an effective date of September 1, 1987) are as follows:

23-2-5-8. *Disclosure statement.*

(d) A loan broker shall deliver to any person who proposes to become obligated for a loan an estimated disclosure statement if the creditor would be required to deliver to the person a disclosure statement under the Truth-in-Lending Act (15 U.S.C. 1601-1667e) for the transaction. The estimated disclosure statement:

(1) shall be delivered to the person before the person becomes contractually obligated on the loan; or

(2) shall be delivered or placed in the mail to the person not later than three (3) business days after the person enters into an agreement with the loan broker; whichever occurs first. The estimated disclosure statement must contain all of the information and be in the form required by the Truth-in-Lending Act (15 U.S.C. 1601-1667e) and regulations under the Act. However, the annual precentage rate, finance charge, total of payments, and other matters required under the Truth-in-Lending Act (15 U.S.C. 1601-1667e) shall be adjusted to reflect the amount of all fees and charges of the loan broker that the creditor could exclude from a disclosure statement. The disclosure statement must state at the top in at least 10 point type: "The following is an estimated disclosure statement showing your loan transaction as if the fees and charges you are scheduled to pay us were charged to you directly by the creditor." After the estimated disclosure statement is delivered to any person, the loan broker shall deliver to the person an additional statement redisclosing all items if the actual annual precentage rate will vary from the annual percentage rate contained in the original estimated disclosure by more than one-eighth of one percent (0.125%). Any required additional disclosure statement shall be delivered or placed in the mail before consummation of the loan or the elapse of three (3) days after the information that requires redisclosure becomes available, whichever occurs first.

The requesting party has asked for a determination as to whether the requirement imposed by this section that loan brokers reflect all of their fees and charges in their calculation of, among other items, the finance charge and annual percentage rate that must be disclosed to potential borrowers is preempted by the Truth-in-Lending Act and Regulation Z. Sections 106(a) and 226.4(a) of the Federal statute and regulation, respectively, state that, in any consumer credit transaction, the finance charge includes charges paid by the consumer that are imposed by the creditor as an incident to the extension of credit. Under Regulation Z, charges imposed by third parties are not finance charges as long as the creditor does not require the parties services or retain the charges. Thus, fees charged by a loan broker are not finance charges provided that the creditor does not require the use of the broker. (See Official Staff Commentary, 12 CFR 226.4(a)-3.)

Since the State statute requires that loan brokers include their fees in calculating the finance charge and annual percentage rate in cases where the creditor would exclude such fees in calculating those same items, the Board proposes to determine that the State disclosure requirement is preempted in those instances where the State law would require the use of the same term to disclose a different amount than would be disclosed under Federal law. The Board recognizes that the State disclosure serves a useful purpose in informing consumers about costs that they may incur in such credit transactions. The Board, however, believes that the approach chosen by the State will confuse consumers who will receive two different sets of figures, described by the same terminology. In such cases, it appears that the State disclosure would contradict the disclosures required under Federal law and interfere with the intent of the Federal scheme.

(5) Comment Requested

Interested persons are invited to submit comments regarding the proposed determination. Since this request concerns a State law governing disclosures by loan brokers, who are not considered "creditors" and therefore are not themselves subject to the requirements of Regulation Z, the question arises as to whether the State law is subject to the Board's preemption authority. (See § 226.28(a) of Regulation Z, which provides that "a State law is inconsistent if it requires a creditor to make disclosures * * * that contradict the requirements of the Federal law.") Although the Board, in the past, has made preemption determinations concerning laws whose coverage may extend to parties who are not considered creditors for purposes of Regulation Z (for example, Arizona in 1985 and South Carolina in 1983), the Board specifically requests comment on this issue. The Board has assumed, however, for purposes of this proposed determination, that the law in question is subject to the Board's preemption authority. After the close of the comment period and analysis of the comments received, notice of final action on the proposal will be published in the **Federal Register.**

List of Subjects in 12 CFR Part 226

Advertising, Banks, Banking, Consumer protection, Credit, Federal Reserve System, Finance, Penalties, Truth in Lending.

Board of Governors of the Federal Reserve System, August 31, 1987.

William W. Wiles,

Secretary of the Board.

[FR Doc. 87-20368 Filed 9-3-87; 8:45 am]

BILLING CODE 6210-01-M

SMALL BUSINESS ADMINISTRATION

13 CFR Part 107

Small Business Investment Companies; Extension of Comment Period on Proposed Rulemaking

AGENCY: Small Business Administration.

ACTION: Notice of extension of comment period on proposed rulemaking.

SUMMARY: On August 4, 1987, the Small Business Administration (SBA) published in the **Federal Register** a Notice of Proposed Rulemaking (NPRM) regarding an increase in the examination fees imposed upon small business investment companies (see 52 FR 28842).

That publication provided that comments on the NPRM would be received for a period of 30 days from the date of publication. This Notice extends the comment period pertaining to the NPRM for an additional 30 days to allow the public more time to consider this proposal.

DATE: Comments on the above-referenced proposed rule should be submitted in duplicate by October 3, 1987.

ADDRESS: Written comments should be addressed to: Robert G. Lineberry, Deputy Associate Administrator for Investment, Small Business Administration, 1441 L Street NW., Room 808, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: John L. Werner, Director, Office of Investment, (202) 653-6584.

SUPPLEMENTARY INFORMATION: In order to provide more time for public comment on the above-referenced proposed rule, SBA is hereby extending the comment period relative to the proposal for an additional 30 days. The public is encouraged to supply written comments to the address indicated above so that a complete record can be established in this rulemaking.

Date: August 29, 1987.

James Abdnor,

Administrator.

[FR Doc. 87-20417 Filed 9-3-87; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

21 CFR Part 352

[Docket No. 78N-0038]

Discussion of Appropriate Testing Procedures for Over-the-Counter Sunscreen Drug Products; Public Meeting and Reopening of the Administrative Record

AGENCY: Food and Drug Administration.

ACTION: Public meeting and reopening of the administrative record.

SUMMARY: The Food and Drug Administration (FDA) is announcing that a public meeting will be held to discuss recommendations of the Advisory Review Panel on Over-the-Counter (OTC) Topical Analgesic, Antirheumatic, Otic, Burn, and Sunburn Prevention and Treatment Drug Products regarding final product testing (i.e., testing procedures for determination of the sun protection factor (SPF) value and related claims) of OTC sunscreen drug products. The meeting will be structured to discuss the specific topics and to seek answers to the specific questions listed in this notice.

DATES: Meeting date January 26, 1988; Time 9:00 a.m. The agency anticipates that the meeting will last one day. However, if there is sufficient interest in participation, the meeting will be extended an additional day at the discretion of the chairperson. Relevant data and notice of participation by December 3, 1987. Administrative record to remain open until April 26, 1988. Comments regarding matters raised at the meeting by April 26, 1988.

ADDRESSES: Relevant data, notice of participation, and comments to the Dockets Management Branch, Room 4-62, 5600 Fishers Lane, Rockville, MD 20857. Meeting to be held in Conference Rooms D and E, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: Saul Bader or Jeanne Rippere, Center for Drugs and Biologics (HFN-210), Food and Drug Administration, 5600 Fishers Lane, Rockville, Md 20857, 301-295-8003.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of August 25, 1978 (43 FR 38206), FDA published an advance notice of proposed rulemaking on OTC sunscreen drug products based on the recommendations of the Advisory Review Panel on OTC Topical Analgesic, Antirheumatic, Otic, Burn, and Sunburn Prevention and Treatment Drug Products. In that report, the Panel