

with a particular Bank's financing and investment activities. In particular, the Finance Board would expect the candidate who meets the requirements of the proposed rule to demonstrate a strong understanding of the risks faced by the Banks in supplying financing to members in fulfillment of the Banks' housing finance mission. The Finance Board also expects to apply any rule flexibly, taking account of the expertise of a Bank's existing directors, the activities and risk profile of the particular Bank, the pool of available candidates and other similar factors in identifying a qualified appointed director so that the level of skills and experience that could qualify a person for an appointed directorship under the proposed criteria could vary somewhat from Bank to Bank.

Generally, the Finance Board believes that a potential appointed director could be considered to have the required skills if, based on work experience, publications or other relevant information, the Finance Board reasonably believed that an individual would have a strong understanding of the market, interest rate and other risks faced by a particular Bank. The Finance Board also believes that the proposed rule should not limit narrowly the professional pool from which a qualified appointed director could be chosen but that the pool of potential candidates should encompass a wide variety of professions including academia, the legal profession and government service. The Finance Board specifically requests comment on the criteria discussed above.

The Finance Board expects this new requirement to be mandatory and to apply to public interest director appointments for each of the 12 Banks for the terms beginning on January 1, 2004. The Finance Board requests comments on whether one such director at each Bank is sufficient, or whether the requirement should be expanded to two or more directors with the requisite expertise who would serve terms that are not co-terminus. In addition, the Finance Board is interested in receiving comments on whether the rule should specify other specific areas of expertise, in addition to the ones specified in this proposal, that should apply to the appointment of public interest directors.

The Finance Board also is proposing to delete from § 915.10(b) language that was needed to implement the "staggering" required by the GLB Act for replacement of a Bank's directors. See 65 FR 41560 (July 6, 2000). Because the language, by its terms, only applies to Finance Board appointments made in 2001 and 2002 and is, therefore, no

longer applicable, the Finance Board proposes to delete the second sentence of § 915.10(b). The Finance Board also proposes to delete Appendix A to part 915, which includes matrices relating to the directorships of the Banks that were created in conjunction with the earlier elections and appointments. As part of its annual designation of elective directorships in the past two years, the Finance Board has included updated versions of the matrices to reflect the revised board structure for each Bank for that year, and expects to continue to do so in the future. Because the matrices in Appendix A relate to prior years, and have been superseded by more current versions, it no longer is necessary to include them in the regulations.

III. Regulatory Flexibility Act

The final rule would apply only to the Finance Board and the Banks, which do not come within the meaning of small entities as defined in the Regulatory Flexibility Act (RFA). See 5 U.S.C. 601(6). Therefore, in accordance with section 605(b) of the RFA, 5 U.S.C. 605(b), the Finance Board hereby certifies that this proposed rule, if promulgated as a final rule, will not have a significant economic effect on a substantial number of small entities.

IV. Paperwork Reduction Act

The Finance Board does not propose to amend current forms that potential appointed directors must complete. Thus, the proposed rule does not contain any collections of information pursuant to the Paperwork Reduction Act of 1995. See 33 U.S.C. 3501 *et seq.* Accordingly, the Finance Board has not submitted any information to the Office of Management and Budget for review.

Lists of Subjects in 12 CFR Part 915

Banks, Banking, Conflict of interests, Elections, Ethical conduct, Federal home loan banks, Financial Disclosure, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, the Finance Board proposes to amend title 12 CFR part 915 as follows:

PART 915—BANK DIRECTOR ELIGIBILITY, APPOINTMENT AND ELECTIONS

1. The authority citation for part 915 continues to read as follows:

Authority: 12 U.S.C. 1422a(a)(3), 1422b(a), 1426, 1427, 1432.

2. Revise § 915.10 by adding a new sentence to the end of paragraph (a) and by deleting the second sentence of paragraph (b) to read as follows:

§ 915.10 Selection of appointed directors.

(a) * * * In making its selections, the Finance Board will provide that at least one appointed director serving on the board of directors of each Bank for the coming year, either appointed in past selections or appointed in current selections, has a background or experience that reasonably demonstrates that the director possesses a strong understanding of the risks, including the interest rate risk, market risk and options risk, arising from a Bank's activities.

* * * * *

Appendix A to Part 915—[Removed]

3. Appendix A to part 915 is removed.

Dated: March 12, 2003.

By the Board of Directors of the Federal Housing Finance Board.

John T. Korsmo,
Chairman.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-NM-120-AD]

RIN 2120-AA64

Airworthiness Directives; Empresa Brasileira de Aeronautica S.A. (EMBRAER) Model EMB-120 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Supplemental notice of proposed rulemaking; reopening of comment period.

SUMMARY: This document revises an earlier proposed airworthiness directive (AD), applicable to all EMBRAER Model EMB-120 series airplanes, that would have required replacing certain existing potentiometers with recently manufactured potentiometers, modifying the flexible couplers that attach the shafts of the potentiometers to the shafts of the primary flight controls, performing repetitive calibration tests of the potentiometers and obtaining repetitive readouts of the flight data recorder (FDR), and reporting the results to the FAA. This new action proposes initial and repetitive testing of the potentiometers to detect noisy signals and replacement of only those with noisy signals. The actions specified by this new proposed AD are intended to prevent the potentiometers that provide