

# Rules and Regulations

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 226

[Regulation Z; Docket No. R-0949]

#### Truth in Lending

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

**ACTION:** Notice of adjustment of dollar amount.

**SUMMARY:** The Board is publishing an adjustment to the dollar amount that triggers certain requirements of Regulation Z (Truth in Lending) for mortgages bearing fees above a certain amount. The Home Ownership and Equity Protection Act of 1994 sets forth rules for creditors offering home-secured loans with total points and fees payable by the consumer at or before loan consummation that exceed the greater of \$400 or 8 percent of the total loan amount. The Board is required to annually adjust the \$400 amount based on the annual percentage change in the Consumer Price Index as reported on June 1. The Board adjusted the \$400 amount to \$412 for 1996. The Board has adjusted the dollar amount from \$412 to \$424 for 1997.

**EFFECTIVE DATE:** January 1, 1997, through December 31, 1997.

**FOR FURTHER INFORMATION CONTACT:** Michael Hentrel, Staff Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667. For the users of Telecommunications Device for the Deaf only, please contact Dorothea Thompson, at (202) 452-3544.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Truth in Lending Act (TILA; 15 U.S.C. 1601-1666j) requires creditors to disclose credit terms and the cost of consumer credit as an annual

percentage rate. The act requires additional disclosures for loans secured by a consumer's home, and permits consumers to cancel certain transactions that involve their principal dwelling. The TILA is implemented by the Board's Regulation Z (12 CFR part 226).

On March 24, 1995, the Board published amendments to Regulation Z implementing the Home Ownership and Equity Protection Act of 1994 (HOEPA), contained in the Riegle Community Development and Regulatory Improvement Act of 1994, Public Law 103-325, 108 Stat. 2160 (60 FR 15463). These amendments, which became effective on October 1, 1995, are contained in § 226.32 of the regulation and impose additional disclosure requirements and substantive limitations on certain closed-end mortgage loans bearing rates or fees above a certain percentage or amount. Generally, creditors are required to comply with the rules in § 226.32 if the total points and fees payable by the consumer at or before loan consummation exceed the greater of \$400 or 8 percent of the total loan amount. The TILA and § 226.32(a)(1)(ii) of Regulation Z provide that the \$400 figure shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index (CPI) that was reported on the preceding June 1. See 15 U.S.C. 1602(aa).

The Bureau of Labor Statistics publishes consumer-based indices monthly, but does not "report" a CPI change on June 1; adjustments are reported in the middle of each month. The Board believes the CPI-U index, which is based on all urban consumers and represents approximately 80 percent of the U.S. population, is the appropriate index to use in any adjustment to the \$400 dollar figure.

The adjustment the \$400 dollar figure reflects the adjustment reported on May 15 (the rate "in effect" on June 1) which states the percentage increase from April 1995 to April 1996. Last year, the Board adjusted the \$400 amount to \$412, reflecting a 3.1 percent increase in the CPI-U (See 61 FR 3177, January 31, 1996). During the period from April 1995 to April 1996, the CPI-U increased by 2.9 percent. As a result, this increase in the CPI-U would cause an adjustment of the \$412 to \$423.94. The Board is rounding that number to whole dollars for ease of compliance.

#### Adjustment

For the reasons set forth in the preamble, for purposes of determining if a mortgage is covered by § 226.32 if the total points and fees payable by the consumer at or before loan consummation exceed the greater of \$400 or 8 percent of the total loan amount, effective January 1, 1997, through December 31, 1997, the dollar amount is adjusted from \$412 to \$424.

By order of the Board of Governors of the Federal Reserve System, December 6, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

[FR Doc. 96-31531 Filed 12-11-96; 8:45 am]

BILLING CODE 6210-01-P

### 12 CFR Part 263

[Docket No. R-0938]

#### Rules of Practice for Hearings

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

**ACTION:** Correction to final regulations.

**SUMMARY:** This document contains a correction to the final rule (Docket No. R-0938), which was published Friday, November 1, 1996 (61 FR 56407). The rule listed increases in the maximum amounts of each civil money penalty under the jurisdiction of the Board of Governors of the Federal Reserve System (Board).

**EFFECTIVE DATE:** October 24, 1996.

**FOR FURTHER INFORMATION CONTACT:** Alan E. Sorcher, Senior Attorney (202/452-3564), Legal Division, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551.

#### SUPPLEMENTARY INFORMATION:

##### Background

The final rule that is the subject of this correction amended the Board's Rules of Practice for Hearings to include a section listing increases in the maximum amounts of each civil money penalty under the Board's jurisdiction. The Board was required to enact such regulation by section 31001(s) of the Debt Collection Improvements Act of 1996 (Pub.L. 104-134, 110 Stat. 1321-373) which required agencies to adjust their statutorily based civil money penalties to account for inflation.

**Need for Correction**

As published, the final rule contains an error which may prove to be misleading and is in need of clarification.

**Correction of Publication**

Accordingly, the publication on November 1, 1996, of the Final Rule (Docket No. R-0938) which was the subject of FR Doc. 96-28017 is corrected as follows:

**§ 263.65 [Corrected]**

Paragraph 1. On page 56408, in the first column, in § 263.65, in paragraph (b)(2) introductory text, at the end of the second line, the statutory citation "1972(F)" is corrected to read "1972(2)(F)".

By order of the Board of Governors of the Federal Reserve System, December 6, 1996.  
Jennifer J. Johnson,

*Deputy Secretary of the Board.*

[FR Doc. 96-31532 Filed 12-11-96; 8:45 am]

BILLING CODE 6210-01-P

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 71**

[Airspace Docket No. 96-AWP-22]

**Amendment of Class E Airspace; Casa Grande, AZ**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action amends the Class E airspace area at Casa Grande, AZ. The development of a Global Positioning System (GPS) Standard Instrument Approach Procedure (SIAP) to Runway (RWY) 05/23 has made this action necessary. The intended effect of this action is to provide adequate controlled airspace for Instrument Flight Rules (IFR) operations at Casa Grande Municipal Airport, Casa Grande, AZ.  
**EFFECTIVE DATE:** 0901 UTC January 30, 1997.

**FOR FURTHER INFORMATION CONTACT:** William Buck, Airspace Specialist, Operations Branch, AWP-530, Air Traffic Division, Western-Pacific Region, Federal Aviation Administration, 15000 Aviation Boulevard, Lawndale, California 90261, telephone (310) 725-6556.

**SUPPLEMENTARY INFORMATION:****History**

On October 10, 1996, the FAA proposed to amend part 71 of the

Federal Aviation Regulations (14 CFR part 71) by amending the Class E airspace area at Casa Grande, AZ (61 FR 53157). This action will provide adequate controlled airspace to accommodate a GPS SIAP to RWY 05/23 at Casa Grande Municipal Airport, Casa Grande, AZ.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments to the proposal were received. Class E airspace designations are published in paragraph 6005 of FAA Order 7400.9D dated September 4, 1996, and effective September 16, 1996, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in this Order.

**The Rule**

This amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) amends the Class E airspace area at Casa Grande, AZ. The development of a GPS SIAP to RWY 05/23 has made this action necessary. The effect of this action will provide adequate airspace for aircraft executing the GPS RWY 05/23 SIAP at Casa Grande Municipal Airport, Casa Grande, AZ.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation—(1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 10034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

**List of Subjects in 14 CFR Part 71**

Airspace, Incorporation by reference, Navigation (air).

**Adoption of the Amendment**

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

**PART 71—[AMENDED]**

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E. O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 14 CFR 11.69.

**§ 71.1 [Amended]**

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9D, Airspace Designations and Reporting Points, dated September 4, 1996, and effective September 16, 1996, is amended as follows:

*Paragraph 6005 Class E airspace area extending upward from 700 feet or more above the surface of the earth.*

\* \* \* \* \*

**AWP AZ E5 Casa Grande, AZ [Revised]**

Casa Grande Municipal Airport, AZ  
(lat. 32°57'17"N, long. 111°46'00"W)

That airspace extending upward from 700 feet above the surface beginning at lat. 32°57'05"N, long. 111°52'18"W, thence clockwise via the 5.3-mile radius of the Casa Grande Municipal Airport to lat. 32°52'40"N, long. 111°49'06"W; to lat. 32°50'50"N, long. 111°53'02"W; to lat. 32°55'20"N, long. 111°56'02"W, thence to the point of beginning.

\* \* \* \* \*

Issued in Los Angeles, California, on November 22, 1996.

Sabra W. Kaulia,

*Assistant Manager, Air Traffic Division, Western-Pacific Region.*

[FR Doc. 96-31581 Filed 12-11-96; 8:45 am]

BILLING CODE 4910-13-M

**14 CFR Part 71**

[Airspace Docket No. 96-AWP-25]

**Amendment of Class E Airspace, Grass Valley, CA**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action amends the Class E airspace area at Grass Valley, CA. The development of a Global Positioning System (GPS) Standard Instrument Approach Procedure (SIAP) to Runway (RWY) 07 to Nevada County Airpark has made this action necessary. The intended effect of this action is to provide adequate controlled airspace for Instrument Flight Rules (IFR) operations at Nevada County Airpark, Grass Valley, CA.

**EFFECTIVE DATE:** 0901 UTC January 30, 1997.

**FOR FURTHER INFORMATION CONTACT:** William Buck, Airspace Specialist, Operations Branch, AWP-530, Air Traffic Division, Western-Pacific Region, Federal Aviation Administration, 15000 Aviation