

whose headings are set forth below. The text of each of these issues has been standardized and is set forth in its entirety under the corresponding headings at 51 FR 19347, May 29, 1986. The letter shown before each applicant's name, above, is used below to signify whether the issue in question applies to that particular applicant.

3. If there are any non-standardized issues in this proceeding, the full text of the issue and the applicants to which it applies are set forth in an Appendix to this Notice. A copy of the complete HDO in this proceeding is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street NW., Washington, DC. The complete text may also be purchased from the Commission's duplicating contractor, International Transcription Services, Inc., 2100 M Street NW., Washington, DC 20037. (Telephone (202) 857-3800).

W. Jan Gay,

Assistant Chief, Audio Services Division,
Mass Media Bureau.

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BILLING CODE 6712-01-M

FEDERAL HOUSING FINANCE BOARD

No. FHFB 91-43.5]

Index Rates for Adjustable-Rate Mortgages*

AGENCY: Federal Housing Finance Board.

ACTION: Notice of substitution of indexes for adjustable-rate mortgages and request for comments.

SUMMARY: The Federal Housing Finance Board ("Finance Board") hereby gives notice and requests comments on its proposal to substitute substantially similar mortgage index rates for adjustable-rate mortgages ("ARMs") for certain nonstandard index rates currently made available in its Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans ("Monthly Interest Rate Survey" or "MIRS"). The Finance Board proposes these changes in order to improve the overall quality of the MIRS by replacing statistically unreliable data with more accurate, timely, and practical information, and to reduce the reporting burden on institutions subject to the survey by no longer collecting data of very limited economic or financial importance. The Finance Board requests public comment regarding the practical effects of implementing these proposed changes.

DATES: Comments must be received in writing by April 22, 1991.

ADDRESSES: Comments should be mailed to: Leonard H. O. Spearman, Jr., Executive Secretary, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006, where comments will be available for public inspection.

FOR FURTHER INFORMATION CONTACT: Joseph A. McKenzie, Senior Financial Economist, (202) 408-2845, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006.

SUPPLEMENTARY INFORMATION: Section 402(e)(3) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), Public Law No. 101-73, 103 Stat. 183 (August 9, 1989), provides that the Finance Board "shall take such action as may be necessary to assure that the indexes prepared by the * * * Federal Home Loan Bank Board * * * immediately prior to the enactment of (FIRREA) and used to calculate the interest rate on adjustable rate mortgage instruments continue to be available." Section 402(e)(4) of FIRREA provides that "[i]f any agency can no longer make available an index," it may substitute a "substantially similar" index if it determines, after notice and opportunity for comment, that (1) the new index is based upon data substantially similar to that of the original index; and (2) the substitution of the new index will result in an interest rate substantially similar to the rate in effect at the time the original index became unavailable.

The MIRS, which was prepared by the Federal Home Loan Bank Board before the enactment of FIRREA, is now being compiled by the Finance Board pursuant to the requirement of FIRREA. A small number of mortgage lenders use the index rates proposed to be changed to calculate the interest rates on existing ARMs. ARMs based on mortgage rate indexes now comprise only a very small proportion of total new mortgages. Most new ARMs are linked to either the yield on U.S. Treasury securities or a cost-of-funds index. Furthermore, most new ARMs that are linked to a mortgage rate use the "National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders." None of the changes proposed by the Finance Board will affect this series.

The Finance Board believes that the intent of section 402(e)(3) is to ensure that accurate, timely and reliable data continues to be made available, and to permit the substitution of substantially similar indexes where data is not sufficiently reliable. The Finance Board therefore has the authority and

discretion to modify its survey methods from time to time to ensure that the public receives quality data. The Finance Board does not believe that section 402(e)(3) is intended to require the reporting of identical data simply because it was published in the past. The Finance Board has determined that the current indexes at issue are not sufficiently reliable for statistical purposes, and need to be replaced with other more reliable and timely indexes. In addition, pursuant to section 402(e)(4), the Finance Board "can no longer make available" the indexes because they are not sufficiently statistically reliable. Accordingly, the Finance Board may substitute substantially similar indexes for the indexes proposed to be changed.

The Finance Board proposes to implement four changes in the types of monthly information derived from the MIRS that it now makes available, as follows:

(1) The Finance Board proposes to substitute the data from the Federal Home Loan Mortgage Corporation's ("Freddie Mac") Primary Market Survey as the substantially similar successor index for those ARMs using the mortgage commitment rate data from the MIRS as an index. The MIRS mortgage commitment rate data is subject to a five-week reporting lag, and duplicates the similar weekly survey conducted by Freddie Mac. In addition, the data on mortgage commitment rates is not useful to lenders or borrowers because the survey does not ask to what index the ARM is linked.

(2) The Finance Board proposes to designate the MIRS's newly built home index as the substantially similar index to succeed the combined construction/purchase loan index in the MIRS. Combined construction/purchase loans are loans typically made to small home builders, and combine a construction and permanent loan in a single transaction. These loans comprise only about five percent of the survey, and the data on such loans is statistically unreliable on a monthly basis because of the small sample size.

(3) The Finance Board proposes to designate the National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders as the substantially similar successor index for ARMs that use a contract rate series from the Finance Board's internal 57-J and 57-K Reports. The Finance Board also proposes to designate the National Average Effective Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders as the

substantially similar series for ARMs that use an effective rate series derived from the Reports. The data contained in the 57-J and 57-K Reports is statistically unreliable because of the small sample sizes. Because of the variety of data contained in the 57-J and 57-K Reports with respect to type of loan, type of property, and geographic classification, there is no perfect choice for a single successor series. However, the Finance Board believes that the two series proposed for substitution are based on more reliable data than that currently contained in the Reports and are the most readily available substitute series.

(4) The Finance Board proposes to publish the MIRS data on home loans closed for the 32 selected metropolitan areas on a quarterly instead of monthly basis (*i.e.*, to designate the quarterly series on metropolitan mortgage interest rates as the substantially similar successor to the monthly series). The data on loans closed for the selected metropolitan areas is statistically unreliable when published on a monthly basis because of the small sample size.

All of the proposed new indexes are based upon data substantially similar to that of the original indexes. The Freddie Mac Primary Market Survey data uses similar mortgage commitment rate data but is based on standardized loans and is more timely than the MIRS mortgage commitment rate index. The MIRS newly built homes index is based on a larger sample of newly built homes. The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders is based on national average rate data of a larger sample size than the similar regional average rate data contained in the Finance Board's internal 57-J and 57-K Reports. Similarly, the proposed National Average Effective Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders is based on data similar to the effective rate series contained in the Reports but from a larger sample size. The MIRS data on loans closed for the 32 selected metropolitan areas will continue to be made available, except that it will be published on a quarterly instead of monthly basis.

Because the new indexes are based on data substantially similar to the current data in the MIRS, the Finance Board believes that they will result in interest rates substantially similar to the rates in effect at the time the original indexes become unavailable.

Dated: February 28, 1991.

J. Stephen Britt,
Executive Director, Federal Housing Finance Board.

[FR Doc. 91-5555 Filed 3-7-91; 8:45 am]
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FEDERAL MARITIME COMMISSION

(Fact Finding Investigation No. 19)

Passenger Vessel Financial Responsibility Requirements; Extension of Time

At the request of the Investigative Officer, the time for filing the Investigative Officer's final report is extended thirty days, to April 18, 1991. By the Commission.

Joseph C. Polking,
Secretary.

[FR Doc. 91-5545 Filed 3-7-91; 8:45 am]
BILLING CODE 6730-01-M

FEDERAL RESERVE SYSTEM

Cleo L. Craig Trust, et al.; Notice of Applications to Engage de novo in Permissible Nonbanking Activities

The companies listed in this notice have filed an application under § 225.23(a)(1) of the Board's Regulation Y (12 CFR 225.23(a)(1)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to commence or to engage de novo, either directly or through a subsidiary, in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the

reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than March 27, 1991.

A. Federal Reserve Bank of Kansas City (Thomas M. Hoernig, Vice President) 925 Grand Avenue, Kansas City, Missouri 64198:

1. Cleo L. Craig Trust, to acquire 16.34 percent; Cleo L. Craig Grandchildren Trust, C.L. Craig and Michael T. Craig, Trustees, to acquire 83.18 percent of the voting shares of Lawton Securities Bancshares, Inc., Lawton, Oklahoma, and thereby indirectly acquire The Security Bank and Trust Company, Lawton, Oklahoma.

B. Federal Reserve Bank of San Francisco (Kenneth R. Binning, Director, Bank Holding Company) 101 Market Street, San Francisco, California 94105:

1. John G. Sorenson, Jr. and Don C. Ballard, both of Salt Lake City, Utah; to acquire an additional 52.89 percent of the voting shares of Home Credit Corporation, Salt Lake City, Utah, for a total of 80.64 percent and thereby indirectly acquire Home Credit Bank, Salt Lake City, Utah.

Board of Governors of the Federal Reserve System, March 4, 1991.

Jennifer J. Johnson,
Associate Secretary of the Board.
[FR Doc. 91-5486 Filed 3-7-91; 8:45 am]
BILLING CODE 6210-01-F

First National Bancorp, Inc.; Formation of, Acquisition by, or Merger of Bank Holding Companies

The company listed in this notice has applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may