

# Proposed Rules

Federal Register

Vol. 66, No. 81

Thursday, April 26, 2001

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Part 701

#### Organization and Operations of Federal Credit Unions

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule relaxes certain provisions in NCUA's regulations for advertising and posting notice of nondiscrimination in real estate-related lending. Currently, the regulations provide that a federal credit union (FCU) must include notice of nondiscrimination through use of a particular logotype and specified language. The proposed rule will provide an FCU with more flexibility in how it gives notice when advertising. The current regulations also require the display inside the FCU of an NCUA-developed poster giving notice of nondiscrimination compliance. The proposed rule will allow an FCU to display either the NCUA poster or a similar poster prepared by the United States Department of Housing and Urban Development. The proposed rule also prohibits advertising with words, symbols, models, or other forms of communication that suggest a discriminatory preference or policy of exclusion in violation of the Fair Housing Act or the Equal Credit Opportunity Act.

**DATES:** Comments must be received on or before June 25, 2001.

**ADDRESSES:** Send comments to Becky Baker, Secretary to the NCUA Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428. You may also fax comments to (703) 837-2914, or e-mail comments to [regcomments@ncua.gov](mailto:regcomments@ncua.gov). Please send comments by one method only.

**FOR FURTHER INFORMATION CONTACT:** Paul M. Peterson, Staff Attorney, Office of General Counsel, National Credit Union

Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428 or telephone: (703) 518-6555.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Fair Housing Act generally prohibits discrimination in connection with the sale or rental of residential dwellings. 42 U.S.C. 3601-3619. With regard to advertising, the Fair Housing Act provides that it is unlawful:

To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

42 U.S.C. 3604(c). The Department of Housing and Urban Development (HUD) is charged with the administration and enforcement of the Fair Housing Act. 42 U.S.C. 3608, 3612. HUD has developed guidelines for compliance with the Fair Housing Act's requirement for nondiscrimination in advertising. On the issue of affirmative notice of nondiscrimination compliance, HUD states that:

All advertising of residential real estate \* \* \* financing should contain an equal housing logotype, statement, or slogan as a means of educating the homeseeking public that the property is available to all persons regardless of race, color, religion, sex, national origin, [handicap, or familial status]. The choice of logotype, statement, or slogan will depend on the type of media used (visual or auditory) and, in space advertising, on the size of the advertisement.

24 CFR 109.30(a) (1995). HUD removed this part 109 and the guidance it contained from the Code of Federal Regulations in 1996. 61 FR 14378, April 1, 1996. Nevertheless, HUD still considers the information in part 109, including the notice provision, to be current guidance.

The NCUA Board implements this notice provision for FCUs in § 701.31(d)(1). The current § 701.31(d)(1) requires use of one, particular logotype and legend in written and visual advertisements and one, particular phrase in oral advertisements. The Board has determined that the current § 701.31(d)(1) is less flexible than the Fair Housing Act and associated HUD guidance require. The Board proposes to

replace the mandatory logotype and language with a general requirement that FCUs, when advertising real estate-related lending, indicate that they do not discriminate on any prohibited basis. The proposed rule also provides FCUs with various "safe harbor" methods to satisfy this notice requirement. The proposed safe harbor methods are not mandatory. FCUs would be free to use any reasonable method to satisfy the requirement.

Since 1972, HUD has also required that every entity subject to the Fair Housing Act display on its premises a poster containing specific nondiscrimination language. 24 CFR 110.15; 37 FR 3429, February 16, 1972. HUD permits Federal financial regulatory agencies to substitute a different poster. 24 CFR 110.25(b). In 1989, NCUA obtained HUD approval for the version NCUA currently requires FCUs to display. 12 CFR 701.31(d)(2), (3); 54 FR 21963, May 22, 1989. The proposed rule would permit FCUs to display either the NCUA version or the HUD version of the poster.

The proposed rule is similar to the Federal Deposit Insurance Corporation's nondiscrimination in advertising rule. 12 CFR 338.3. Consistent with the FDIC rule, the proposed rule will prohibit advertising with words, symbols, models, or other forms of communication that suggest a discriminatory preference or policy of exclusion in violation of the Fair Housing Act or the Equal Credit Opportunity Act. 12 CFR 338.3(b), 12 U.S.C. 1691-1691f.

#### Regulatory Procedures

##### Regulatory Flexibility Act

The Regulatory Flexibility Act requires the NCUA to prepare an analysis to describe any significant economic effect any regulation may have on a substantial number of small credit unions, meaning those under one million dollars in assets. The NCUA Board has determined and certifies that the final rule will not have a significant economic impact on a substantial number of small credit unions. Accordingly, the NCUA Board has determined that a regulatory flexibility analysis is not required.

##### Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to

consider the impact of their actions on state and local interests. In adherence to fundamental federalism principles, NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order. This proposed rule, if adopted, will apply only to federally-chartered credit unions. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. NCUA has determined that this proposal does not constitute a policy that has federalism implications for purposes of the executive order.

#### *Paperwork Reduction Act*

NCUA has determined that the proposed rule does not increase paperwork requirements under the Paperwork Reduction Act of 1995 and regulations of the Office of Management and Budget.

#### *The Treasury and General Government Appropriations Act, 1999—Assessment of Federal Regulations and Policies on Families*

The NCUA has determined that this proposed rule will not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999, Pub. L. 105-277, 112 Stat. 2681 (1998).

#### *Agency Regulatory Goal*

NCUA's goal is to promulgate clear and understandable regulations that impose minimal regulatory burden. We request your comments on whether the proposed rule is understandable and minimally intrusive if implemented as proposed.

#### **List of Subjects in 12 CFR Part 701**

Credit unions, Fair housing, Signs and symbols.

By the National Credit Union Administration Board on April 19, 2001.

**Becky Baker,**

*Secretary of the Board.*

For the reasons stated in the preamble, the National Credit Union Administration proposes to amend 12 CFR part 701 as set forth below:

#### **PART 701—ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS**

1. The authority citation for part 701 continues to read as follows:

**Authority:** 12 U.S.C. 1752(5), 1755, 1756, 1757, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1787, and 1789. Section 701.6 is also

authorized by 31 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601-3619. Section 701.35 is also authorized by 42 U.S.C. 4311-4312.

2. In § 701.31, revise paragraph (d) introductory text, paragraphs (d)(1) and (d)(2) to read as follows:

#### **§ 701.31 Nondiscrimination requirements.**

\* \* \* \* \*

(d) *Nondiscrimination in advertising.* No federal credit union may engage in any form of advertising of real estate-related loans that indicates the credit union discriminates on the basis of race, color, religion, national origin, sex, handicap, or familial status in violation of the Fair Housing Act. Advertisements must not contain any words, symbols, models or other forms of communication that suggest a discriminatory preference or policy of exclusion in violation of the Fair Housing Act or the Equal Credit Opportunity Act.

(1) *Advertising notice of nondiscrimination compliance.* Any federal credit union that advertises real estate-related loans must prominently indicate in such advertisement, in a manner appropriate to the advertising medium and format used, that the credit union makes such loans without regard to race, color, religion, national origin, sex, handicap, or familial status.

(i) With respect to written and visual advertisements, a credit union may satisfy the notice requirement by including in the advertisement a copy of the logotype, with the legend "Equal Housing Lender," from the poster described in paragraph (d)(3) of this section or a copy of the logotype, with the legend "Equal Housing Opportunity," from the poster described in § 110.25(a) of the United States Department of Housing and Urban Development's (HUD) regulations (24 CFR 110.25(a)).

(ii) With respect to oral advertisements, a credit union may satisfy the notice requirement by a spoken statement that the credit union is an "Equal Housing Lender" or an "Equal Opportunity Lender."

(iii) When an oral advertisement is used in conjunction with a written or visual advertisement, the use of either of the methods specified in paragraphs (d)(1)(i) or (ii) of this section will satisfy the notice requirement.

(iv) A credit union may use any other method reasonably calculated to satisfy the notice requirement.

(2) *Lobby notice of nondiscrimination.* Every federal credit union that engages in real estate-related lending must display a notice of nondiscrimination.

The notice must be placed in the public lobby of the credit union and in the public area of each office where such loans are made and must be clearly visible to the general public. The notice must incorporate either a facsimile of the logotype and language appearing in paragraph (d)(3) of this section or the logotype and language appearing at 24 CFR 110.25(a). Posters containing the logotype and language appearing in paragraph (d)(3) of this section may be obtained from the regional offices of the National Credit Union Administration.

\* \* \* \* \*

[FR Doc. 01-10306 Filed 4-25-01; 8:45 am]

BILLING CODE 7535-01-U

#### **DEPARTMENT OF TRANSPORTATION**

#### **Federal Aviation Administration**

#### **14 CFR Part 39**

[Docket No. 2001-NM-38-AD]

RIN 2120-AA64

#### **Airworthiness Directives; Aerospatiale Model ATR72-101, -201, -102, -202, -211, and -212 Series Airplanes**

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

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes the adoption of a new airworthiness directive (AD) that is applicable to certain Aerospatiale Model ATR72-101, -201, -102, -202, -211, and -212 series airplanes. This proposal would require replacement of the clamp retaining the power supply cable loom of the green circuit hydraulic pump at frame 28 with a smaller clamp in a different orientation. This action is necessary to prevent the chafing of electrical wires, which could cause a short circuit and failure of the elevator control cable and the green system hydraulic pump, resulting in reduced controllability of the airplane and consequent injury to the crew and passengers. This action is intended to address the identified unsafe condition.

**DATES:** Comments must be received by May 29, 2001.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2001-NM-38-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00