

Rural Development Agencies of USDA being shifted to FSA. Consequently, FSA is requesting comments on the information collection requirements in this rule that are being moved from those currently in parts 1901, subpart E and 1951, subparts E and F as required by the Paperwork Burden Reduction Act. After publication of this rule in final, the Agency will submit documents to OMB to modify the currently approved burden to reflect this shift between control numbers. An estimate of the paperwork burden of the regulations as affected by this proposed rule are as follows:

Title: 7 CFR part 772, Servicing Minor Program Loans.

OMB Control Number: 0560-NEW.

Type of request: Approval of new information collection.

Abstract: This part contains FSA policies and procedures for servicing Minor Program loans which include: Grazing Associations, Irrigation and Drainage Associations, Non-Farm Enterprise loans and Recreation loans to individuals.

Estimate of burden: Public reporting burden for this collection of information is estimated to average less than 1 hour per response.

Respondents: Individuals and businesses.

Estimated number of respondents: 338

Estimated number of responses per respondent: 1

Estimated total annual burden on respondents: 179 hours Comments are requested regarding (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimates of burden including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Comments should be sent to Mel Thompson, Loan Servicing and Property Management Division, Farm Service Agency, United States Department of Agriculture, STOP 0523, 1400 Independence Avenue, SW., Washington, DC 20250-0523; or e-mail: mel_thompson@wdc.usda.gov.

Federal Assistance Program

These proposed changes affect no programs listed in the Catalog of Federal Domestic Assistance.

Discussion of the Proposed Rule

This proposed rule consolidates and clarifies the servicing policies of the Farm Service Agency's Minor Loan Programs. The Minor Programs were administered by the former Farmers Home Administration (FmHA). Under the discretionary authority of the Department of Agriculture Reorganization Act of 1994, Pub. L. 103-354, on October 20, 1994, the Individual-type loans (Non-Farm Enterprise and Recreation loans) were assigned to FSA. The Association-type loans (Grazing Associations and Irrigation and Drainage loans) were assigned to USDA's Rural Development mission area. Regulations for servicing the Association-type loans of these programs are currently found at 7 CFR part 1901, subpart E for Civil Rights Compliance; 7 CFR part 1951, subpart E for servicing; 7 CFR part 1951, subpart F for graduation; 7 CFR part 1956, subpart C for debt settlement; and 7 CFR part 1962 subpart A for bankruptcy. Individual-type Minor Program loans are the Non-Farm enterprise loans which are a subgroup of FSA, Farm Operating and Farm Ownership loans defined in 7 CFR 1941.4 and 1943.4 and Recreation loans, which are defined as Farm Loan Program (FLP) loans under 7 CFR 1951.906. Although these loans are no longer made by FSA, both categories are serviced as FLP loans in accordance with 7 CFR part 1951, subpart S.

Because the current delegation of these similar loan programs between FSA and the agencies of the Rural Development mission area is inefficient, this rule proposes to remove parts of regulations that are currently shared by FSA and the agencies of the Rural Development mission area and publish a consolidated FSA regulation governing these programs. Consolidating these scattered regulations will result in more efficient and proper administration of the servicing requirements for the Minor Programs. Information not specific to the Minor Programs will be eliminated and language will be improved for readability. Only requirements specific to the Minor Programs will be included. The result will be better service to the borrowers with these types of loans, and, at the same time, ease the agency officials' burden in administering these programs. The regulations for servicing bankruptcy (7 CFR part 1962, subpart A) and debt settlement (7 CFR part 1956,

subparts B and C) previously applied to all Minor Program loans and will continue to apply under this rule. This proposed rule contains no new requirements, nor does it eliminate any provision currently contained in existing regulations. The intended effect of this rule is to transfer and consolidate authorities contained within separate Federal regulations into one part.

List of Subjects

Part 772

Agriculture, Credit, Rural areas.

Part 1901

Civil rights, Compliance reviews, Minority groups.

Part 1951

Account servicing, Grant programs—housing and community development, Reporting requirements, Rural areas.

Accordingly, for the reasons stated in the preamble, 7 CFR part 772 is added and 7 CFR parts 1901 and 1951 are amended as follows:

1. Add part 772 to read as follows:

PART 772—SERVICING MINOR PROGRAM LOANS

Sec.

- 772.1 Policy.
- 772.2 Abbreviations and definitions.
- 772.3 Compliance.
- 772.4 Environmental requirements.
- 772.5 Security maintenance.
- 772.6 Subordination of security.
- 772.7 Leasing Minor Program loan security.
- 772.8 Sale or exchange of security property.
- 772.9 Releases.
- 772.10 Transfer and assumption—AMP loans.
- 772.11 Transfer and assumption—IMP loans.
- 772.12 Graduation.
- 772.13 Delinquent account servicing.
- 772.14 Reamortization of AMP loans.
- 772.15 Protective advances.
- 772.16 Liquidation.
- 772.17 Equal opportunity and non-discrimination requirements.
- 772.18 Exception authority.

Authority: 5 U.S.C. 301, 7 U.S.C. 1989, and 25 U.S.C. 490.

§ 772.1 Policy.

(a) *Purpose.* This part contains the Agency's policies and procedures for servicing Minor Program loans which include: Grazing Associations, Irrigation and Drainage Associations, Non-Farm Enterprise loans and Recreation loans to individuals.

(b) *Appeals.* The regulations at 7 CFR parts 11 and 780 apply to decisions made under this part.

§ 772.2 Abbreviations and definitions.

(a) Abbreviations.