ratios can not be met by lenders in possession of OREO property which is financed under the development company program if the lender/seller is required to take a second lien. This rule grants small businesses utilizing the development company program equal access to opportunities to acquire OREO real estate at favorable rates and terms from such lending institutions.

The existing rule was adopted to insure that the combination of a seller's price and terms of financing reflected a fair market transaction. Changes in lender regulations resulting from the FIRREA and the FDICIA and the independent fair market appraisals will protect small business borrowers and the government against the risk of overvaluation of the OREO property. Additionally, SBA field offices will be provided guidance to insure that on a case by case basis no conflict of interest arises from the application of this rule.

Compliance With Executive Orders 12612, 12778, and 12866, the Regulatory Flexibility Act and the Paperwork Reduction Act

For purposes of the Regulatory Flexibility Act, 5 U.S.C. 601 et seq., SBA certifies that this final rule will not have a significant economic impact on a substantial number of small entities.

SBA certifies that this final rule will not constitute a significant regulatory action for purposes of Executive Order 12866, since the change will not result in an annual economic effect of \$100 million or more.

SBA certifies that this final rule will not have Federalism implications warranting the preparation of a Federalism Assessment in accordance with Executive Order 12612.

SBA certifies that this final rule will not impose new reporting or recordkeeping requirements which would be subject to the Paperwork Reduction Act, 44 U.S.C. Ch. 35.

SBA certifies that this final rule is drafted, to the extent practicable, in accordance with the standards set forth in Section 2 of Executive Order 12778.

Catalog of Federal Domestic Assistance 59.036 certified development company loans (503 loans); 59.041 certified development company loans (504 loans).

# List of Subjects in 13 CFR Part 108

Loan programs—business, Small businesses.

Accordingly, pursuant to the authority contained in section 5(b)(6) of the Small Business Act (15 U.S.C. 634(b)(6)), SBA is amending Part 108 of title 13 of the Code of Federal Regulations as follows:

## PART 108—[AMENDED]

1. The authority citation for Part 108 continues to read as follows:

Authority: 15 U.S.C. 687(c), 695, 696, 697a, 697b, 697c.

2. Section 108.503-8(b)(2) is revised to read as follows:

# § 108.503-8 Third-party financing.

(b) Terms of third-party financing.

(2) Where the seller of property for the project supplies any part of the permanent financing of such project, such financing shall be subordinate to the 503 loan, provided that if the property is classified as "other real estate owned" by a national bank or other Federally regulated lender, and an independent appraisal prepared by or under control of the SBA or the participating 503 company demonstrates that the property is of sufficient value to support the 503 loan, SBA may waive the requirement for a subordinate position.

\* Dated: December 23, 1994.

## Philip Lader,

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Administrator.

[FR Doc. 95-1502 Filed 1-19-95; 8:45 am] BILLING CODE 8025-01-M

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## **DEPARTMENT OF TRANSPORTATION**

#### **Federal Aviation Administration**

#### 14 CFR Part 39

[Docket No. 94-NM-100-AD; Amendment 39-9121; AD 95-02-02]

Airworthiness Directives; McDonnell Douglas Model DC-9 and DC-9-80 Series Airplanes, Model MD-88 Airplanes, and Model C-9 (Military) Airplanes

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD), applicable to McDonnell Douglas Model DC-9 and DC-9-80 series airplanes, Model MD-88 airplanes, and Model C-9 (military) airplanes, that requires inspection of the tailcone release locking cable fitting assembly, and replacement or modification of the assembly, if necessary. This amendment is prompted by reports of the inability of the tailcone to deploy because the swaged ball on the cable had jammed after passing into the release handle

hole. The actions specified by this AD are intended to prevent the inability of the tailcone to deploy, which could impede the egress of passengers from the airplane during an emergency evacuation.

DATES: Effective February 21, 1995. The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of February 21, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from McDonnell Douglas Corporation, P.O. Box 1771, Long Beach, California 90801-1771, Attention: Business Unit Manager, Technical Administrative Support, Dept. L51, M.C. 2-98. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Los Angeles Aircraft Certification Office, Transport Airplane Directorate, 3960 Paramount Boulevard, Lakewood, California; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

#### FOR FURTHER INFORMATION CONTACT:

Walter Eierman, Aerospace Engineer, Systems & Equipment Branch, ANM-130L, Los Angeles Aircraft Certification Office, FAA, Transport Airplane Directorate, 3960 Paramount Boulevard, Lakewood, California 90712–4137; telephone (310) 627-5336; fax (310) 627 - 5210.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to McDonnell Douglas Model DC-9 and DC-9-80 series airplanes, Model MD-88 airplanes, and Model C-9 (military) airplanes, was published in the Federal Register on October 18, 1994 (59 FR 52485). That action proposed to require inspections of the tailcone release locking cable fitting assembly, replacing or modifying fittings that do not operate properly, and the eventual replacement or modification of the fitting on all airplanes.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

Several commenters supports the proposal.

One commenter regards the proposed inspection for proper operation of the fitting assembly as unnecessary and requests that the proposed rule be revised to delete this requirement. This