DEPARTMENT OF AGRICULTURE

Rural Housing and Community Development Service; Rural Business and Cooperative Development Service; Rural Utilities Service; Consolidated Farm Service Agency

7 CFR Part 1942

RIN 0575-AB82

Community Facility Loans and Grants

AGENCIES: Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, Rural Utilities Service, Consolidated Farm Service Agency, USDA.

ACTION: Final rule.

SUMMARY: The regulations utilized to administer Community Facility Loans and Grants are being amended. This action changes the security requirements for solid waste disposal loans. The change affects the security requirements for loans secured primarily by revenue and the funds used to construct or improve solid waste facilities in rural communities. The effect of changing the security requirements for solid waste facilities is to provide better service to communities seeking to resolve solid waste disposal problems on a regional level. **EFFECTIVE DATE:** March 1, 1995.

FOR FURTHER INFORMATION CONTACT: Jerry W. Cooper, Loan Specialist, Water and Waste Disposal Division, Rural Utilities Service, USDA, South Agriculture Building, Room 6328, Washington, DC 20250, telephone: (202) 720–9589.

SUPPLEMENTARY INFORMATION:

Classification

This rule has been determined to be not significant for the purposes of Executive Order 12866 and therefore has not been reviewed by the Office of Management and Budget.

Intergovernmental Review

The programs are listed in the Catalog of Federal Domestic Assistance under number 10.760, Water and Waste Disposal Systems For Rural Communities, and are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials

Environmental Impact Statement

This action has been reviewed in accordance with FmHA Instruction 1940–G, "Environmental Program." It has been determined that this action does not constitute a major Federal

action significantly affecting the quality of the human environment, and, in accordance with the National Environmental Policy Act of 1969, Pub. L. 91–190, an Environmental Impact Statement is not required.

Compliance with Executive Order 12778

The regulation has been reviewed in light of Executive Order 12778 and meets the applicable standards provided in sections 2(a) and (2)(b)(2) of that Order. Provisions within this part which are inconsistent with State law are controlling. All administrative remedies pursuant to 7 CFR part 1900 Subpart B must be exhausted prior to filing suit.

Paperwork Reduction Act

The information collection requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB control number 0575–0015 in accordance with the Paperwork Reduction Act (44 U.S.C. 3507). This final rule does not revise or impose any new information collection requirement from those approved by OMB.

Background

A change is needed in the security requirements for loans made for construction or improvements to solid waste facilities. The requirements of the Environmental Protection Agency Subtitle D regulations have increased the capital needs of rural communities for disposal of solid waste. The current security requirements for loans on solid waste facilities are too stringent, and this final action will add flexibility that is needed to improve the program. Currently, additional security is required when revenue is the primary security for loans involving solid waste facilities. This change will remove the requirement for additional security.

Comments on Proposed Rule

The Farmers Home Administration published a proposed rule in the Federal Register on August 19, 1994, (59 FR 42783) and asked for written comments on or before October 18, 1994. Ten comments were received from the public review process. All ten of the comments received were in relation to the proposed change to incorporate into Community Programs loan and grant regulations the provision contained in Rural Electrification Administration Loan Restructuring Act of 1993, (REA Act). No comments were received regarding the proposed change in the security requirements for loans made for solid waste disposal facilities. Certain provisions of the REA Act prohibits a recipient of the programs from imposing certain conditions on the users of the service provided. The REA Act requires that appropriate measures and sanctions be implemented against any person violating or attempting to violate this prohibition. Based on the comments received, the proposed change relating to the REA Act will not be included in this final rule. Eight of the comments made stated that the proposed rule did not go far enough in implementing the provisions of the REA Act. Another rule will be issued in the future to comply with provisions of the REA Act relating to all the Department's rural development programs.

List of Subjects in 7 CFR Part 1942

Community development, Community facilities, Loan programs-Housing and community development, Loan security, Rural areas, Waste treatment and disposal-Domestic, Water supply-Domestic.

Therefore, Chapter XVIII, title 7, Code of Federal Regulations is amended as follows:

PART 1942—ASSOCIATIONS

1. The authority citation for part 1942 continues to read as follows:

Authority: 7 U.S.C. 1989; 16 U.S.C. 1005; 5 U.S.C. 301; 7 CFR 2.23; 7 CFR 2.70.

Subpart A—Community Facility Loans

2. Section 1942.17 is amended by revising paragraphs (g)(2)(ii) and (g)(3)(ii) to read as follows:

§ 1942.17 Community facilities.

(g) * * * (2) * * *

(ii) Solid waste systems. The type of security required will be based on State law and what is determined adequate to protect the interest of the United States during the repayment period of the loan.

(3) * * *

- (ii) Solid waste systems. The type of security required will be based on State law and what is determined adequate to protect the interest of the United States during the repayment period of the loan.
- 3. Section 1942.50 is revised to read as follows:

§ 1942.50 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB