

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 762

RIN 0560-AG53

Guaranteed Loans—Rescheduling Terms and Loan Subordinations

AGENCY: Farm Service Agency, USDA.

ACTION: Proposed rule.

SUMMARY: This action proposes to revise the regulations governing the Farm Service Agency (FSA) guaranteed farm loan program. This rule proposes to allow guaranteed loans to be rescheduled with a balloon payment under certain circumstances. Proposed also are provisions to allow low-risk subordinations to be approved by the appropriate Agency personnel at the field level rather than the National Office, allow lenders to make debt installment payments in accordance with lien priorities, payment due dates and cash flow projections, correct a wording error, clarify that packager and consultant fees for servicing of guaranteed loans are not covered by the guarantee, and clarify the amount a lender can bid at a foreclosure sale. The Agency is proposing these changes as a result of input from program participants and problems in administering current provisions. The changes proposed will improve Agency regulations without increasing risk to the Government.

DATES: Comments concerning this proposed rule must be submitted by October 20, 2003 to be assured of consideration.

ADDRESSES: Interested persons are invited to submit written comments concerning this rule. Address all comments on the rule to Craig Nehls, Branch Chief, Guaranteed Loan Servicing and Inventory Property Branch, Loan Servicing and Property Management Division, FSA, USDA, 1400 Independence Avenue, STOP 0523, Washington, DC 20250-0523; Fax:

(202) 690-1196. Comments should reference the volume, date and page number of this issue of the **Federal Register**. You may submit comments via electronic mail to

Joseph_Pruss@wdc.usda.gov, or at <http://www.regulations.gov>. Public inspection of this rule and all comments are available during regular business hours by contacting the Branch Chief at (202) 720-1984.

FOR FURTHER INFORMATION CONTACT:

Joseph Pruss, Senior Loan Officer, Farm Service Agency; telephone: (202) 690-2854; Facsimile: (202) 690-1196; e-mail: *Joseph_Pruss@wdc.usda.gov*.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been determined to be significant and was reviewed by the Office of Management and Budget under Executive Order 12866.

Regulatory Flexibility Act

The Agency certifies that this rule will not have a significant economic effect on a substantial number of small entities, because it does not require any specific actions on the part of the borrower or the lenders. The Agency, therefore, is not required to perform a Regulatory Flexibility Analysis as required by the Regulatory Flexibility Act, Public Law 96-534, as amended (5 U.S.C. 601).

Environmental Evaluation

The environmental impacts of this proposed rule have been considered in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321 *et seq.*, the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508), and the FSA regulations for compliance with NEPA, 7 CFR parts 799, and 1940, subpart G. FSA completed an environmental evaluation and concluded that the rule requires no further environmental review. No extraordinary circumstances or other unforeseeable factors exist which would require preparation of an environmental assessment or environmental impact statement. A copy of the environmental evaluation is available for inspection and review upon request.

Executive Order 12988

This rule has been reviewed in accordance with E.O. 12988, Civil

Justice Reform. In accordance with that Executive Order: (1) All State and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given to this rule except that lender servicing under this rule will apply to loans guaranteed prior to the effective date of the rule; and (3) administrative proceedings in accordance with 7 CFR part 11 must be exhausted before requesting judicial review.

Executive Order 12372

For reasons contained in the Notice related to 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983) the programs and activities within this rule are excluded from the scope of Executive Order 12372, which requires intergovernmental consultation with state and local officials.

Unfunded Mandates

This rule contains no Federal mandates, as defined by title II of Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Executive Order 13132

The policies contained in this rule do not have any substantial direct effect on 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. Nor does this rule impose substantial direct compliance costs on state and local governments. Therefore, consultation with the states is not required.

Paperwork Reduction Act

The amendments to 7 CFR part 762 contained in this rule require no revisions to the information collection requirements that were previously approved by OMB under control number 0560-0155.

Federal Assistance Programs

These changes affect the following FSA programs as listed in the Catalog of Federal Domestic Assistance:

- 10.406 Farm Operating Loans
- 10.407 Farm Ownership Loans