(3) The Finance Office will administratively change the interest rate on a borrower's account in accordance with notification from the servicing official. The installment schedule set forth in each borrower's debt instrument will not change. The original principal schedule for principal-plus-interest accounts where principal *only* is stipulated will continue to be used for payment calculation by the Finance Office. Amortized accounts will adhere to the original payment schedule and amount. The last scheduled principal installment will be reduced by the amount of the balance previously generated by the reversal and reapplication of payments.

(4) When FmHA has processed a change of interest rate for an amortized loan and a reduction in installment amounts is needed to provide for a sound operation, the borrower may request reamortization in accordance with § 1951.207(g) of this subpart.

(5) The borrower will be notified in writing of the new interest rate as changed.

§ 1951.221 Servicing of nonprogram (NP) loans.

Borrowers with NP loans are not eligible for any program benefits, including appeal rights. However, FmHA may use any servicing tool under this subpart necessary to protect the Government's security interest, including reamortization or rescheduling. The refinancing requirements of Subpart F of this Part 1951 do not apply to NP loans. Debt settlement actions relating to NP loans must be handled under the Federal Claims Collection Act; proposals will be submitted to the National Office for review and approval. Any exception to the servicing requirements of NP loans under this subpart must have prior concurrence of the National Office.

§ 1951.222-1951.249 [Reserved]

§ 1951.250 OMB control number.

Collection of information requirements contained in this subpart have been approved by the Office of Management and Budget and have been assigned OMB Control Number 0575-0066.

Dated: January 27, 1989.

Neal Sox Johnson,

Acting Administrator, Farmers Home Administration.

[FR Doc. 89-5081 Filed 3-3-89; 8:45 am]

BILLING CODE 3410-07-M

NUCLEAR REGULATORY COMMISSION

10 CFR Part 50

Acceptance of Products Purchased for Use in Nuclear Power Plant Structures, Systems and Components

AGENCY: Nuclear Regulatory Commission.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Nuclear Regulatory Commission (Commission) is proposing to develop regulations requiring enhanced acceptance procedures including, but not limited to, receipt inspection and testing of products purchased for use in nuclear power plant structures, systems and components. This Advance Notice of Proposed Rulemaking (ANPR) is intended to solicit comments on the need for additional regulatory requirements and to obtain an improved understanding of alternatives to regulatory requirements that could provide assurance that structures, systems and components procured for use in nuclear power plants will perform as expected to protect public health and safety.

DATE: The comment period expires July 5, 1989. Comments received after this date will be considered if it is practical to do so, but assurance of consideration cannot be given to comments received after this date.

ADDRESSES: Mail comments to: The Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch.

Deliver comments to: 11555 Rockville Pike, Rockville, Maryland, between 7:30 a.m. and 4:15 p.m. Federal workdays.

Examine copies of comments received at: The NRC Public Document Room, Gelman Building, 2120 L Street NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Max J. Clausen, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Telephone (301) 492-0969.

SUPPLEMENTARY INFORMATION:

Background

Appendix B to 10 CFR Part 50 of the Commission's regulations adopted in 1970 (35 FR 10498) establishes the quality assurance criteria for safety-related structures, systems and components for nuclear power plants. The purpose of the quality assurance criteria in Appendix B is to provide requirements for the design, procurement, receipt inspection and testing, construction and operation of nuclear power plant structures, systems and components. The criteria are generally structured to confirm the quality of products designed, purchased, inspected, tested and installed for use in nuclear power plant structures, systems and components. The criteria apply to all activities conducted during the design, construction and operating phases of nuclear power plants that affect the safety-related functions of structures, systems and components. Procedures and actions by licensees and their representatives conforming to these criteria are expected to detect substandard and poor quality products but may not necessarily detect counterfeit or fraudulently marketed products. Recent cases involving apparently substandard, counterfeit and fraudulently marketed products for nuclear power plant structures, systems and components have prompted the Commission to reconsider the adequacy of current regulations for detecting substandard, counterfeit and fraudulently marketed products and for assuring that such products are not used in nuclear power plant structures, systems and components.

Criteria III, IV, VII, VIII, and XV of Appendix B to 10 CFR Part 50 provide the criteria for the control of purchased structures, systems and components for nuclear power plants. Historically, licensees and their representatives have purchased products with certifications attesting to the quality of the products and have depended to varying degrees on the certifications as one basis for accepting the products. However, recent discoveries of substandard, counterfeit and fraudulently marketed products furnished to nuclear power plants by contractors and subcontractors demonstrate that current product acceptance practices, particularly those based heavily on certifications and stated catalog specifications, have not been sufficient in all cases. Additional details of apparently substandard, counterfeit, and fraudulently marketed products are contained in NRC Compliance Bulletin No. 87-02 and Supplements 1 and 2, NRC Bulletin No. 88-05 and Supplements 1 and 2, NRC Bulletin No. 88-10, NRC Information Notice No. 88-19, NRC Information Notice No. 88-35, NRC Information Notice No. 88-48 and Supplement 1, NRC Information Notice No. 88-48, and NRC Information Notice No. 88-97.[1]

[1] These documents are available for inspection at the Commission's Public Document Room, Gelman Building, 2120 L Street, NW., Washington, DC.

In many cases, as in part discussed in the referenced bulletins and information notices, product acceptance practices have failed to detect such substandard, counterfeit or fraudulently marked products. Therefore, the Commission is considering the need for additional regulations or other methods to provide additional assurance that products purchased for use in nuclear power plant structures, systems and components satisfy requirements and specifications that are imposed to provide confidence that these items will perform as required to protect the public health and safety.

The Commissions's regulations provide two alternative approaches to assure that structures, systems and components satisfy requirements for safety-related applications. A licensee may procure products to the requirements of the applicable code or standard for the safety-related structure, system or component. Alternatively, the licensee may purchase a commercial grade product and then, using the appropriate procedures and satisfying the Commission's requirements, dedicate the commercial grade product for the safety-related application. The experiences that have been discussed in the bulletins and information notices previously referenced apply to products that were obtained using both of these approaches.

The Commission has concluded that significant engineering involvement is required during the procurement process for products used in nuclear power plants and during any testing of these products. It is the Commission's view that, in the past, inadequate engineering involvement has been a common weakness in licensees' procurement programs, particularly when commercial grade procurements were involved. It is the Commission's position that involvement of a licensee's engineering staff in the procurement process should include (1) selection of products to be used in the plant, (2) determination of the critical characteristics of the selected products that are to be verified during product acceptance, (3) determination of specific testing requirements applicable to the selected products, and (4) evaluation of test results. This involvement should be applicable to products initially procured as safety-related as well as commercial grade products procured for dedication and upgrading for use in safety-related applications. The extent of this engineering involvement will be highly dependent on the nature and use of the products involved.

The Commission is concerned about the quality of commercial grade products that are used throughout the nuclear plant, including applications in the "balance of plant" structures, sytems and components. This concern stems from a recognition that structures, sytems and components utilizing substandard products may not function as designed and may challenge safety-related systems unnecessarily or complicate the response to off-normal events. Commenters are requested to consider the issues and questions of this ANPR as they may relate to the need or desirability for either more prescriptive regulations or, alternatively, a performance-based requirement. Comments are also requested on the desirability of any such requirement for safety-related applications, as well as for applications throughout the plant.

A broad spectrum of issues needs to be considered before the Commission decides on the scope and content of any proposed new regulatory requirements addressing the concerns raised by the experience of licensees placing essentially complete reliance on certificates, such as Certificates of Compliance, and the evidence that some contractors are misrepresenting products. This experience is discussed in the referenced bulletins and information notices. The following questions are posed to raise the issues that the Commission has identified and are not to be considered complete nor are they intended to bound the scope of public comment on this ANPR. The questions are structured in two categories: (1) Products Procured for Use in Safety-Related Structure, System and Component Applications, and (2) Dedication of Commercial Grade Products for Use in Safety-Related Structure, System and Component Applications.

Public comments are invited on each of these questions. The comment resolution process will be improved if each comment is identified to the question to which it responds. Commenters may submit, in addition to the original paper copy, a copy of the letter in an electronic format on IBM PC-DOS compatible 3.5 or 5.25 inch double sided double density (DS/DD) diskettes. Data files should be provided in ASCII code or, if formatted text is required, data files should be provided in IBM Revisable-Form Text Document Content Architecture (RFT/DCA) format.

1. Products Procured for Use in Safety-Related Structure, System and Component Applications.

The questions in this section are categorized in four subsections: General, Metallic Products, Nonmetallic Products, and Components.

1.1 General

1.1.1a In view of the problems that have been detected with substandard, counterfeit, or fraudulently marketed products, do the Commission's current regulations provide adequate criteria for ensuring the acceptability of purchased products?

1.1.1b If the current regulations are considered to provide adequate criteria, how should they be applied to ensure that substandard, counterfeit, and fraudulently marketed products are detected and precluded from use in nuclear power plants?

1.1.1c If the current regulations do not provide adequate criteria, should the Commission establish specific requirements or performance-based requirements to ensure that products purchased for use in nuclear power plant structures, systems and components satisfy the operational requirements necessary to protect public health safety?

1.1.2a What traceability requirements should be imposed for all products to be used in safety-related structures, systems and components?

1.1.2b Should material traceability through all intermediary contractors, subcontractors and processors be required?

1.1.2c Should all critical characteristics, for example, materials, operations, functions, etc., be traceable?

1.1.2d Should there be any exceptions to the traceability requirements?

1.1.2e What should the identification requirements be for traceability, for example, uniquely marking each part whenever possible, bagging, records, etc.?

1.1.3 Should product acceptances be restricted to inspections and tests or should product acceptances include, on a sample basis, destructive inspections and tests to verify chemical and physical characteristics?

1.1.4 What types of inspections and tests (appropriate for the various types of products) should be required?

1.1.5 Should licensees, contractors and subcontractors be encouraged to perform joint testing?

1.1.6 If destructive inspections and tests are determined necessary, what should be the sampling basis (per vendor, per purchase order, per shipment, per lot, per container, etc.)?

1.1.7 Should sample plan testing be permitted for testing or should such testing be on a 100 percent basis?

1.1.8 What sort of statistical sampling during product inspection is adequate to provide confidence that the product has the requisite assurance of quality?

1.1.9 What criteria should be used for allowing sample plan testing during product acceptance?

1.1.10 Should the shelf life of appropriate types of structures, systems and components be inspected and verified as acceptable during product acceptances?

1.1.11 To what extent will an effective vendor audit program and maintenance of a qualified vendor list reduce the likelihood of questionable products being used in nuclear power plants?

1.1.12 What are the essential elements, for example, team composition, depth of audits, and approach, that must be included in an effective vendor audit program?

1.1.13 What reinspection or reaudit frequency is appropriate to maintain confidence in those vendors on a qualified vendor list?

1.1.14 How do licensees ensure that Code Certificate holders and "N" stamp vendors are current?

1.1.15 Is there an auditable method to demonstrate that licensees actually purchased the product from a qualified vendor, for example, the holder of an ASME Code stamp holder certification?

1.1.16a Should negative inspection, testing and audit results be shared with other parties?

1.1.16b Is a Federal requirement necessary to permit this sharing of information?

1.1.16c Should procurement contracts be required to include a provision for public release of the results of audits of the vendor?

1.1.16d Are there restraint of trade, antitrust concerns or liabilities associated with these actions?

1.1.17 Should licensees, contractors and subcontractors be encouraged to make joint procurements and to share inspection/audit results of joint procurements to enhance the effectiveness of inspections/audits?

1.1.18 If joint procurements and inspections/audits are encouraged, should controls be imposed and, if so, what and how should these controls be imposed?

1.1.19 What audit and testing documentation should be required to provide traceability and give confidence to all participants in joint product acceptances?

1.1.20a Should the NRC establish and publish a list of approved vendors for various products?

1.1.20b If a list of approved vendors is established, how should vendors be selected?

1.1.20c If a list of approved vendors is established, who should be responsible for maintaining this list?

1.1.20d Should licensees be restricted to making procurements from this list of approved vendors?

1.1.21 Should the use of a certificate, such as a Certificate of Conformance, in the procurement process be prohibited or, if allowed, be restricted to issue by the original equipment manufacturer for items that have remained under his direct control?

1.1.22 Should the furnishing of the original manufacturer's certificate, such as a Certified Material Test Report, be made mandatory for procurement of materials from intermediate vendors?

1.1.23 Should the transcribing of an original manufacturer's test data by intermediate vendors onto the vendor's certification, for example, Certified Material Test Report, be forbidden?

1.1.24 To what extent should licensees or their representatives be required to inspect the implementation of contractor product acceptance programs?

1.1.25 Should licensees be required to audit implementation of 10 CFR Part 21 by suppliers and vendors?

1.1.26 In addition to the requirements of 10 CFR Part 21, should licensees be required to notify manufacturers, suppliers and vendors of licensee-identified problems with vendor-provided nonconforming products or programs?

1.1.27 Should licensee participation in a national data system for reporting equipment/component failures by manufacturer and application be required?

1.1.28 Is there specific data that should be included in a national data system that would significantly enhance its usefulness in establishing equipment performance history?

1.1.29 What are the implications of any new Commission requirements on the Commission's endorsement of the American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code in 10 CFR 50.55a?

1.1.30 What is the best way to coordinate any new requirements with the ASME Boiler and Pressure Vessel Code?

1.1.31 Should the new requirements that relate to areas covered by the ASME Boiler and Pressure Vessel Code (e.g., SA material specifications) be handled through the code committee system?

1.1.32 To what extent should items 1.1.1a through 1.1.31 be required for other than safety-related components?

1.2 Metallic Products (e.g., fasteners, piping, pipe fittings, weld rod, castings, forgings, bar stock, plate material, stampings, wire, cable, etc.).

1.2.1a Should chemical analyses of the products be required as part of product acceptances?

1.2.1b Should these analyses of the products be performed by destructive or by nondestructive means?

1.2.2a Should tests of mechanical properties (e.g., hardness, tensile strength, impact, etc.) of the products be required as part of product acceptances?

1.2.2b Should tests of mechanical properties of the products be performed by destructive or by nondestructive means?

1.2.3 When destructive tests are required, are test coupons (when applicable) an acceptable source of test materials for the tests of chemical and mechanical properties or should material samples be removed from actual products?

1.3 Nonmetallic Products (e.g., lubricants, tape, elastomers, seals, paints, filters, etc.)

1.3.1a Should chemical analyses be required for lubricants, tape, elastomers, etc., during product acceptances?

1.3.1b Should these analyses be performed by destructive or by nondestructive means?

1.3.2 Should physical property tests (e.g., viscosity for lubricants, hardness for elastomers, efficiency for filters, etc.) be required during product acceptances?

1.4 Components (e.g., pumps, valves, circuit breakers, controllers and electronic parts/assemblies and their replacement parts)

1.4.1 Should components be subjected to functional tests during product acceptance?

1.4.2a Should components be disassembled, if necessary during product acceptance, to verify dimensional characteristics?

1.4.2b If the components are not disassembled, what methods should be utilized to verify critical characteristics?

1.4.3a Should the chemical and physical properties of component materials be analyzed during product acceptance inspections?

1.4.3b If the chemical and physical properties of component materials are to be analyzed during product acceptance inspections, what means should be utilized?

2. Dedication of Commercial Grade Products for Use in Safety-Related

Structure, System and component Applications.

The questions in this section are categorized in five subsections: General, Metallic Products, Nonmetallic Products, Components, and Others Questions.

2.1 General

2.1.1 Should the Commission establish specific requirements or performance-based requirements to ensure that commercial grade products being dedicated for use in safety-related nuclear power plant structures, systems and components satisfy the operational requirements necessary to protect public health and safety?

2.1.2 Should NRC regulations be revised to endorse and incorporate by reference, the industry codes, standards, or guidance documents for dedication programs of commercial grade products for use in safety-related structure, system and component applications?

2.1.3a What should the traceability requirements be for all commercial products being upgraded for use in safety-related structures, syvtems and components?

2.1.3b If upgrading traceability provisions are necessary, what should these provisions include?

2.1.3c Should material traceability through all intermediary contracts, subcontractors and processors be required?

2.1.3d If item traceability is necessary, should there be any provisions for upgrading products whose traceability cannot be established?

2.1.3e Should the upgrading traceability provisions be any different if the products are heat/lot identified or not?

2.1.3f What should the identification requirements be for traceability, for example, marking, bagging and records?

2.1.4 How should products intended for use in applications in which products are normally required to meet specific standards be inspected to verify that all critical characteristics are satisfied?

2.1.5 Should the shelf life of appropriate types of products be inspected and verified as acceptance as part of the upgrade inspection process?

2.1.6 What types of shelf life controls should be imposed on products that are being upgraded for use in safety-related structures, systems and components?

2.1.7 Should all upgrade inspections be restricted to inspections and tests or should they include, on a sample basis, destructive inspections and tests to verify chemical and physical characteristics?

2.1.8 What types of inspections and tests (appropriate for the various types of products) should be required?

2.1.9 How should inspections verify all critical characteristics (for example, chemistry, physical properties, dimensions, special processes, etc.)?

2.1.10a If destructive inspections and tests are determined to be necessary, how should samples be selected if products are heat/lot identified?

2.1.10b How should samples be selected if products are not heat/lot identified?

2.1.11 Should sample plan testing be permitted for nondestructive testing or should such testing be on a 100 percent basis?

2.1.12 What criteria are appropriate for allowing sample plan testing during upgrade inspections?

2.2 Metallic Products

2.2.1a Are chemical analyses of the products appropriate as part of upgrade inspections?

2.2.1b Should these analyses be performed by destructive or by nondestructive means?

2.2.2a Are tests of mechanical properties (e.g., hardness, tensile strength, impact etc.) appropriate as part of upgrade inspections?

2.2.2b Should these tests be performed by destructive or by non-destructive means?

2.2.3 If the product is heat/lot traceable, is sample inspection (destructive and nondestructive) adequate for confirmation of critical characteristics?

2.2.4 If the product is not heat/lot traceable, is it necessary to either sample or 100 percent test, for example, hardness, to establish uniformity and then destructively analyze them (for example, chemical analyses, tensile tested, impact tested, etc.) to determine acceptability?

2.2.5 Should requirements in addition to those included in industry standards (e.g., additional samples, etc.) be required?

2.2.6 When destructive tests are required, are test coupons (when available) an acceptable source of test materials for chemical and mechanical properties tests or should material samples be removed from actual products?

2.3 Nonmetallic Products

2.3.1a Are chemical analyses necessary to establish critical characteristics for lubricants, tape, elastomers, etc., proposed for upgrading for use in safety-related systems?

2.3.1b Should these analyses be performed by destructive or by non-destructive means?

2.3.2 Are physical property tests (e.g., viscosity for lubricants, hardness for elastomers, efficiency for filters, etc.) necessary for upgrading these products?

2.3.3 May critical characteristics be inspected by samples or is 100 percent inspection necessary to verify these characteristics?

2.4 Components

2.4.1 Must each critical characteristic be inspected before the component is acceptable for use in safety-related systems?

2.4.2 How should the chemical and physical properties of component materials be analyzed during upgrade inspections?

2.4.3 If critical characteristics cannot be inspected on each component piece, should it be acceptable to establish heat/lot traceability, establish uniformity of lot by sample inspection and thereby accept the lot?

2.4.4a Must components be 100 percent functionally tested or may they be subjected to functional tests on a sampling basis?

2.4.4b Inspected by sample, what is the basis for performing only sample inspection?

2.4.5a Should disassembly of components be required to verify critical characteristics?

2.4.5b May verification of critical characteristics be done on a sampling basis or are 100 percent inspections necessary?

2.4.5c What is the basis for performing only sample inspections?

2.4.5d If components are not disassembled to verify dimensions, what methods can be utilized to verify dimensions?

2.5 Other Questions

2.5.1a Are there any other agency/organization standards or programs that should be adopted for use in upgrading commercial grade products for use in safety-related systems?

2.5.1b Should these standards or programs be endorsed by NRC regulations?

2.5.2 Are there other alternatives that could provide the necessary assurances?

2.5.3 To what extent should any existing controls or any additional controls being contemplated in the ANPR be extended to nonsafety-related applications in "balance of plant" structures, systems and components?

List of Subjects in 10 CFR Part 50

Antitrust, Classified information, Fire protection, Incorporation by reference, Intergovernmental relations, Nuclear power plants and reactors, Penalty, Radiation protection, Reactor siting

criteria, and Reporting and recordkeeping requirements.

The authority citation for this document is:

Authority: Sec. 161, Pub. L. 83-703, 68 Stat. 948, as amended (42 U.S.C. 2201); and Sec. 201, Pub. L. 93-438, 88 Stat. 1242, as amended (42 U.S.C. 5841).

Dated at Rockville, Maryland, this 28th day of February, 1989.

For the Nuclear Regulatory Commission.

Samuel J. Chilk,

Secretary of the Commission.

[FR Doc. 89-5101 Filed 3-3-89; 8:45 am]

BILLING CODE 7590-01-M

SMALL BUSINESS ADMINISTRATION

13 CFR Part 120

Business Loan Policy

AGENCY: Small Business Administration.

ACTION: Notice of proposed rulemaking.

SUMMARY: Section 102 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590 (102 Stat. 2969), enacted November 3, 1988, amends the Small Business Act (15 U.S.C. 636) with respect to guaranty fees on loans of $50,000 or less by Certified or Preferred Lenders. This proposed rule would implement such amendment.

DATE: Comments must be received on or before April 5, 1989.

ADDRESS: Comments may be mailed to: Allan Mandel, Small Business Administration, 1441 L Street NW., Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Allan Mandel, 202-653-6696.

SUPPLEMENTARY INFORMATION: The Small Business Administration (SBA) charges a guaranty fee for a participating lender to obtain the SBA guaranty with respect to a percentage of a qualified loan. On loans with maturities in excess of twelve months, the guaranty fee is two percent. Such fee is paid by the lender to SBA, but the lender may pass that charge on to the small business concern borrower. This is true whether the loan being guaranteed by SBA is a regular loan, a loan made under the Certified Lenders Program (CLP) (under which a lender is promised a three-day turnaround review by SBA), or a loan made under the Preferred Lenders Program (PLP) (under which the loan does not get any processing review by SBA). Congress wants to encourage lenders to make smaller loans which are less profitable for lenders. Public Law 100-590 authorizes a Certified or Preferred Lender (which are SBA participating lenders who have exemplary records in making guaranteed loans) to keep one half of the guaranty fee for a CLP or regularly processed loan of $50,000 or less and a maturity in excess of twelve months. The proposed amendment of the regulation would implement this statutory provision.

Public Law 100-590 also refers to the use of a simplified loan form for these small loans. SBA periodically reviews its loan forms and the current version was revised in the last several years. SBA considers that the information requested on the present forms is the minimum necessary in order to make an informed decision on the creditworthiness of a borrower, regardless of the amount of the loan. Accordingly, SBA is not at this time making any changes to its loan forms to accommodate this small loan proposal.

For purposes of the Regulatory Flexibility Act (5 U.S.C. 605(b)), SBA certifies that this proposed rule will not, if promulgated in final form, have a significant impact on a substantial number of small entities because recent history indicates to SBA that there will not be made a large number of loans $50,000 or less.

SBA certifies that this proposed rule does not constitute a major rule for the purposes of Executive Order 12291, since the change is not likely to result in an annual effect on the economy of $100 million or more because it is not anticipated that such a large number of $50,000 loans will be made. In 1986, the average SBA loan was $150,000, for 1987 it was $160,000, and for 1988 it was $161,000.

The proposed rule, if promulgated in final form, would not impose additional reporting or recordkeeping requirements which would be subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

This proposed rule would not have federalism implications warranting the preparation of a Federal Assessment in accordance with Executive Order 12612.

List of subjects in 13 CFR Part 120: Loan Programs/Business.

Pursuant to the authority contained in section 5(b)(6) of the Small Business Act (15 U.S.C. 634(b)(6)) and Section 136 of Pub. L. 100-590 (102 Stat. 2989), SBA proposes to amend Part 120, Chapter I, Title 13, Code of Federal Regulations, as follows:

PART 120—BUSINESS LOAN POLICY

1. The authority citation for Part 120 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6) and 636 (a) and (h).

2. Section 120.104-1 is amended by adding a new paragraph (f) to read as follows:

§ 120.104-1 Guaranty fees.

* * * * *

(f) *Retention of Guaranty Fee.* Except for loans made under the Preferred Lenders Program in Subpart D of this Part, when a Certified Lender or Preferred Lender makes a loan of $50,000 or less, with a maturity in excess of twelve months, it may retain one-half of the guaranty fee charged to the borrower.

Dated: January 26, 1989.

James Abdnor,

Administrator.

[FR Doc. 89-5116 Filed 3-3-89; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF COMMERCE

Bureau of Export Administration

15 CFR Part 787

[Docket No. 81147-8247]

Voluntary Self-Disclosures

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Proposed rule with request for comments.

SUMMARY: The Bureau of Export Administration proposes to amend the Export Administration Regulations to set forth procedures for dealing with voluntary self-disclosures of violations of the Export Administration Act, as amended, and the Export Administration Regulations. There have been inquiries from the public which suggest that there are uncertainties with respect to the effect that a voluntary self-disclosure may have on the treatment of violations. By publishing the practice of the Bureau of Export Administration with respect to voluntary self-disclosures, this rule will reduce that uncertainty.

Depending on the facts and circumstances of each case, the voluntary self-disclosure of a violation will ordinarily be a mitigating factor which the Bureau of Export Administration will consider, along with other aggravating and mitigating factors, when determining the appropriate administration sanction, if any, to be imposed.

DATE: Comments should be received by April 5, 1989.

ADDRESS: Written comments (six copies) should be sent to: William H. Arvin,