

for amounts greater than \$500,000 or for advances to borrowers outside the Continental United States. \* \* \*

**Subpart E—Borrower Investments**

**§ 1744.200 [Amended]**

- 27. Amend § 1744.200 by removing paragraph (b).
- 28. Amend § 1744.201 by revising the definitions of “Administrator” and “Borrower” and removing the definition of “RTB”.

The revisions read as follows:

**§ 1744.201 Definitions.**

*Administrator* means the Administrator of the Rural Utilities Service (RUS).

*Borrower* means any organization which has an outstanding loan made by RUS or guaranteed by RUS, or which is seeking such financing.

**PART 1751—TELECOMMUNICATIONS SYSTEM PLANNING AND DESIGN CRITERIA, AND PROCEDURES**

- 29. The authority citation for part 1751 continues to read as follows:

**Authority:** 7 U.S.C. 901 *et seq.*, 1921 *et seq.*; Pub. L. 103–354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*).

- 30. Amend § 1751.100 by revising the definitions of “Borrower” and “RUS cost-of-money loan” and removing the definition of “RTB loan”.

The revisions read as follows:

**§ 1751.100 Definitions.**

*Borrower.* Any organization that has received a RUS loan designation number and which has an outstanding telephone loan made by RUS or guaranteed by RUS, or which has a completed loan application with RUS.

*RUS cost-of-money loan.* A loan made under section 305(d)(2) of the RE Act bearing interest as determined under 7 CFR 1735.31(c).

- 31. Amend § 1751.103 by revising the second sentence in paragraph (a) introductory text to read as follows:

**§ 1751.103 Loan and loan advance requirements.**

(a) \* \* \*. In particular, beginning February 13, 1996, RUS will make RUS hardship and RUS cost-of-money loans for facilities and other RE Act purposes in a State only if:

Chapter XVIII—Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, and Farm Service Agency, Department of Agriculture

**Subchapter I—Administrative Regulations**

**PART 2003—ORGANIZATION**

- 32. The authority citation for part 2003 continues to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 6941; and 7 CFR 2.17.

**§ 2003.1 [Amended]**

- 33. Amend § 2003.1 by removing the definition of “RTB”.
- 34. Amend § 2003.22 by revising paragraphs (b) introductory text, (b)(3) introductory text, and (b)(3)(iii) to read as follows:

**§ 2003.22 – Functional organization of RUS.**

(b) *Office of the Administrator.* According to 7 CFR 2.47, the Administrator has responsibility for managing and administering the programs and support functions of RUS to provide financial and technical support for rural infrastructure to include electrification, clean drinking water, telecommunications, and water disposal systems, pursuant to the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 *et seq.*), and the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*). The office develops and implements strategic plans concerning the Rural Electrification Act of 1936, as amended.

(3) *Office of Assistant Administrator—Telecommunications Program.* Headed by the Assistant Administrator—Telecommunications Program, this office is responsible to the Administrator for directing and coordinating the National Rural Telecommunications, Distance Learning, and Telemedicine programs of RUS. The Assistant Administrator, Telecommunications Program, is responsible for developing, maintaining, and implementing regulations and program procedures on the processing and approval of grants, loans, and loan-related activities for all rural telecommunications borrowers and grant recipients. The office directs the following three divisions:

(iii) *Telecommunications Area Offices.* Headed by area directors, these four offices are responsible for administering the Telecommunications,

Distance Learning, and Telemedicine programs for specific geographic areas, and serving as the single point of contact for all program applicants and borrowers within their respective areas. The offices provide guidance to applicants and borrowers on RUS loan policies and procedures and make recommendations to the Administrator on applications for loans, guarantees, and grants. The offices assure that borrower systems and facilities are designed and constructed in accordance with the terms of the loan, acceptable engineering practices and specifications, and acceptable loan security standards.

**Chapter XX—[Removed and Reserved]**

- 35. Under the authority of section 6602, Pub. L. 115–334, 132 Stat. 4490, 7 CFR chapter XX, consisting of parts 2200 through 2299, is removed and reserved.

**Chad Rupe,**  
*Administrator, Rural Utilities Service.*  
[FR Doc. 2019–24310 Filed 11–6–19; 8:45 am]  
**BILLING CODE 3410–15–P**

**FEDERAL RESERVE SYSTEM**

**12 CFR Part 201**

[Docket No. R–1685; RIN 7100–AF 65]

**Regulation A: Extensions of Credit by Federal Reserve Banks**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its Regulation A to reflect the Board’s approval of a decrease in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically decreased by formula as a result of the Board’s primary credit rate action.

**DATES:**

*Effective date:* This rule is effective November 7, 2019.

*Applicability date:* The rate changes for primary and secondary credit were applicable on October 31, 2019.

**FOR FURTHER INFORMATION CONTACT:**

Sophia H. Allison, Senior Special Counsel (202–452–3565), or Justyna Bolter, Senior Attorney (202–452–2686), Legal Division, or Lyle Kumasaka, Lead Financial Institution & Policy Analyst (202–452–2382), or Laura Lipscomb, Assistant Director (202–912–7964), Division of Monetary Affairs; for users

of Telecommunications Device for the Deaf (TDD) only, contact 202–263–4869; Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** The Federal Reserve Banks make primary and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to the review and determination of the Board.

On October 30, 2019, the Board voted to approve a ¼ percentage point decrease in the primary credit rate in effect at each of the twelve Federal Reserve Banks, thereby decreasing from 2.50 percent to 2.25 percent the rate that each Reserve Bank charges for extensions of primary credit. In addition, the Board had previously approved the renewal of the secondary credit rate formula, the primary credit rate plus 50 basis points. Under the formula, the secondary credit rate in effect at each of the twelve Federal Reserve Banks decreased by ¼ percentage point as a result of the Board's primary credit rate action, thereby decreasing from 3.00 percent to 2.75 percent the rate that each Reserve Bank charges for extensions of secondary credit. The amendments to Regulation A reflect these rate changes.

The ¼ percentage point decrease in the primary credit rate was associated with a decrease in the target range for the federal funds rate (from a target range of 1¾ to 2 percent to a target range of 1½ to 1¾ percent) announced by the Federal Open Market Committee on October 30, 2019, as described in the Board's amendment of its Regulation D published elsewhere in today's **Federal Register**.

#### Administrative Procedure Act

In general, the Administrative Procedure Act ("APA")<sup>1</sup> imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to Congressionally-delegated authority): (1) Publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment on the rule's content; and (3) publication of the final rule not less

than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be "unnecessary, impracticable, or contrary to the public interest."<sup>2</sup> Section 553(d) of the APA also provides that publication at least 30 days prior to a rule's effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) a rule for which the agency finds good cause for shortened notice and publishes its reasoning with the rule.<sup>3</sup> The APA further provides that the notice, public comment, and delayed effective date requirements of 5 U.S.C. 553 do not apply "to the extent that there is involved . . . a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts."<sup>4</sup>

Regulation A establishes the interest rates that the twelve Federal Reserve Banks charge for extensions of primary credit and secondary credit. The Board has determined that the notice, public comment, and delayed effective date requirements of the APA do not apply to these final amendments to Regulation A. The amendments involve a matter relating to loans and are therefore exempt under the terms of the APA. Furthermore, because delay would undermine the Board's action in responding to economic data and conditions, the Board has determined that "good cause" exists within the meaning of the APA to dispense with the notice, public comment, and delayed effective date procedures of the APA with respect to the final amendments to Regulation A.

#### Regulatory Flexibility Analysis

The Regulatory Flexibility Act ("RFA") does not apply to a rulemaking where a general notice of proposed rulemaking is not required.<sup>5</sup> As noted previously, a general notice of proposed rulemaking is not required if the final rule involves a matter relating to loans. Furthermore, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and final regulatory flexibility analysis do not apply.

<sup>2</sup> 5 U.S.C. 553(b)(3)(A).

<sup>3</sup> 5 U.S.C. 553(d).

<sup>4</sup> 5 U.S.C. 553(a)(2) (emphasis added).

<sup>5</sup> 5 U.S.C. 603, 604.

#### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act ("PRA") of 1995,<sup>6</sup> the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. The final rule contains no requirements subject to the PRA.

#### 12 CFR Chapter II

##### List of Subjects in 12 CFR Part 201

Banks, Banking, Federal Reserve System, Reporting and recordkeeping.

##### Authority and Issuance

For the reasons set forth in the preamble, the Board is amending 12 CFR Chapter II as follows:

#### PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

■ 1. The authority citation for part 201 continues to read as follows:

**Authority:** 12 U.S.C. 248(i)–(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

##### § 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.3

(a) *Primary credit.* The interest rate at each Federal Reserve Bank for primary credit provided to depository institutions under § 201.4(a) is 2.25 percent.

(b) *Secondary credit.* The interest rate at each Federal Reserve Bank for secondary credit provided to depository institutions under 201.4(b) is 2.75 percent.

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, November 1, 2019.

**Michele Taylor Fennell,**

*Assistant Secretary of the Board.*

[FR Doc. 2019–24273 Filed 11–6–19; 8:45 am]

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#### FEDERAL RESERVE SYSTEM

##### 12 CFR Part 204

[Docket No. R–1684; RIN 7100–AF 64]

#### Regulation D: Reserve Requirements of Depository Institutions

**AGENCY:** Board of Governors of the Federal Reserve System.

<sup>6</sup> 44 U.S.C. 3506; see 5 CFR part 1320 appendix A.1.

<sup>3</sup> The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

<sup>1</sup> 5 U.S.C. 551 *et seq.*