

receive reasonable compensation for so acting, under any written trust instrument or custodial agreement created or organized in the United States and forming part of a tax-advantaged savings plan which qualifies or qualified for specific tax treatment under sections 223, 401(d), 408, 408A and 530 of the Internal Revenue Code (26 U.S.C. 223, 401(d), 408, 408A and 530), for its members or groups of its members, provided the funds of such plans are invested in share accounts or share certificate accounts of the Federal credit union. Federal credit unions located in a territory, including the trust territories, or a possession of the United States, or the Commonwealth of Puerto Rico, are also authorized to act as trustee or custodian for such plans, if authorized under sections 223, 401(d), 408, 408A and 530 of the Internal Revenue Code as applied to the territory or possession under similar provisions of territorial law. * * *

■ 6. Amend § 724.2 by revising the section heading and the introductory text to read as follows:

§ 724.2 Self-Directed Plans.

A federal credit union may facilitate transfers of plan funds to assets other than share and share certificates of the credit union, provided the conditions of § 724.1 are met and the following additional conditions are met: * * *

[FR Doc. 04-17259 Filed 7-28-04; 8:45 am]

BILLING CODE 7535-01-P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 745

Share Insurance; Living Trust Accounts

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: NCUA is adopting as a final rule without change the interim rule amending Part 745 of its regulations concerning share insurance coverage for beneficial interests in living trust accounts. NCUA published the interim rule with a sixty-day comment period at 69 FR 8798, on February 26, 2004.

DATES: This final rule is effective on July 29, 2004.

FOR FURTHER INFORMATION CONTACT: Ross Kendall, Staff Attorney, Office of General Counsel, at the above address or telephone: (703) 518-6562.

SUPPLEMENTARY INFORMATION: Effective April 1, 2004, NCUA revised its living trust account rules to provide for

insurance coverage of up to \$100,000 per qualifying beneficiary who, as of the date of a credit union's failure, would become entitled to the living trust assets upon the owner's death, regardless of the existence of a defeating contingency affecting the beneficiary's interest. The NCUA Board determined that elimination of the defeating contingency provisions in the rule was beneficial to credit unions and their members because the operation of the rule was complex and not widely understood. The amendment also clarified that a credit union need not maintain records disclosing the names and interests of beneficiaries of living trusts. In addition, the amendment preserved parity between the NCUA and the Federal Deposit Insurance Corporation (FDIC), which administers the insurance fund that protects bank depositors and which had, in January of 2004, adopted a similar amendment to its rules.

Even though NCUA issued the amendment as an interim final rule, the Board established a sixty-day comment period in which interested members of the public could comment on any aspect of the amendment. We received five comments, all of which were fully supportive of the amendment. The commenters uniformly indicated the changes would result in elimination of confusion by credit unions and their members and an enhanced understanding of the scope and operation of the share insurance rules for beneficial interests in living trust accounts. The commenters also cited the benefit of having uniformity of insurance coverage between living trust accounts and other types of revocable trust accounts, as well as the benefit of parity between the NCUA and the FDIC.

In view of the comments and the benefits described herein and in the preamble to the interim rule, the NCUA Board has determined to adopt the rule as final without change.

List of Subjects in 12 CFR Part 745

Credit unions, Share insurance.

By the National Credit Union Administration Board on July 22, 2004.

Becky Baker,

Secretary of the Board.

PART 745—SHARE INSURANCE AND APPENDIX

■ Accordingly, the interim final rule amending 12 CFR 745.4, which was published at 69 FR 8798 on February 26, 2004, is adopted as a final rule without change.

[FR Doc. 04-17258 Filed 7-28-04; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2002-NM-215-AD; Amendment 39-13747; AD 2004-15-13]

RIN 2120-AA64

Airworthiness Directives; McDonnell Douglas Model DC-9-81 (MD-81), DC-9-82 (MD-82), DC-9-83 (MD-83), DC-9-87 (MD-87), and Model MD-88 Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain McDonnell Douglas Model DC-9-81 (MD-81), DC-9-82 (MD-82), DC-9-83 (MD-83), DC-9-87 (MD-87), and Model MD-88 airplanes, that requires replacement of certain freeze protection ribbon heaters in the lavatory water supply system, and flushing, cleaning, and sterilizing the potable water system; disconnecting, coiling, and stowing the wiring of the freeze protection ribbon heater; or removal of freeze protection heaters. This action is necessary to prevent failure of freeze protection ribbon heaters, which could result in the charring, scorching, smoking, and shorting out of freeze protection ribbon heaters in the lavatory water supply system. This condition, if not corrected, could also result in electrical arcing of freeze protection ribbon heaters, leading to fire and damage to water lines and components under the lavatory sink. This action is intended to address the identified unsafe condition.

DATES: Effective September 2, 2004.

The incorporation by reference of a certain publication listed in the regulations is approved by the Director of the Federal Register as of September 2, 2004.

ADDRESSES: The service information referenced in this AD may be obtained from Boeing Commercial Airplanes, Long Beach Division, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Data and Service Management, Dept. C1-L5A (D800-0024). This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California; or at the National Archives