

administering this program and to that end:

(1) Multiple carrying capacities may be determined for a specific vegetation if factors, such as soil type, elevation, and topography, result in a significant difference of carrying capacity within the county.

(2) CCC may establish separate carrying capacities for irrigated and non-irrigated forage acreage when acreage of traditionally irrigated forage (forage actually irrigated 3 of the last 5 crop years) is present in the county.

(b) Producers may provide evidence that unit forage management and maintenance practices are improvements over those practices generally associated with the established carrying capacity. Based on this evidence, CCC may adjust the expected AUD for the specific forage acreage upward for the crop year NAP assistance is requested by:

(1) Three percent when at least 1 practice was completed at least 1 time in the previous 5 crop years and such practice can be expected to have a positive impact on the forage's carrying capacity in the crop year NAP assistance is requested;

(2) Five percent when 2 or more practices were completed at least 1 time in the previous 5 crop years and such practices can be expected to have a positive impact on the forage's carrying capacity in the crop year NAP assistance is requested; and

(3) Greater than 5 percent when producers provide acceptable records, as determined by CCC, of higher forage production or an increase in animal units supported on the specific forage acreage in 3 of the 5 crop years immediately before the crop year NAP assistance is requested.

#### **§ 1437.403 Determining payments.**

Subject to payment limits, availability of funds, and other limits as may apply, payments for losses of forage reported to FSA as intended to be grazed will be determined by:

(a) Multiplying the eligible acreage by the producer's share;

(b) Dividing the result from paragraph (a) of this section by the carrying capacity or adjusted per day carrying capacity established for the specific acreage, as determined by CCC;

(c) Multiplying the result from paragraph (b) of this section by the number of days established as the grazing period;

(d) Adding adjustments of AUD for practices and production to the product of paragraph (c) of this section;

(e) Multiplying the result from paragraph (d) of this section by the

applicable percentage of loss established by CCC;

(f) Multiplying the amount of AUD lost to other causes, as determined by CCC, by the producer's share;

(g) Subtracting the result from paragraph (f) of this section from the result from paragraph (e) of this section;

(h) Multiplying the result from paragraph (d) of this section by 0.50;

(i) Subtracting the result from paragraph (h) of this section from the result from paragraph (g) of this section; and

(j) Multiplying the result from paragraph (i) of this section by the AUD value established in accordance with § 1437.11, and then by 55 percent.

#### **§ 1437.404 Information collection requirements under the Paperwork Reduction Act; OMB control number.**

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for the regulation in this part is 0560-0175.

Signed at Washington, DC, on March 8, 2002.

**James R. Little,**

*Executive Vice President, Commodity Credit Corporation.*

[FR Doc. 02-6212 Filed 3-18-02; 8:45 am]

**BILLING CODE 3410-05-P**

## **DEPARTMENT OF AGRICULTURE**

### **Rural Housing Service**

### **Rural Business-Cooperative Service**

### **Rural Utilities Service**

### **Farm Service Agency**

#### **7 CFR Part 1951**

**RIN 0560-AF78**

#### **Farm Loan Programs Account Servicing Policies—Servicing Shared Appreciation Agreements**

**AGENCY:** Farm Service Agency, USDA.

**ACTION:** Correcting amendment.

**SUMMARY:** On August 18, 2000, the Farm Service Agency (FSA) published a final rule at 65 FR 50401-50405, which reduced the term of future Shared Appreciation Agreements (SAA), lowered the interest rate on amortized SAA recapture, and deducted the value of certain capital improvements from the shared appreciation recapture calculation. This document contains a correction to the final rule.

**DATES:** Effective March 19, 2002.

#### **FOR FURTHER INFORMATION CONTACT:**

Michael Cumpton, telephone (202) 690-4014; electronic mail:

*mike\_cumpton@wdc.usda.gov.*

**SUPPLEMENTARY INFORMATION:** FSA published a final rule in the **Federal Register** on August 18, 2000, (65 FR 50401-50405) amending 7 CFR part 1951. The final rule revised 7 CFR 1951.914 to reduce the term of all future SAAs from 10 years to 5 years. However, a conforming revision to Exhibit A, Attachment 1 was omitted inadvertently. This document corrects the inconsistency between 7 CFR 1951.914 and Exhibit A, Attachment 1. In addition, the authority citation is being revised to add a reference previously omitted.

#### **List of Subjects in 7 CFR Part 1951**

Account servicing, Credit, Debt restructuring, Loan programs-Agriculture, Loan programs-Housing and community development

Accordingly, 7 CFR part 1951 is corrected by making the following correcting amendments:

#### **PART 1951—SERVICING AND COLLECTIONS**

1. The authority citation for part 1951 is revised to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1932 Note; 7 U.S.C. 1989; 31 U.S.C. 3716; 42 U.S.C. 1480

#### **Subpart S—Farm Loan Programs Account Servicing Policies**

2. Revise Exhibit A, Attachment 1, Section II, paragraph entitled "Conditions of the New Agreement if You Qualify" to read as follows:

#### **Exhibit A—Notice of the Availability of Loan Servicing and Debt Settlement Programs for Delinquent Farm Borrowers**

\* \* \* \* \*

#### **Conditions of the New Agreement if You Qualify**

You must sign a shared appreciation agreement for 5 years. Under the terms of the agreement:

(1) You must repay a part of the sum written down.

(2) The amount you must repay depends on how much your real estate collateral increases in value.

During the 5 years, FSA will ask you to repay part of the debt written down if you do one of the following:

- (1) Sell or convey the real estate;
- (2) Stop farming; or
- (3) Pay off the entire debt

If you do not do one of these things during the 5 years, FSA will ask you to repay part

of the debt written down at the end of the 5 year period.

FSA can only ask you to repay if the value of your real estate collateral goes up.

If either 1, 2, or 3 above occurs in the first four years of the agreement, FSA will ask you to pay 75 percent of the increase in value of the real estate. In the last year, you will be asked to pay only 50 percent of the increase in value. FSA will not ask you to pay more than the amount of the debt written down.

\* \* \* \* \*

Signed in Washington, DC, on March 1, 2002.

J.B. Penn,

*Under Secretary for Farm and Foreign  
Agricultural Services.*

[FR Doc. 02-6210 Filed 3-18-02; 8:45 am]

BILLING CODE 3410-05-P

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Parts 702 and 741

#### Prompt Corrective Action; Requirements For Insurance

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

**ACTION:** Final rule.

**SUMMARY:** NCUA is revising its rule concerning financial and statistical reports to require all federally-insured credit unions to file quarterly Financial and Statistical Reports with NCUA. Currently, only federally-insured credit unions with assets over \$50 million must file these reports quarterly. All other federally-insured credit unions are required to file these reports semi-annually. The final amendment is a necessary component of NCUA's examination program that will use a risk-focused approach to examinations and extend the examination cycle for credit unions that meet certain criteria. In conjunction with this change, we are making two conforming changes to NCUA's prompt corrective action rule.

**DATES:** This rule is effective July 1, 2002.

**FOR FURTHER INFORMATION CONTACT:** Peter Majka, Data Analysis Officer, Office of Examination and Insurance, 1775 Duke Street, Alexandria, VA 22314, or telephone (703) 518-6540.

#### SUPPLEMENTARY INFORMATION:

##### Background

On July 26, 2001, the NCUA Board requested comment on a proposed change to § 741.6(a), the provision governing the filing of quarterly Financial and Statistical Reports, also known as call reports or 5300 Reports. 66 FR 40642 (August 3, 2001). In

conjunction with this change, the NCUA Board proposed revising its prompt corrective action rule to eliminate the requirement of written notice to NCUA of net worth changes and the option of filing a call report for the first and third quarter for credit unions that file call reports semi-annually. 12 CFR part 702.

NCUA received 65 comments regarding the proposed changes from 34 federal credit unions, 14 federally-insured state chartered credit unions, one non-federally-insured state chartered credit union, one unidentified credit union, one individual, nine credit union leagues, three credit union trade associations, one bank trade association, and one state supervisory authority (SSA).

#### Summary of Comments

##### Quarterly Call Reports

Forty-four of the commenters generally supported the revision to § 741.6(a), of which 11 agreed with one or more conditions stipulated. Twenty-one commenters objected to the proposed change. Overall, many of the commenters expressed concern regarding the additional burden quarterly reporting would place on credit unions, especially smaller credit unions. Several commenters provided suggestions for reducing the additional burden.

The 33 commenters that supported the changes without qualification believed the proposal would: (1) Result in an offsetting time savings for credit unions through the Risk Based Examination Scheduling Program; (2) help NCUA and the SSAs to identify emerging problems in a timely manner; and, (3) permit NCUA and the SSAs to concentrate their supervisory resources on those credit unions that represent a risk.

Negative and qualified commenters expressed concern with the additional time and resource burden on credit unions. Thirty of the commenters are particularly concerned with the effect on small credit unions. Seven commenters noted that smaller credit unions have to work harder to compete. They noted that smaller credit unions usually have a limited number of staff members and believe the limited resources of smaller credit unions could be better used to increase assets and services.

Ten commenters generally did not believe it was necessary for credit unions rated a CAMEL Code 1 and 2 to file quarterly call reports. Several of the commenters did not believe a credit union's financial condition would deteriorate in a 3 to 6 months time

frame. Two commenters noted that the burden of completing two more call reports was more detrimental than having a yearly examination; one of which believed examiners and auditors were effective in correcting problems and providing guidance. Four of the commenters suggested that CAMEL Code 1 and 2 credit unions and those credit unions with a long-term trend of stability that have been in existence for more than a few years should be required to file call reports on a semi-annual basis. Three commenters who opposed the proposal noted that the proposed rule will result in the additional collection of information for a small percentage of the industry's credit union assets and therefore is not necessary.

The NCUA Board believes the requirement for filing quarterly call reports is a key element in implementing the Risk Based Examination Scheduling and Risk Focused Examination programs. CAMEL Code 1 and 2 credit unions, no matter the asset size, could be eligible for deferral under the Risk Based Examination Program for one examination cycle. Quarterly filing enhances NCUA's ability to allocate its resources effectively and focus its supervisory efforts on risk regardless of a credit union's asset size. NCUA's 2002 operating budget included a reduction of approximately 33 full-time equivalent staff positions. The deferral of examinations for approximately 1,500 federal credit union with assets under \$50 million and the implementation of the Risk Based Examination Scheduling Program were contributing factors to the budgeted staff reductions. In addition, quarterly call reports also provide credit unions, the SSAs, and NCUA with the ability to monitor trends and expeditiously address emerging concerns in an ever-changing economic environment. Overall, the NCUA Board believes the benefits and efficiencies derived from the Risk Based Examination Scheduling and Risk Focused Examination programs outweigh the burden of two additional call reports.

Several commenters believe the proposal places a burden on state-chartered credit unions without providing a corresponding benefit. They noted that the state regulator sets their exam cycle and that this rule may have no effect on their examination cycle or their supervisory fees. Two additional commenters stated that the additional call reports would put a strain on the SSAs' supervisory resources. They urge NCUA to be sensitive to the SSAs' budgetary restraints and work with the