

123 Stat. 1734; Pub. L. 111–203, 124 Stat. 1376.

Subpart E—Special Rules for Certain Home Mortgage Transactions

■ 2. Section 226.35 is amended by revising paragraph (a)(1) and adding paragraph (b)(3)(v) to read as follows:

§ 226.35 Prohibited acts or practices in connection with higher-priced mortgage loans.

(a) Higher-priced mortgage loans—(1) For purposes of this section, except as provided in paragraph (b)(3)(v) of this section, a higher-priced mortgage loan is a consumer credit transaction secured by the consumer’s principal dwelling with an annual percentage rate that exceeds the average prime offer rate for a comparable transaction as of the date the interest rate is set by 1.5 or more percentage points for loans secured by a first lien on a dwelling, or by 3.5 or more percentage points for loans secured by a subordinate lien on a dwelling.

* * * * *

- (b) * * *
(3) * * *

(v) “Jumbo” loans. For purposes of this § 226.35(b)(3), for a transaction with a principal obligation at consummation that exceeds the limit in effect as of the date the transaction’s interest rate is set for the maximum principal obligation eligible for purchase by Freddie Mac, the coverage threshold set forth in paragraph (a)(1) of this section for loans secured by a first lien on a dwelling shall be 2.5 or more percentage points greater than the applicable average prime offer rate.

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- 3. In Supplement I to Part 226:
■ A. Under Section 226.1—Authority, Purpose, Coverage, Organization, Enforcement and Liability, new paragraph 1(d)(5)–1.iii is added.
■ B. Under Section 226.35—Prohibited Acts or Practices in Connection With Higher-Priced Mortgage Loans, 35(b) Rules for higher-priced mortgage loans, 35(b)(3) Escrows, new heading 35(b)(3)(v) “Jumbo” loans and new paragraphs 1 and 2 are added.

Supplement I to Part 226—Official Staff Interpretations

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Subpart A—General

Section 226.1—Authority, Purpose, Coverage, Organization, Enforcement and Liability

Paragraph 1(d)(5).

- 1. Effective dates.
i. * * *
ii. * * *

iii. The final rule revising escrow requirements under § 226.35(b)(3) published on March 2, 2011 applies to certain closed-end extensions of consumer credit secured by the consumer’s principal dwelling. See § 226.35(a). Covered transactions for which an application is received by a creditor on or after April 1, 2011 are subject to § 226.35(b)(3), as revised.

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Subpart E—Special Rules for Certain Home Mortgage Transactions

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Section 226.35—Prohibited Acts or Practices in Connection With Higher-Priced Mortgage Loans

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35(b) Rules for higher-priced mortgage loans.

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35(b)(3) Escrows.

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35(b)(3)(v) “Jumbo” loans.

1. Special threshold for “jumbo” loans. For purposes of the escrow requirement in § 226.35(b)(3) only, the coverage threshold stated in § 226.35(a)(1) for first-lien loans (1.5 or more percentage points greater than the average prime offer rate) does not apply to a loan with a principal obligation that exceeds the limit in effect as of the date the loan’s rate is set for the maximum principal obligation eligible for purchase by Freddie Mac (“jumbo” loans). The Federal Housing Finance Agency (FHFA) establishes and adjusts the maximum principal obligation pursuant to 12 U.S.C. 1454(a)(2) and other provisions of federal law. Adjustments to the maximum principal obligation made by FHFA apply in determining whether a mortgage loan is a “jumbo” loan to which the separate coverage threshold in § 226.35(b)(3)(v) applies.

2. Escrow requirements only. Under § 226.35(b)(3)(v), for “jumbo” loans, the annual percentage rate threshold is 2.5 or more percentage points greater than the average prime offer rate. This threshold applies solely in determining whether a “jumbo” loan is subject to the escrow requirement of § 226.35(b)(3). The determination of whether “jumbo” first-lien loans are subject to the other protections in § 226.35, such as the ability to repay requirements under § 226.35(b)(1) and the restrictions on prepayment penalties under § 226.35(b)(2), is based on the 1.5 percentage point threshold stated in § 226.35(a)(1).

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By order of the Board of Governors of the Federal Reserve System, February 23, 2011.

Jennifer J. Johnson, Secretary of the Board.

[FR Doc. 2011–4384 Filed 3–1–11; 8:45 am]

BILLING CODE 6210–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2011–0149; Directorate Identifier 2011–CE–001–AD; Amendment 39–16616; AD 2011–05–07]

RIN 2120–AA64

Airworthiness Directives; Allied Ag Cat Productions, Inc. Models G–164, G–164A, G–164B, G–164B With 73” Wing Gap, G–164B–15T, G–164B–34T, G–164B–20T, G–164C, G–164D, and G–164D With 73” Wing Gap Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: We are superseding an existing airworthiness directive (AD) for the products listed above. That AD currently requires repetitively inspecting the interior and the exterior of the main tubular spar of the rudder assembly for corrosion, taking necessary corrective action if corrosion is found, and applying corrosion protection. This AD retains the requirements of the previous AD and changes the compliance time for certain products listed above. This AD was prompted by our determination that the compliance time specified for Models G–164, G–164A, and G–164B airplanes does not adequately address the unsafe condition. We are issuing this AD to detect and correct corrosion in the rudder main tubular spar, which could result in failure of the rudder main spar tube. This failure could lead to loss of directional control.

DATES: This AD is effective March 17, 2011.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD as of December 19, 2008 (73 FR 67372, November 14, 2008).

We must receive any comments on this AD by April 18, 2011.

ADDRESSES: You may send comments by any of the following methods:

- Federal eRulemaking Portal: Go to http://www.regulations.gov. Follow the instructions for submitting comments.
• Fax: 202–493–2251.
• Mail: U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.
• Hand Delivery: U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor,

Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this AD, contact Allied Ag Cat Productions, Inc., 301 West Walnut Street, P.O. Box 482, Walnut Ridge, Arkansas 72479; telephone: (870) 886-2418. You may review copies of the referenced service information at the FAA, Small Airplane Directorate, 901 Locust St., Kansas City, Missouri 64016. For information on the availability of this material at the FAA, call (816) 329-4148.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (phone: 800-647-5527) is in the ADDRESSES section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Andrew McAnaul, Aerospace Engineer, ASW-150 (c/o MIDO-43), 10100 Reunion Place, Suite 650, San Antonio, Texas 78216; phone: (210) 308-3365; fax: (210) 308-3370; e-mail: andrew.mcanaul@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

On October 23, 2008, we issued AD 2008-22-21, Amendment 39-15718 (73 FR 67372, November 14, 2008), for all Allied Ag Cat Productions, Inc. Models G-164, G-164A, G-164B, G-164B with 73" wing gap, G-164B-15T, G-164B-34T, G-164B-20T, G-164C, G-164D, and G-164D with 73" wing gap airplanes.

That AD supersedes AD 78-08-09, Amendment 39-3191 (43 FR 16699,

April 20, 1978), and requires repetitively inspecting the interior and the exterior of the main tubular spar of the rudder assembly for corrosion, taking necessary corrective action if corrosion is found, and applying corrosion protection. That AD resulted from failure of the rudder main tubular spar on a Model G164B airplane not previously affected by AD 78-08-09.

AD 78-08-09 required a one-time inspection of the interior of the rudder main tubular spar for corrosion and 300-hour repetitive inspections of the exterior of the rudder main tubular spar for corrosion.

Actions Since AD was Issued

Since we issued AD 2008-22-21, we determined the compliance time of the initial inspection for Models G-164, G-164A, and G-164B airplanes (airplanes previously affected by AD 78-08-09) allows the interior of the rudder main tubular spar to remain unchecked for corrosion for up to an additional 5 years beyond the effective date of AD 2008-22-21. This compliance time does not adequately address the unsafe condition.

We are issuing this AD to detect and correct corrosion in the rudder main tubular spar, which could result in failure of the rudder main spar tube. This failure could lead to loss of directional control.

FAA's Determination

We are issuing this AD because we evaluated all the relevant information and determined the unsafe condition described previously is likely to exist or develop in other products of the same type design.

AD Requirements

This AD requires repetitively inspecting the interior and the exterior of the main tubular spar of the rudder assembly for corrosion, taking necessary corrective action if corrosion is found, and applying corrosion protection.

FAA's Justification and Determination of the Effective Date

An unsafe condition exists that requires the immediate adoption of this AD. The FAA has found that the risk to the flying public justifies waiving notice and comment prior to adoption of this rule because failure of the rudder main tubular spar could lead to loss of directional control. Therefore, we find that notice and opportunity for prior public comment are impracticable and that good cause exists for making this amendment effective in less than 30 days.

Comments Invited

This AD is a final rule that involves requirements affecting flight safety, and we did not provide you with notice and an opportunity to provide your comments before it becomes effective. However, we invite you to send any written data, views, or arguments about this AD. Send your comments to an address listed under the ADDRESSES section. Include Docket Number FAA-2011-0149 and Directorate Identifier 2011-CE-001-AD at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this AD. We will consider all comments received by the closing date and may amend this AD because of those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this AD.

Costs of Compliance

We estimate that this AD affects 2,700 airplanes of U.S. registry.

We estimate the following costs to comply with this AD:

ESTIMATED COSTS

| Action | Labor cost | Parts cost | Cost per product | Cost on U.S. operators |
|--|--|----------------------|------------------|------------------------|
| Drill access hole and visual inspection [retained actions from existing AD]. | 4 work-hours X \$85 per hour = \$340 | Not applicable | \$340 | \$918,000 |

We have no way of determining the cost of repairs, parts replacement, or the number of airplanes that may require repair or parts replacement based on the result of the proposed inspections.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII,

Aviation Programs, describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in subtitle VII, part A, subpart III, section 44701,

“General requirements.” Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

This AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect 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.

For the reasons discussed above, I certify that this AD:

(1) Is not a “significant regulatory action” under Executive Order 12866,

(2) Is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979),

(3) Will not affect intrastate aviation in Alaska, and

(4) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by removing Airworthiness Directive (AD) 2008–22–21, Amendment 39–15718 (73 FR 67372, November 14, 2008) and adding the following new AD:

2011–05–07 Allied Ag Cat Productions, Inc.:

Amendment 39–16616; Docket No. FAA–2011–0149; Directorate Identifier 2011–CE–001–AD.

Effective Date

(a) This AD is effective March 17, 2011.

Affected ADs

(b) This AD supersedes AD 2008–22–21, Amendment 39–15718.

Applicability

(c) This AD applies to the following Allied Ag Cat Productions, Inc. model airplanes, all serial numbers, that are certificated in any category:

MODELS

| | | | |
|------------------|---------------------------|------------------|---------------------------|
| G–164 | G–164A | G–164B | G–164B with 73” wing gap. |
| G–164B–15T | G–164B–20T | G–164B–34T | G–164C. |
| G–164D | G–164D with 73” wing gap. | | |

Subject

(d) Joint Aircraft System Component (JASC)/Air Transport Association (ATA) of America Code 55, Stabilizers.

Unsafe Condition

(e) This AD was prompted by reports of the rudder main tubular spar failing and our

determination that the previous compliance times specified for Models G–164, G–164A, and G–164B airplanes do not adequately address the unsafe condition. We are issuing this AD to detect and correct corrosion in the rudder main tubular spar, which could result in failure of the rudder main spar tube. This

failure could lead to loss of directional control.

Compliance

(f) Comply with this AD within the compliance times specified, unless already done.

| Actions | Compliance | Procedures |
|--|---|--|
| (1) Drill an access hole and do a visual inspection using a borescope of the lower end internal cavity of the rudder main spar tube for corrosion and do a visual inspection of the exterior of the rudder main spar tube for corrosion. | Initially inspect within the next 30 days after March 17, 2011 (the effective date of this AD), unless already done within the previous 60 months. Repetitively inspect thereafter at intervals not to exceed 60 months from the last inspection. | Following Steps 1 through 3 of Grumman American Aviation Corporation Ag-Cat Service Bulletin No. 61, dated June 6, 1977. |
| (2) If corrosion is found during any inspection required in paragraph (f)(1) of this AD, repair in accordance with Chapter 4 of FAA Advisory Circular 43.13–1B, Chg 1, dated September 27, 2001, or replace the damaged part(s). | Before further flight after any inspection in which corrosion is found. | As specified in Steps 5 and 6 of Grumman American Aviation Corporation Ag-Cat Service Bulletin No. 61, dated June 6, 1977, and following Chapter 4 of FAA Advisory Circular 43.13–1B, Chg 1, dated September 27, 2001, which can be found at http://rgl.faa.gov/ . |
| (3) After each inspection, repair, or replacement required in this AD, corrosion protect the spar tube internal cavity by filling with warm, raw linseed oil, Paralketone, or CRC3 (LPS Heavy Duty Rust Inhibitor Type 3), or suitable equivalent protector for alloy steel, and allow to drain. Seal access hole with Scotch caulking compound, a suitable silicone based sealant, or equivalent. | Before further flight after each inspection required in paragraph (f)(1) of this AD and after each repair or replacement required in paragraph (f)(2) of this AD. | As specified in Step 4 of Grumman American Aviation Corporation Ag-Cat Service Bulletin No. 61, dated June 6, 1977. |
| (4) Verify rigging check of the rudder | Before further flight after each inspection required in paragraph (f)(1) of this AD and after each repair or replacement required in paragraph (f)(2) of this AD. | Following Ag-Cat Maintenance Manual pages 6–14 through 6–16, copyright 1978; or Ag-Cat G–164D Maintenance Manual pages 6–24 and 6–29, copyright 1995, as applicable. |

| Actions | Compliance | Procedures |
|---|---|-----------------|
| (5) Only install a rudder that has been inspected as specified in paragraph (f)(1) of this AD, is found free of corrosion, has had the corrosion protection applied, and has been sealed as specified in paragraph (f)(3) of this AD. | As of 30 days after March 17, 2011 (the effective date of this AD). | Not applicable. |

Alternative Methods of Compliance (AMOCs)

(g)(1) The Manager, Fort Worth Airplane Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in the Related Information section of this AD.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

Related Information

(h) For more information about this AD, contact Andrew McAnaul, Aerospace Engineer, ASW-150 (c/o MIDO-43), 10100 Reunion Place, Suite 650, San Antonio, Texas 78216; *phone*: (210) 308-3365; *fax*: (210) 308-3370; *e-mail*: andrew.mcanaul@faa.gov.

Material Incorporated by Reference

(i) You must use Grumman American Aviation Corporation Ag-Cat Service Bulletin No. 61, dated June 6, 1977; Ag-Cat Maintenance Manual pages 6-14 through 6-16, copyright 1978; and Ag-Cat G-164D Maintenance Manual pages 6-24 and 6-29, copyright 1995, to do the actions required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register previously approved the incorporation by reference of Grumman American Aviation Corporation Ag-Cat Service Bulletin No. 61, dated June 6, 1977; Ag-Cat Maintenance Manual pages 6-14 through 6-16, copyright 1978; and Ag-Cat G-164D Maintenance Manual pages 6-24 and 6-29, copyright 1995, on December 19, 2008 (73 FR 67372, November 14, 2008).

(2) For service information identified in this AD, contact Allied Ag Cat Productions, Inc., 301 West Walnut Street, P.O. Box 482, Walnut Ridge, Arkansas 72479; *telephone*: (870) 886-2418.

(3) You may review copies of the service information at the FAA, Small Airplane Directorate, 901 Locust St., Kansas City, Missouri 64016. For information on the availability of this material at the FAA, call (816) 329-4148.

(4) You may also review copies of the service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at an NARA facility, call 202-741-6030, or go to <http://www.archives.gov/>

federal_register/code_of_federal_regulations/ibr_locations.html.

Issued in Kansas City, Missouri, on February 17, 2011.

Earl Lawrence,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2011-4160 Filed 3-1-11; 8:45 am]

BILLING CODE 4910-13-P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-63949]

Technical Amendments to Rule 17a-8: Financial Recordkeeping and Reporting of Currency and Foreign Transactions

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; technical amendments.

SUMMARY: The Securities and Exchange Commission ("Commission") is adopting technical amendments to Rule 17a-8 under the Securities and Exchange Act of 1934 ("Exchange Act") to update a reference within the rule to the implementing regulations of the Currency and Foreign Transactions Reporting Act of 1970, as amended (commonly referred to as the Bank Secrecy Act or the "BSA"). The BSA's implementing regulations are promulgated and administered by the Financial Crimes Enforcement Network ("FinCEN"), a bureau within the Department of the Treasury. The reference to the BSA's implementing regulations in Rule 17a-8 is being updated in response to FinCEN's reorganization of those regulations into a new chapter of the Code of Federal Regulations ("CFR").

DATES: *Effective Date:* March 1, 2011.

FOR FURTHER CONTACT INFORMATION: John J. Fahey, Office of Chief Counsel, Division of Trading and Markets, Securities and Exchange Commission; (202) 551-5550; 100 F Street, NE., Washington, DC 20549.

I. Supplementary Material

A. Background

The BSA,¹ as implemented through regulations issued and administered by FinCEN, requires financial institutions, including broker-dealers registered with the Commission, to make, keep, retain and report certain records that are useful for the purposes of criminal, tax, or regulatory investigations or proceedings.² FinCEN administers the BSA and its implementing regulations, and the Commission has oversight authority for broker-dealers' compliance with the BSA's requirements.³ Exchange Act Rule 17a-8 requires broker-dealers to comply with the reporting, recordkeeping and record retention requirements of the BSA's implementing regulations as found in part 103 of title 31 of the CFR.⁴

FinCEN recently reorganized the BSA's implementing regulations into a new chapter within title 31 of the CFR.⁵ As part of this reorganization, FinCEN moved the regulations reflected in 31 CFR Part 103 into 31 CFR Chapter X. When Chapter X becomes effective on March 1, 2011, 31 CFR Part 103 will be deleted, thereby rendering the references to "part 103 of title 31" of the CFR in Exchange Act Rule 17a-8 incorrect.

B. Technical Amendments to Rule 17a-8

The Commission is amending Rule 17a-8 to conform the current CFR references to the BSA's implementing regulations to those that will apply as a result of FinCEN's reorganization of these regulations. Accordingly, the two references to "part 103 of title 31" in Exchange Act Rule 17a-8 will be

¹ 31 U.S.C. 5311 *et seq.*

² See Section 17 of the Exchange Act (15 U.S.C. 78q) and 31 CFR 103.12 (redesignated as 31 CFR 1010.301).

³ See 31 CFR 103.56(a)(6) (redesignated as 31 CFR 1010.810(a)(6)).

⁴ See Exchange Act Release No. 18321 (December 10, 1981); 46 FR 61454 (December 17, 1981) ("Rule 17a-8 Adopting Release").

⁵ Transfer and Reorganization of Bank Secrecy Act Regulation; Proposed Rule, 73 FR 66414 (November 7, 2008); Transfer and Reorganization of Bank Secrecy Act Regulation; Final Rule, 75 FR 65806 (October 26, 2010).