



**Office of Federal Housing Enterprise Oversight
(OFHEO)**

NEWS RELEASE

Contact: Corinne Russell (202) 414-6921
Stefanie Mullin (202) 414-6376

For Immediate Release

June 03, 2003

**OFHEO CELEBRATES 10 YEARS, UPDATES
www.ofheo.gov FEATURING INTERACTIVE HOME
PRICE CALCULATOR**

WASHINGTON, DC – Armando Falcon, Jr., Director of the Office of Federal Housing Enterprise Oversight, today marked the 10-year anniversary of the agency, created to oversee the safety and soundness of Fannie Mae and Freddie Mac, by unveiling an updated web site and logo.

“OFHEO has achieved several major milestones in the last decade,” said Director Falcon. “I want to take this opportunity to recognize the accomplishments of the many hardworking and talented people here who have devoted themselves to the public mission of ensuring the safety and soundness of a fundamental pillar in our economy—housing.”

“One of the components of our mission is to enhance public understanding of the secondary market. This enhanced website will also provide the public with important information on the Enterprises,” Falcon said.

OFHEO’s updated web site at www.ofheo.gov includes two new major features: A section where the Enterprises’ disclosures will be posted, and an interactive House Price Calculator, to estimate the value of a home by state, city or region.

[Federal Register language on new OFHEO logo](#)

OFHEO's mission is to promote housing and a strong national housing finance system by ensuring the safety and soundness of Fannie Mae and Freddie Mac.

TABLE 3.—MISCELLANEOUS SERVICES ¹—Continued

(v) Mass standards calibration and reverification	57.40
(vi) Special projects	57.40
(4) Foreign travel (per day per service representative)	510.00
(5) Online customized data EGIS service:	
(i) One data file per week for 1 year	500.00
(ii) One data file per month for 1 year	300.00
(6) Samples provided to interested parties (per sample)	2.65
(7) Divided-lot certificates (per certificate)	1.50
(8) Extra copies of certificates (per certificate)	1.50
(9) Faxing (per page)	1.50
(10) Special mailing (actual cost).	
(11) Preparing certificates onsite or during other than normal business hours (use hourly rates from Table 1).	

¹ Any requested service that is not listed will be performed at \$57.40 per hour.

² Regular business hours—Monday through Friday—service provided at other than regular hours charged at the applicable overtime hourly rate.

Dated: May 28, 2003.

Donna Reifschneider,

Administrator, Grain Inspection, Packers and Stockyards Administration.

[FR Doc. 03–13679 Filed 5–30–03; 8:45 am]

BILLING CODE 3410–EN–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Federal Housing Enterprise Oversight

12 CFR Part 1700

RIN 2550–AA27

Organization and Functions

AGENCY: Office of Federal Housing Enterprise Oversight, HUD.

ACTION: Final rule.

SUMMARY: The Office of Federal Housing Enterprise Oversight (OFHEO) is revising its regulation that describes the Agency’s organization and functions. Specifically, OFHEO is revising sections in the regulation that describe and display the Agency’s official seal and logo. The logo is the official symbol representing OFHEO and is displayed on correspondence, selected documents, and signage of the Agency.

In promulgating this rule, OFHEO finds that notice and public comment are not necessary. Section 553(b)(3)(A) of title 5, United States Code, provides that when regulations involve matters of agency organization, procedure or practice, the Agency may publish regulations in final form. In addition, OFHEO finds, in accordance with 5 U.S.C. 553(d), that a delayed effective date is unnecessary. Accordingly, these regulations are effective upon publication.

EFFECTIVE DATE: The final rule is effective June 2, 2003.

FOR FURTHER INFORMATION CONTACT: Christine C. Dion, Associate General

Counsel, telephone (202) 414–3838 (not a toll-free number), Office of Federal Housing Enterprise Oversight, Fourth Floor, 1700 G Street, NW., Washington, DC 20552. The telephone number for the Telecommunications Device for the Deaf is (800) 877–8339.

SUPPLEMENTARY INFORMATION:

Discussion of the Final Regulation

This final rule informs the public about changes to the official symbol of OFHEO.

Background on OFHEO

OFHEO was established as an independent entity within the Department of Housing and Urban Development by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (1992 Act) (title XIII of Pub. L. 102–550, 12 U.S.C. 4501 *et seq.*). OFHEO’s primary mission is ensuring the capital adequacy and financial safety and soundness of Fannie Mae and Freddie Mac (collectively, the Enterprises).

OFHEO began operating when its first employee, the first director, took office on June 1, 1993. The Agency was built from the ground up. It had to acquire staff and address hundreds of administrative issues involved in establishing an agency infrastructure. OFHEO needed to procure office space, equipment, computers, telecommunications, and other logistical support for the lawyers, economists, examiners and administrative personnel who would carry out the duties of the Agency.

In its early years, OFHEO’s experienced staff worked to develop an in-depth understanding of the operations of the Enterprises. OFHEO grew from a one-person agency into a strong and well-rounded regulator, fully capable of meeting its regulatory responsibilities.

While the Agency was being built, it was still obligated to fulfill its mission of regulating two extremely large and

enormously complex financial institutions. OFHEO now has all the key elements of a strong, thorough oversight program in place: Capital Standards, Examinations, and Research.

As required by the 1992 Act, OFHEO established minimum and risk-based capital standards as part of its role as a safety and soundness regulator. These capital requirements are intended to ensure that both Enterprises continue to operate and perform their crucial roles in the secondary mortgage market, keeping constant the flow of funds to mortgage lenders and prospective American homeowners.

In addition to its quarterly release with respect to the minimum capital requirement, OFHEO has adopted a risk-based capital standard that is unique among financial regulators. Unlike ratio-based capital rules, OFHEO’s standard is based on a 10-year stress test. A stress test measures risk in the context of a company’s overall portfolio, including the company’s risk management activities. While companies often use stress tests for internal risk management, and rating agencies use stress tests to rate companies and securities, OFHEO is among the first of the financial institutions regulators to use a comprehensive stress test to determine capital adequacy.

In addition to developing a strong, rigorous risk-based capital standard, OFHEO has an annual risk-based examination program that is an integral part of a system designed to ensure the ongoing safety and soundness of the Enterprises. OFHEO’s comprehensive risk-based examinations apply a consistent set of standards to assess and evaluate each Enterprise’s financial condition, business operations, and internal controls. These standards remain consistent from year-to-year and are appropriately updated to reflect enhancements in regulatory best practice, developments in risk management or market practices, and innovations at either Enterprise.

OFHEO's examination program contributes to OFHEO's capital adequacy framework by further informing the Director's evaluation about the appropriateness of the balance of risk and capital at each Enterprise. OFHEO has implemented a plan to enhance its examination program and double the size of the examination staff.

Complementing its Capital and Examination regulatory elements, OFHEO has developed a Research element to ensure that ongoing research and analysis is conducted on a variety of topics to understand how changes in the market impact the Enterprises and, conversely, how changes in the Enterprises' operations impact the market. A recent example of the Agency's research and analysis is a February 4, 2003, report released by OFHEO's Director, which is entitled: "Systemic Risk: Fannie Mae, Freddie Mac and the Role of OFHEO." The report analyzes how the Enterprises operate in the housing finance system and the financial sector, how their activities affect economic activity and how they can affect systemic risk in different circumstances.

In addition to its research and analysis, OFHEO presents symposiums on issues relating to the Enterprises and the mortgage markets, *e.g.*, the March 10, 2003, symposium on "House Prices in the U.S. Economy." Moreover, OFHEO advises the public and market participants on housing activities through issuance of periodic reports, such as the Agency's quarterly report analyzing housing appreciation trends, *i.e.*, OFHEO's House Price Index (HPI) report.

In support of its regulatory infrastructure based on Capital, Examination, and Research, OFHEO has adopted guidelines, policy guidances, and regulations, which are accessible on the Agency's website. The guidelines relate to risk-based capital and information quality. The policy guidance includes guidance on Non-Mortgage Liquidity Investments, and Safety and Soundness Standards for Information. OFHEO's rulemaking ranges from administrative regulations, *e.g.*, rules of practice and procedure, to regulatory oversight regulations, *e.g.*, a regulation that requires public disclosure by the Enterprises of their securities and financial information, and a regulation addressing corporate governance, which enhances the transparency of regulatory standards for the executives and boards of directors of the Enterprises.

The preceding background was provided to summarize OFHEO's first 10 years as a Federal financial

regulatory agency. The public is encouraged to visit OFHEO's Web site for a fuller understanding about the Agency and its accomplishments to date.

Over the past 10 years, OFHEO has met and continues to meet its mandate to ensure that the Enterprises are well-capitalized and operating in a safe and sound manner. Accordingly, on the occasion of OFHEO's successful completion of a range of regulatory duties and its 10 year anniversary, the Agency has determined to update its logo. The triangle representing the roof has been properly centered. In a sense, the roof in the logo, like OFHEO, has been strengthened and put in good working order. OFHEO looks forward to continued success.

Changes to the Official Symbol of OFHEO

OFHEO is revising sections of this regulation that describe and display the official seal and logo representing the Agency. Under the revisions, the seal and logo are combined to be the sole official symbol of OFHEO that will be displayed on correspondence, selected documents, and signage. The logo, as restructured, also will serve as the official seal to authenticate official documents of the Agency.

Specifically, the logo is a disc consisting of two concentric circles enclosing the words "Office of Federal Housing Enterprise Oversight" and the Agency's inaugural year, 1993. In the center of the disc is a stylized image of a structure consisting of a solid two-tiered pedestal base topped by a solid triangular shape. The structure represents a house or home, symbolic of the role of OFHEO in promoting a stable and efficient housing finance system. The triangular top of the symbol represents the roof of the structure. The base represents the foundation. The two tiers of the foundation represent the safety and soundness oversight of OFHEO. The Agency's role with respect to the Enterprises is emphasized by placement of the acronym of the Agency (OFHEO) between the base and top of the symbol.

It is noted that the official symbol of OFHEO, as revised by this final regulation, is effective on June 2, 2003. However, for purposes of cost efficiency, OFHEO will continue to use and recognize its original seal and logo until such time as supplies containing them are exhausted and signage displaying them is replaced.

This final rule is not classified as a significant rule under Executive Order 12866 because it will not result in (1) an annual effect on the economy of \$100

million or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or foreign markets. Accordingly, no regulatory impact assessment is required and this final rule has not been submitted to the Office of Management and Budget for review.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires that a rule that has a significant economic impact on a substantial number of small entities, small businesses, or small organizations must include an initial regulatory flexibility analysis describing the regulation's impact on small entities. Such an analysis need not be undertaken if the Agency has certified that the regulation will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 605(b). OFHEO has considered the impact of this final rule under the Regulatory Flexibility Act. The General Counsel certifies that this final rule will not have a significant economic impact on a substantial number of small business entities.

Paperwork Reduction Act

This final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

Unfunded Mandates Reform Act of 1995

This final rule does not require the preparation of an assessment statement in accordance with the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531. Assessment statements are not required for regulations that incorporate requirements specifically set forth in law. As explained in the preamble, this rule implements specific statutory requirements. In addition, this rule does not include a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year.

List of Subjects in 12 CFR Part 1700

Organization and functions (government agencies).

■ For the reasons stated in the preamble, OFHEO is amending 12 CFR part 1700 as follows:

PART 1700—ORGANIZATION AND FUNCTIONS

■ 1. The authority citation for part 1700 continues to read as follows:

Authority: 5 U.S.C. 552; 12 U.S.C. 4513 and 4526.

■ 2. Revise § 1700.3 to read as follows:

§ 1700.3 Official logo and seal.

The section describes and displays the logo adopted by the Director as the official symbol representing the Office of Federal Housing Enterprise Oversight. It is displayed on correspondence, selected documents, and signage. The logo serves as the official seal to authenticate official documents of the Agency.

(a) *Description.* The logo is a disc consisting of two concentric circles enclosing the words "Office of Federal Housing Enterprise Oversight" and the inaugural year, 1993. In the center of the disc is a stylized image of a structure consisting of a solid two-tiered pedestal base topped by a solid triangular shape, which represents the roof of the structure. Placed between the base and the top are the letters "OFHEO." These letters spell out the acronym of the Office of Federal Housing Enterprise Oversight and act as a visual link between the top and bottom of the structure.

(b) *Display.* The Office of Federal Housing Enterprise Oversight's official logo and seal appears below:



§ 1700.4 [Removed]

■ 3. Remove § 1700.4.

Dated: May 22, 2003.

Armando Falcon, Jr.,

Director, Office of Federal Housing Enterprise Oversight.

[FR Doc. 03-13281 Filed 5-30-03; 8:45 am]

BILLING CODE 4220-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2003-CE-24-AD; Amendment 39-13171; AD 2003-11-12]

RIN 2120-AA64

Airworthiness Directives; MORAVAN a.s. Model Z-242L Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This document supersedes Airworthiness Directive (AD) 2003-03-13, which currently establishes a technical service life for MORAVAN a.s. (Moravan) Model Z-242L airplanes by restricting Acrobatic and Utility category operations and requiring replacement of the wings after a certain operational time. AD 2003-03-13 resulted from mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for the Czech Republic. The restrictions required by AD 2003-03-13 only take account for the aerobatic load spectrum and do not account for the aerobatic frequency. The restrictions also address the life limit of the wings when they should address the life limit of the entire airframe (life limit of the airplane). Although the aerobatic frequency will extend the operational times, it more importantly will ensure that all airplanes (even those that have not reached the operational limits) are not subject to fatigue cracking caused by exceeding the aerobatic frequency. This AD will maintain the restrictions of AD 2003-03-13, but will incorporate the aerobatic frequency and life limit the airplane instead of just the wings. The actions specified by this AD are intended to prevent structural failure of the wing due to fatigue cracking. Such failure could result in a wing separating from the airplane with consequent loss of airplane control.

DATES: This AD becomes effective on June 5, 2003.

The Director of the Federal Register previously approved the incorporation by reference of Moravan Mandatory Service Bulletin Z 242L/27a—Rev. 1, dated October 31, 2000, as of March 21, 2003 (68 FR 4910, January 31, 2003).

The Director of the Federal Register approved the incorporation by reference of Moravan Mandatory Service Bulletin

Z 242L/27a—Rev. 2; and Moravan Mandatory Service Bulletin Z24L/38a—Rev. 1, both dated April 15, 2003, as of June 5, 2003.

The Federal Aviation Administration (FAA) must receive any comments on this rule on or before July 7, 2003.

ADDRESSES: Submit comments to FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-CE-24-AD, 901 Locust, Room 506, Kansas City, Missouri 64106. You may view any comments at this location between 8 a.m. and 4 p.m., Monday through Friday, except Federal holidays. You may also send comments electronically to the following address: 9-ACE-7-Docket@faa.gov. Comments sent electronically must contain "Docket No. 2003-CE-24-AD" in the subject line. If you send comments electronically as attached electronic files, the files must be formatted in Microsoft Word 97 for Windows or ASCII text.

You may get the service information referenced in this AD from Moravan, Inc., 765 81 Otokovice, Czech Republic; telephone: +420 67 767 3940; facsimile: +420 67 792 2103. You may view this information at FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-CE-24-AD, 901 Locust, Room 506, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; facsimile: (816) 329-4090.

SUPPLEMENTARY INFORMATION:

Discussion

Has FAA Taken Any Action to This Point?

The Civil Aviation Authority for the Czech Republic (CAA CZ) reported to FAA that Moravan Model Z-242L airplanes are operated over the load spectrum that was used at certification and are in need of a technical service life. This caused FAA to issue AD 2003-03-13, Amendment 39-13037 68 FR 4905, January 31, 2003). AD 2003-03-13 establishes a technical service life for these airplanes by restricting Acrobatic and Utility category operations and requiring replacement of the wings after a certain operational time period. The technical service life required by AD 2003-03-13 is as follows: