

Representatives and the Senate on March 18, 1993.

The new rule at 11 CFR 110.3(d) prohibits transfers of funds or other assets from a candidate's campaign committee or account for any nonfederal election to his or her principal campaign committee or other authorized committee for a federal election. The rule applies to transfers from any nonfederal campaign committee, including campaign committees for any state or local office. This notice uses the terms "nonfederal" and "state" interchangeably, so that, where the term "state campaign committee" is used, it includes campaign committees for any state or local office.

The effective date for this new rule in July 1, 1993. This effective date reflects a change from the implementation plan outlined by the Commission in its January 8, 1993 Retransmission Notice. 58 FR 3474 (January 8, 1993). The Retransmission Notice indicated that the Commission expected to be able to make the rule effective on April 1, 1993. However, in early March, it became apparent that the legislative review period would not expire in time for the Commission to make the rule effective on April 1 as originally intended.

If the Commission were to follow its usual procedure of making the rule effective as soon as possible, the effective date would be sometime during the second or third week of April. This could have an adverse effect on special elections scheduled during that time period. Consequently, the Commission decided to revise its plan for implementing the rule. See 58 FR 14310 (March 17, 1993). Under the revised plan, the effective date for the rule is July 1, 1993.

The Retransmission Notice also indicated that the Announcement of Effective Date would explain how the Commission will apply the rule during the 1994 election cycle. The rule prohibits all transfers from state to federal committees after July 1, 1993. Campaign committees that transfer funds before July 1, 1993 and use those funds for special elections held before that date are not affected by the rule announced today. Those transfers are governed by the Commission's prior rule at 11 CFR 110.3(c)(6).

Campaign committees that transfer funds before July 1, 1993 in anticipation of an election held after that date have not violated the rule announced today. However, in order to prevent active commingling of federal and nonfederal campaign funds in the candidate's federal campaign account, any funds or assets transferred from a nonfederal committee that remain in the federal

campaign account on July 1, 1993 must be removed from that account before July 31, 1993. Committees should use the identification method described in 11 CFR 110.3(c)(5)(ii) to determine which nonfederal funds are still in the campaign account as of July 1, 1993 and must be removed. Failure to remove those funds before July 31, 1993 is a violation of the rule announced today.

Announcement of Effective Date

11 CFR 110.3(d), as published at 58 FR 3474-76, is effective July 1, 1993.

Dated: April 2, 1993.

Scott E. Thomas,
Chairman, Federal Election Commission.
[FR Doc. 93-8080 Filed 4-6-93; 8:45 am]
BILLING CODE 6715-01-M

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 960

[No. 93-17]

Affordable Housing Program Maximum Subsidy Limitations

AGENCY: Federal Housing Finance Board.

ACTION: Interim final rule.

SUMMARY: The Federal Housing Finance Board (Board) is amending its regulation governing the Affordable Housing Program (AHP) to revise the maximum subsidy requirements applicable to projects receiving subsidized advances or other assistance from the Federal Home Loan Banks (Banks) under the AHP.

DATES: This rule is effective April 7, 1993. Comments must be received by the Board on or before June 7, 1993.

ADDRESSES: Send comments to: Executive Secretariat, Federal Housing Finance Board, 1777 F Street, NW., Washington, DC 20006. Comments will be available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT: Diane E. Dorius, Deputy Director, Affordable Housing & Community Investment Division, Housing Finance Directorate, (202) 408-2576; Sharon B. Like, Attorney-Advisor, Office of Legal & External Affairs—Legal Division, (202) 408-2930, Federal Housing Finance Board, 1777 F Street, NW., Washington, D.C. 20006.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Background

A. Statutory Requirements

Section 10(j)(1) of the Federal Home Loan Bank Act (Act) provides that,

pursuant to regulations promulgated by the Board, each Bank shall establish an Affordable Housing Program (AHP) to subsidize the interest rate on advances to members engaged in lending for long-term, low- and moderate-income, owner-occupied and affordable rental housing at subsidized interest rates. 12 U.S.C. 1430(j)(1). The Act provides that the Board's regulations shall permit Bank members to use subsidized advances received from the Banks to:

(A) Finance homeownership by families with incomes at or below 80 percent of the median income for the area; or (B) finance the purchase, construction, or rehabilitation of rental housing, at least 20 percent of the units of which will be occupied by and affordable for very low-income households for the remaining useful life of such housing or the mortgage term. *Id.* section 1430(j)(2).

The Act further requires, among other things, that the Board's regulations establish uniform standards for subsidized advances under the AHP and subsidized lending by member institutions supported by such advances, including maximum subsidy limitations. *See id.* section 1430(j)(9)(F). In addition, the Act provides that the Board's regulations coordinate activities under the AHP with other federal or federally-subsidized affordable housing activities to the maximum extent possible. *Id.* sec. 1430(j)(9)(G).

B. Initial AHP Regulation—28 Percent Maximum Subsidy Rule

The Board's initial AHP regulation, *see* 12 CFR part 960 (55 FR 7479 (March 2, 1990)), implemented the statutory requirement for maximum subsidy limitations by limiting the subsidy on any single project to that amount necessary to reduce the target household's housing expenses to not less than 28 percent of gross monthly income. *See* 12 CFR 960.9 (1990). The 28 percent requirement was selected because it is a widely accepted "front ratio" in the mortgage qualification process. Because many of the households targeted by the AHP currently spend more than half of their income on housing, 28 percent was considered a significant reduction in housing expenditures, while still representing a fair and substantial portion of income being contributed toward the household's housing costs. (*See* 56 FR 8688, 8689 (March 1, 1991)).

C. Current AHP Regulation—20 Percent Maximum Subsidy Rule

The Board adopted a final AHP regulation (the current AHP regulation), which modified portions of the initial regulation, in 1991. *See* 12 CFR part 960

(1991) (56 FR 8688 (March 1, 1991)). Many commenters on the AHP regulation had urged that the maximum subsidy rule be changed because the requirement was too rigid and would hamper the AHP's effectiveness in serving the needs of very low-income households. See 56 FR 8689 (March 1, 1991). The final regulation revised the maximum subsidy rule by lowering the proportion of gross monthly income that must be spent on housing from 28 percent to 20 percent. See 12 CFR 960.9 (1991). Specifically, § 960.9 of the current regulation provides that:

(a) A Bank shall not offer subsidized advances and other subsidized assistance to members in excess of that amount needed to reduce the monthly housing cost (excluding utilities) for targeted households in the targeted income group to 20 percent of the household's gross monthly income. In projects where other forms of federal, state, local, or private subsidized assistance are being used in conjunction with the AHP, the total amount of subsidy provided shall not exceed this amount.

(b) A member receiving a subsidized advance shall extend credit to qualified borrowers at an effective rate of interest discounted at least to the same extent as the subsidy granted to the member by the Bank. 12 CFR 960.9.

Section 960.13 of the current regulation implements the requirement for coordination with other affordable housing programs in section 10(j)(9)(G) of the Act, see 12 U.S.C. 1430(j)(9)(G), by providing that the Board and the Bank shall coordinate activities under this part, to the maximum extent possible, with other federal, state, or local agencies and non-profit organizations involved in affordable housing activities. 12 CFR 960.13.

II. Analysis of Interim Final Rule

A. Problems of Coordination With Other Housing Programs

Application of the 20 percent maximum subsidy requirement has made coordination of the use of the AHP with certain federal and state affordable housing programs difficult. In some cases, projects have been unable to accept funding from both the AHP and the other housing program because the housing payments that households would be required to make under the AHP maximum subsidy rule would exceed the maximum payment permitted to be charged under the other program.

For example, the Department of Housing and Urban Development's (HUD) Section 8 rental assistance

program requires beneficiaries to pay as rent, including utility costs, the greater of 10 percent of gross monthly income, 30 percent of adjusted monthly income, or the portion of welfare payments that are specifically designated to meet a household's monthly housing costs. 42 U.S.C. 1437A(1). The Farmers Home Administration (FmHA) has similar monthly payment requirements under its migrant farm labor housing program. *id.* section 1486. Adjustments to income include deductions for every child in the family, certain medical expenses, child care costs, and other specific costs. *id.* section 1437a(5). In some cases, 20 percent of gross monthly income under the AHP is greater than 30 percent of adjusted income under the other programs. Those projects where the minimum 20 percent housing payment required under the AHP would exceed the maximum payment permissible under these other programs will have difficulty coordinating the various funding sources to make the minimum and maximum payment requirements of the various programs work.

B. Ineligibility of Low-Income Households for AHP Assistance

In addition, application of the 20 percent maximum subsidy rule under the AHP has resulted in a number of low- and very-low income households—the intended beneficiaries of the AHP—who would otherwise meet the AHP statutory criteria, becoming ineligible for AHP assistance because such households would fail to pay at least 20 percent of their gross monthly income for housing costs (excluding utility costs). For example, certain projects that would provide below-market interest rate loans or direct subsidies to very low-income elderly households who own their homes free of debt but need repair or rehabilitation funds are not eligible for AHP assistance under the current AHP regulation. Because the households make no mortgage payments, their monthly housing costs would not be at least 20 percent of their gross monthly income.

Similarly, applicants requesting direct subsidies for very low-income households for downpayment and closing cost assistance to purchase moderately-priced homes have been determined to be ineligible for AHP assistance. These projects are designed to limit the amount of the household's mortgage payments so that the household has available income remaining for the payment of food, clothing and employment-related expenses. However, because the household's monthly housing costs are

intentionally limited, such costs would not be at least 20 percent of the household's gross monthly income, as required under the current AHP regulation.

A third area where ineligibility for AHP assistance has arisen involves households who invest their labor to reduce their housing costs. Households at the lower end of the economic scale often find it difficult to aggregate the capital for downpayment and closing costs. Ongoing housing expenses of homeownership are often burdensome for these households. To respond to these problems, programs have been created which allow people to use their time and energy participating in home building and rehabilitation activities to acquire equity or solve problems of habitability. These approaches are known as self-help or sweat equity programs. The consequence is to lower the capital requirement for downpayment and closing costs. More importantly, mortgage payments are lower, at times pushing housing costs below 20 percent of gross monthly income, thus causing the household to become ineligible for AHP assistance under the current maximum subsidy rule.

C. Conflicting Treatment of Utility Costs

By not recognizing utility expenses as part of a household's total housing expenses, the AHP's 20 percent rule makes it difficult for the AHP to be used with certain other federal and state housing programs and treats households whose rent includes all utilities more favorably than households who have to pay separately for utilities.

For example, as explained above, the HUD Section 8 program requires rental households to pay a portion of their income as rent, which includes utilities or a reasonable utility allowance. Since the AHP's 20 percent payment does not cover utility expenses in addition to rent, in areas of the country with high utility expenses, the AHP's 20 percent rule actually requires rental households to pay more than 30 percent of their income for their total shelter costs. This payment may be a higher percentage of income paid for rent and utilities than HUD permits under the Section 8 program.

In addition, some rental and multifamily homeownership projects that involve common ownership of some elements of the project include all or some utility costs in the regular rent or homeowner operating assessments or fees charged to the households. Other similar projects require households to pay all utilities separately from such rent or homeowner assessments or fees.

Since utility costs can actually comprise a large proportion of a family's total housing expense, in order to treat all AHP eligible households equitably, the estimated cost of utilities should be included as an allowable housing expense to which the 20 percent rule is applied.

D. Noncompliance With 20 Percent Rule and Recapture Requirements

Through their monitoring of AHP funded projects, some of the Banks have determined that a number of projects otherwise eligible under the AHP statutory criteria have used AHP funds to assist households that are paying less than 20 percent of their gross monthly income on rental or homeownership housing costs. Under § 960.8 of the current AHP regulation, improperly used subsidies must be recaptured and made available by the Bank for future projects. See 12 CFR 960.8.

From a practical standpoint, enforcement of the recapture provision of the AHP regulation for such improperly used subsidies would contravene a fundamental purpose of the AHP, which is to provide housing for low- and moderate-income households that meet the statutory income eligibility requirements. Ultimately, recapture of funds could result in the displacement of low-income residents from the AHP projects. Or, it could result in a substantial hardship by recapturing funds from non-profit housing developers and harming residents of modest means whom they might otherwise serve.

E. Interim Final Rule Amendments to Current Regulation and Request for Public Comments

The limitations of the 20 percent rule discussed above have led a number of AHP project sponsors, member institutions, Bank Affordable Housing Advisory Councils and Bank Community Investment Officers, as well as other housing advocates, to request that the Board modify or eliminate the maximum subsidy rule. However, the Board is subject to the statutory constraint that its regulation must establish maximum subsidy limitations. See 12 U.S.C. 1430(j)(9)(F). The 20 percent rule was adopted to comply with this statutory requirement.

Currently, the Board is in the process of reviewing the AHP regulation and plans to offer further clarification of its provisions at a later date. However, the Board has determined that the difficulties caused by the 20 percent rule warrant more immediate attention. Accordingly, the Board is publishing

this interim final rule to amend the 20 percent rule.

In addition, the Board is requesting comments from the public on alternative ways in which it can meet the statutory requirement for maximum subsidy limitations. The Board recognizes that, in addition to a minimum housing cost-to-income ratio requirement set forth in the interim final rule, there may be other alternative solutions that would ensure that a project is not over-subsidized.

The amendments to the 20 percent rule adopted in this interim final rule are discussed in more detail below.

1. Section 960.9(a)—General Rule

Section 960.9(a)(1) of the interim final rule revises the current AHP regulation to provide that, instead of applying to all AHP projects, the 20 percent maximum subsidy rule shall apply as a general rule, subject to specific exceptions set forth in new § 960.9(b) of the interim final rule.

The current regulation does not define monthly housing costs paid by homeowner or rental households, and excludes utility expenses from such costs. For the reasons discussed in II.A.—D. above, the Board has determined that reasonable estimates of utility costs should be counted toward monthly housing costs, whether those costs are included in rental payments or homeowner or rent assessments, or are paid separately. New § 960.9(a)(2) of the interim final rule defines monthly housing costs as:

(i)(A) For homeowner households, mortgage principal and interest payments, real property taxes, homeowner's insurance, and a reasonable estimate of utility costs excluding telephone service; or

(B) For rental households, rent payments, and where they are not already included in rent payments, a reasonable estimate of utility costs excluding telephone service; and

(ii) For households in condominium, cooperative, mutual housing or other projects involving common ownership, those portions of any regular operating assessment or fee allocated for principal and interest payments, taxes, insurance and a reasonable estimate of utilities attributable to the household's share of the common area and/or the individual unit.

For this purpose, reasonable estimates of utility costs may be the utility allowances approved for any federal, state or local government housing subsidy program used in the AHP project. For example, reasonable utility cost estimates may be the utility allowances approved by HUD for rental

units of similar type and size, such as the utility allowances under: the Section 8 rental assistance program, see 42 U.S.C. 1437(f), 24 CFR 813.102; the public housing program, see 42 U.S.C. 1437(d), 24 CFR 965.470; or the section 236 mortgage insurance program, see 12 U.S.C. 1715z-1(f)(1), 24 CFR 236.2. Utility rate information or average utility consumption data by unit type and size obtained from a local utility supplier, as well as actual utility costs for occupied projects, also may be used to estimate reasonable utility costs.

New § 960.9(a)(3) of the interim final rule provides that a household is only required to meet the 20 percent requirement at the time it initially purchases or occupies a unit. This limitation, which was discussed in the preamble to the current AHP regulation, see 56 FR 8688, 8693 (March 1, 1991), was originally applied only to homeownership projects, and is now codified and extended to rental projects in the interim final rule.

2. New Section 960.9(b)—Alternative Maximum Subsidy Requirements

New § 960.9(b) of the interim final rule sets forth several alternative maximum subsidy requirements to the general 20 percent maximum subsidy rule, which are intended to address the problems discussed in II.A.—D. above.

New § 960.9(b)(1) of the interim final rule provides that the 20 percent rule shall not apply where a rental housing project receiving AHP funding also receives funds from a federal or state rental housing program that requires qualifying households to pay as rent a certain percentage of their monthly income or a designated amount, provided that the rental household meets the housing payment requirements of the other program. This provision responds to the problems of coordination with other housing programs discussed in II.A. and C. above.

New § 960.9(b)(2) of the interim final rule provides that the 20 percent rule shall not apply where the total AHP funding ultimately benefiting a qualifying very low-income homeowner household already owning and occupying his or her home is \$10,000 or less per qualifying homeowner household (adjusted annually according to the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics), and where the AHP funds are used to rehabilitate the homeowner's dwelling unit. This provision responds to the problems of ineligibility for AHP assistance discussed in II.B. above. The \$10,000 cap per very low-income owner-

occupying household was chosen to assure that the homeowner beneficiaries of the AHP could qualify for assistance to undertake rehabilitation of major components of their home even if they had reduced their monthly housing expense by paying off their mortgage and had no debt.

New § 960.9(b)(3) of the interim final rule provides that for all other qualifying homeowners that are not very low income, the 20 percent rule shall not apply where the total AHP funding ultimately benefiting the qualifying homeowner household at a particular project is \$5,000 or less per qualifying homeowner household (adjusted annually according to the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics). This provision responds to the problems of ineligibility for AHP assistance discussed in II.B. above. The \$5,000 cap per household was chosen to assure that the homeowner beneficiaries of the AHP could qualify for assistance to undertake rehabilitation of their homes even if they had reduced their monthly housing expense by paying off their mortgage and had no debt.

In addition, the maximum subsidy amount assures that households could qualify for downpayment and closing cost assistance and maintain modest total housing costs. The competitive nature of the AHP has so far helped to control the per household AHP cost at an average of \$3,624, and it is fully expected that the competitive pressures will help maintain reasonable average per household AHP costs in the future.

The two amounts of maximum subsidy assistance were chosen to differentiate between two categories of homeowners. The higher \$10,000 amount responds to the special nature of the need for significant rehabilitation of very low-income, owner-occupied housing. Often, such homeowners have little or no debt on their property, usually due to their longevity in the property. At the same time, due to a lack of financial resources, these homeowners have deferred the maintenance, improvement or replacement of major components of the dwelling unit. To prevent further deterioration leading to inhabitability or loss of the dwelling unit, rehabilitation must be undertaken. In these cases, it is not unusual for the need to include a new roof, structural repairs and weatherization. For these reasons, a higher maximum subsidy amount was established for this category of homeowner.

New § 960.9(b)(4) of the interim final rule provides that the 20 percent rule shall not apply where AHP funding is

received by a household which is participating in a self-help, sweat equity or similar housing program that requires the household to contribute its skilled or unskilled labor, working cooperatively with others, to construct or rehabilitate the housing in which the household resides or other program participants live. This provision responds to the problems of AHP assistance ineligibility discussed in II.B. above. Households would qualify for this exception if they are performing construction or rehabilitation activity that is valued at \$2,000 or more per household (adjusted annually according to the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics), and the program involves supervision by skilled builders or rehabilitators of the work performed.

3. Section 960.9(c)

Section 960.9(c) of the interim final rule is a redesignation of § 960.9(b) in the current regulation, and retains the language of this former provision.

III. Notice and Public Participation

A. Administrative Procedure Act

For the reasons further discussed below, the Board is not required by the Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.*, to publish a general notice of proposed rulemaking for this interim final rule. However, the Board considers comments from the public helpful in formulating clear and effective regulations. Accordingly, the Board is requesting public comment on this interim final rule. The Board will consider any public comments received on this interim final rule in developing a final rule on maximum subsidy limitations.

Publication of notice of a proposed rulemaking is not required because the Board finds that there is good cause that notice and comment procedure is contrary to the public interest in this instance. *See id.* section 553(b)(B). As discussed in more detail in II.A.-D. above, application of the 20 percent maximum subsidy rule in the current AHP regulation has caused significant operational problems for the AHP. Specifically, the current maximum subsidy rule has resulted in difficulties of coordination with certain other federal and state affordable housing programs whose maximum household payment requirements conflict with the AHP 20 percent payment requirement. The 20 percent rule also has resulted in households who are the AHP's intended beneficiaries and would otherwise meet the Act's AHP criteria but for the 20

percent rule, becoming ineligible for AHP assistance. In addition, there has been an inequity in accounting for utility costs between the AHP and other assistance programs used with AHP projects, which has had an adverse effect on the intended beneficiaries of the AHP.

Accordingly, the Board is issuing this interim final rule in order to remedy these problems immediately so that the AHP will operate more effectively and reach the ultimate beneficiaries it is intended to serve. Compliance with the public procedure requirements of APA section 553 is contrary to the public interest because it would hamper the Board's ability to rectify these problems in a timely fashion so that the AHP can continue to serve its intended beneficiaries.

Implementation of the interim final rule without prior public notice will not create a hardship for those households and projects subject to the rule because, as discussed in more detail in II.E. above, the new rule relieves some of the restrictions of the current 20 percent rule.

The Board therefore finds good cause that compliance with notice and comment procedures in adoption of this interim final rule would be contrary to the public interest. *See id.*

B. Effective Date

The APA provides generally that a substantive rule shall be published by an agency not less than 30 days before its effective date, except (i) a substantive rule which grants or recognizes an exemption or relieves a restriction, or (ii) as otherwise provided by the agency for good cause found and published with the rule. *See id.* section 553(d)(1), (3).

For the reasons stated in III.A. above, the Board finds that under APA section 553(d)(1), *id.* section 553(d)(1), this interim final rule may be effective upon publication without a 30-day delay in the effective date because the rule relieves a restriction. In addition, for the reasons stated in III.A. above, the Board finds that under APA section 553(d)(3), *id.* section 553(d)(3), there is good cause that this interim final rule be effective upon publication.

IV. Regulatory Flexibility Act

The Board is not required by the Regulatory Flexibility Act (Reg Flex Act), 5 U.S.C. 601 *et seq.*, to prepare a regulatory flexibility analysis for this interim final rule. The Reg Flex Act requires that a regulatory flexibility analysis be prepared whenever an agency promulgates a proposed or final rule after being required by APA section

553, *id. sec. 553*, to publish a general notice of proposed rulemaking. See 5 U.S.C. 603(a), 604(a). The Board is not required to publish a general notice of proposed rulemaking for this interim final rule because the Board has found good cause that notice and comment is contrary to the public interest in the adoption of this interim final rule. See *id. sec. 553(b)(B)*, and III.A. above. Accordingly, the Board is not required to prepare such an analysis for this interim final rule.

List of Subjects in 12 CFR Part 960

Credit, Federal home loan banks, Housing, Reporting and recordkeeping requirements.

Accordingly, title 12, chapter IX, subchapter E, part 960, Code of Federal Regulations, is hereby amended as follows:

SUBCHAPTER E—AFFORDABLE HOUSING

PART 960—AFFORDABLE HOUSING PROGRAM

1. The authority citation for part 960 continues to read as follows:

Authority: Sec. 1, 47 Stat. 725, as amended (12 U.S.C. 1421 *et seq.*); sec. 10, 47 Stat. 731, as amended (12 U.S.C. 1430); sec. 21B, as added by sec. 511, 103 Stat. 394 (12 U.S.C. 1441b).

2. Section 960.9 is revised to read as follows:

§ 960.9 Maximum subsidy.

(a) *General.* (1) Except as provided in paragraph (b) of this section, a Bank shall not offer subsidized advances and other subsidized assistance to members in excess of that amount needed to reduce the monthly housing costs (as defined in paragraph (a)(2) of this section) for targeted households in the targeted income group of 20 percent of the household's gross monthly income. In projects where other forms of federal, state, local, or private subsidized assistance are being used in conjunction with the AHP, the total amount of subsidy provided shall not exceed this amount.

(2) For purposes of paragraph (a)(1) of this section, monthly housing costs are defined as:

(i)(A) For homeowner households, mortgage principal and interest payments, real property taxes, homeowners' insurance, and a reasonable estimate of utility costs excluding telephone service; or

(B) For rental households, rent payments, and where they are not already included in rent payments, a reasonable estimate of utility costs excluding telephone service; and

(ii) For households in condominium, cooperative, mutual housing or other projects involving common ownership, those portions of any regular operating assessment or fee allocated for principal and interest payments, taxes, insurance and a reasonable estimate of utilities attributable to the household's share of the common area and/or the individual unit.

(3) A household subject to the 20 percent requirement set forth in paragraph (a)(1) of this section is only required to meet such requirement at the time it initially purchases or occupies a unit.

(b) *Alternative maximum subsidy requirements.* (1) The requirements in paragraph (a) of this section shall not apply where a Bank provides subsidized advances or other subsidized assistance to a member for a rental housing project, which project also receives funds from a federal or state rental housing program that requires qualifying households to pay as rent a certain percentage of their monthly income or a designated amount, provided that the rental household meets the housing payment requirements of the other program.

(2) The requirements in paragraph (a) of this section shall not apply where the total amount of Bank subsidized advances or other subsidized assistance ultimately benefiting a qualifying very low-income homeowner household who already owns and occupies his or her dwelling unit is \$10,000 or less per qualifying homeowner household (adjusted annually according to the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics), and where such AHP assistance is used to rehabilitate the homeowner's dwelling unit.

(3) The requirements in paragraph (a) of this section shall not apply where the total amount of Bank subsidized advances or other subsidized assistance ultimately benefiting a qualifying homeowner household that is not very low income at a particular project is \$5,000 or less per qualifying homeowner household (adjusted annually according to the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics).

(4) The requirements in paragraph (a) of this section shall not apply where a Bank provides subsidized advances or other subsidized assistance ultimately benefiting a qualifying household which is participating in a self-help, sweat equity, or similar housing program that requires the household to contribute its skilled or unskilled labor valued at a minimum of \$2,000 per qualifying household (adjusted annually according

to the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics), working cooperatively with others, to construct or rehabilitate the housing in which the household resides or other program participants live, and that involves supervision by skilled builders or rehabilitators of the work performed.

(c) A member receiving a subsidized advance shall extend credit to qualified borrowers at an effective rate of interest discounted at least to the same extent as the subsidy granted to the member by the Bank.

By the Federal Housing Finance Board

Dated: March 26, 1993.

Daniel F. Evans, Jr.,

Chairman.

[FR Doc. 93-8055 Filed 4-6-93; 8:45 am]

BILLING CODE 6725-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 92-NM-202-AD; Amendment 39-8505; AD 93-04-03]

Airworthiness Directives; General Dynamics Convair Model 340, 440, and C-131B through C-131H (Military) Series Airplanes, Including Those Modified for Turbo-Propeller Power

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; correction.

SUMMARY: This document corrects the applicability statement for the above-captioned Airworthiness Directive that was published in the Federal Register on March 15, 1993 (58 FR 13701). This correction adds clarifying information to the applicability of the rule. In all other respects, the original document is correct.

DATES: Effective April 19, 1993.

The incorporation by reference of certain publications listed in the regulation is approved by the Director of the Federal Register as of April 19, 1993 (58 FR 13701, March 15, 1993).

SUPPLEMENTARY INFORMATION: Final Rule Airworthiness Directive (AD) 93-04-03, amendment 39-8505, applicable to all General Dynamics Convair Model 340, 440, and C-131B through C-131H (military) series airplanes, was published in the Federal Register on March 15, 1993 (58 FR 13701). That AD requires an inspection of both horizontal stabilizers and vertical stabilizer attach fittings, and rework of the fittings, if necessary; as well as a