

**DATES:** This regulation becomes effective at 4 a.m. on February 2, 1996, and terminates at 8 a.m. on August 31, 1996.

**FOR FURTHER INFORMATION CONTACT:** Lt. Byron Black, Chief, Port Operations, Captain of the Port, 200 Jefferson Avenue, Suite 1301, Memphis, TN 38103, (901) 544-3941.

**SUPPLEMENTARY INFORMATION:**

**Background and Purpose**

At approximately midnight on February 2, 1996, a deck barge sank at approximate mile 540.0 on the Lower Mississippi River. The deck barge's exact location remains unknown and survey operations at Lower Mississippi River mile 540.0 are underway. The navigable channel will be blocked during survey and salvage operations. A safety zone has been established on the Lower Mississippi River from mile 538.0 to mile 540.0 in order to facilitate safe vessel passage. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port.

In accordance with 5 U.S.C. 553, a notice of proposed rulemaking was not published for this regulation and good cause exists for making it effective in less than 30 days after Federal Register publication. Publication of a notice of proposed rulemaking and delay of effective date would be contrary to the public interest because immediate action is necessary. Specifically, immediate action is necessary to facilitate the survey for the sunken deck barge's exact location. Harm to the public or environment may result if vessel traffic is not controlled during the operations. As a result, the Coast Guard deems it to be in the public's best interest to issue a regulation immediately.

**Regulatory Evaluation**

This rule is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that order. It has not been reviewed by the Office of Management and Budget under that order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this rule to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary.

**Collection of Information**

This rule contains no information collection requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

**Federalism**

The Coast Guard has analyzed this rule under the principles and criteria contained in Executive Order 12612 and has determined that this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

**Environment**

The Coast Guard considered the environmental impact of this rule and concluded that, under paragraph 2.B.2 of Commandant Instruction M16475.1B (as revised by 59 FR 38654; July 29, 1994), this rule is categorically excluded from further environmental documentation.

**List of Subjects in 33 CFR Part 165**

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Vessels, Waterways.

For the reasons set out in the preamble, the Coast Guard amends 33 CFR Part 165 as follows:

**PART 165—[AMENDED]**

1. The authority citation for Part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05-1(g), 6.04-1, 6.04-6, and 160.5; 49 CFR 1.46.

2. A new temporary § 165.T02-076 is added to read as follows:

**§ 165.T02-076 Safety Zone; Lower Mississippi River.**

(a) *Location.* The following area is a Safety Zone: Lower Mississippi River mile 538.0 to mile 542.0.

(b) *Effective dates.* This section is effective at 4 a.m. on February 3, 1996, and terminates at 8 a.m. on August 31, 1996.

(c) *Regulations.* In accordance with the general regulations in § 165.23, entry into this zone is prohibited except as authorized by the Captain of the Port. The Captain of the Port, Memphis, Tennessee, will notify the maritime community of conditions affecting the area covered by this safety zone by Marine Safety Information Radio Broadcast on VHF Marine Band Radio, Channel 22 (157.1 MHz).

Dated: February 3, 1996.

P.L. Mountcastle,

*Lieutenant Commander, USCG, Acting Captain of the Port.*

[FR Doc. 96-4536 Filed 2-27-96; 8:45 am]

BILLING CODE 4910-14-M

**DEPARTMENT OF VETERANS AFFAIRS**

**38 CFR Part 36**

**RIN 2900-AH90**

**Loan Guaranty: Limitation on Discount Points Financed in Connection with Interest Rate Reduction Refinancing Loans**

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Interim final rule.

**SUMMARY:** This document amends VA's loan guaranty regulations concerning points allowed to be included in VA-guaranteed Interest Rate Reduction Refinancing Loans by limiting to two the amount of points that may be included in the loan. This action is necessary to help ensure that veterans are not overcharged with excessive points and to protect the interest of the Government against overinflated loans.

**DATES:** This rule is effective February 28, 1996. Comments must be received on or before April 29, 1996.

**ADDRESSES:** Mail written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420; or hand deliver written comments to: Office of Regulations Management, Room 1176, 801 Eye Street, NW., Washington, DC 20001. Comments should indicate that they are submitted in response to "RIN 2900-AH90." All written comments received will be available for public inspection in the Office of Regulations Management, Room 1176, 801 Eye Street, NW., Washington, DC 20001 between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays).

**FOR FURTHER INFORMATION CONTACT:** Ms. Judith Caden, Assistant Director for Loan Policy (264), Loan Guaranty Service, Veterans Benefits Administration, Department of Veterans Affairs, Washington, DC 20420, (202) 273-7368.

**SUPPLEMENTARY INFORMATION:** Under authority of 38 U.S.C. Chapter 37, VA guarantees loans made by lenders to eligible veterans to purchase, construct, improve, or refinance their homes (the term veteran as used in this document includes any individual defined as a

veteran under 38 U.S.C. 101 and 3701 for the purpose of housing loans). This document amends VA's loan guaranty regulations concerning points allowed to be included in VA-guaranteed Interest Rate Reduction Refinancing Loans (IRRRLs) by limiting to two the amount of points that may be included in the loan.

The provisions of 38 U.S.C. 3703(c)(3) and 3710(e)(1)(C) allow for IRRRLs to include "reasonable" points as may be authorized by the Secretary by regulation. One point equals one percent of the amount of the loan. Lenders allow a borrower to pay points and thereby reduce the interest rate.

The regulations in effect prior to the effective date of this document allowed IRRRLs to include any amount of points negotiated between the veteran and the lender. This was based on the assumption that market forces would act to assure that veterans were not charged excessive points. While this generally has been true, recently a few lenders have not been constrained by market rates and have been able to convince veterans to agree to IRRRLs with excessive points. There have been cases in which IRRRLs include 5 or more points with the lender representing the loan as having "at market" terms even though a true "at market" interest rate for such a loan generally would have called for no more than two points (because of excessive points there have even been some IRRRLs where the monthly payment increased even though the interest rate decreased).

In addition to overcharging the veteran, excessive points often cause other negative impacts. IRRRLs sometime result in loans in excess of the value of the property. Accordingly, any additional increase in the amount by which the loan balance exceeds the market value of the property would further increase VA's loss in the event of default and payment of a claim under the guaranty. Also, an excessive increase in the loan amount may cause a veteran to be unable to sell the home for an amount sufficient to pay off the loan balance.

We believe that limiting to two the amount of points that may be included in an IRRRL is appropriate. We believe that this will reasonably protect the veteran and the Government against overinflated IRRRLs and at the same time avoid unduly hampering veterans' ability to obtain IRRRLs at favorable terms. The inclusion of two points in refinanced loans has gained general market acceptance as the typical number of points included in loans obtained "at market." In our view, limiting to two the amount of points

that may be included in an IRRRL would not have much of an effect on IRRRLs other than to protect against the few lenders who are overcharging veterans and increasing VA's risk with above-market combinations of rates and points.

This change in the regulations only concerns the amount of points that may be included in an IRRRL. A veteran could pay in excess of two points if the excess points were paid in cash.

We considered amending the regulations to include a formula designed to restrict the amount of the loan in comparison with the value of the property and to ensure that veterans would not get overcharged. However, we believe such a formula would be too complex and difficult to enforce. Instead, we believe that we can best help to ensure that excessive points are not included in IRRRLs by limiting to two points the amount of points that may be included in the loan.

#### Administrative Procedure Act

Pursuant to 5 U.S.C. 553, we have found good cause to dispense with notice and comment on this interim final rule and to dispense with a 30-day delay of its effective date. These findings are based on the critical need to help ensure that veterans are not overcharged with excessive points and to protect the interests of the Government against overinflated loans. Comments are being solicited for 60 days after publication of this document. VA may modify this rule in response to comments, if appropriate.

#### Regulatory Flexibility Act

Because no notice of proposed rulemaking was required in connection with the adoption of this interim final rule, no regulatory flexibility analysis is required under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

The Catalog of Federal Domestic Assistance Program numbers are 64.114 and 64.119.

#### List of Subjects in 38 CFR Part 36

Condominiums, Housing, Individuals with disabilities, Loan programs—housing and community development, Manufactured homes, Veterans.

Approved: February 13, 1996.

Jesse Brown,

Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 36 is amended as set forth below.

## PART 36—LOAN GUARANTY

1. The authority citation for part 36, §§ 36.4201 through 36.4287 continues to read as follows:

Authority: Sections 36.4201 through 36.4287 issued under 38 U.S.C. 501, 3701–3704, 3707, 3710–3714, 3719, 3720, 3729, unless otherwise noted.

2. Section 36.4223 is amended by revising paragraph (a)(3) to read as follows:

#### § 36.4223 Interest rate reduction refinancing loan.

(a) \* \* \*

(3) The amount of the refinancing loan may not exceed an amount equal to the sum of the balance of the loan being refinanced and such closing costs as authorized in § 36.4232 or § 36.4254, as appropriate, and a discount not to exceed 2 percent of the loan amount;

(Authority: 38 U.S.C. 3703, 3712)

\* \* \* \* \*

3. The authority citation for part 36, §§ 36.4300 through 36.4375 continues to read as follows:

Authority: Sections 36.4300 through 36.4375 issued under 38 U.S.C. 101, 501, 3701–3704, 3710, 3712–3714, 3720, 3279, 3732, unless otherwise noted.

4. Section 36.4306a is amended by revising paragraph (a)(3)(i) to read as follows:

#### § 36.4306a Interest rate reduction refinancing loan.

(a) \* \* \*

(3) \* \* \*

(i) An amount equal to the balance of the loan being refinanced and such closing costs as authorized by § 36.4312(d) and a discount not to exceed 2 percent of the loan amount; or

\* \* \* \* \*

(Authority: 38 U.S.C. 3703, 3710)

[FR Doc. 96–4498 Filed 2–27–96; 8:45 am]

BILLING CODE 8320–01–P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[DE013–5915a; FRL–5424–9]

### Approval and Promulgation of Air Quality Implementation Plans; Delaware—Emission Statement Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is approving a State Implementation Plan (SIP) revision