

If the tax required to be withheld under the annual percentage rate schedule is—

\$10 to \$100-----	\$10, plus 10 percent of excess over \$10.
\$100 to \$1,000-----	\$19, plus 3 percent of excess over \$100.
\$1,000 or over-----	\$46, plus 1 percent of excess over \$1,000.

The maximum permissible annual deviation is—

In any case, an amount which is less than \$10 more or less per year than the amount required to be deducted and withheld under section 3402(a) is substantially the same as the latter amount. If any method produces results which are not greater than the prescribed maximum deviations only with respect to some of his employees, the employer may use such method only with respect to such employees. An employer should thoroughly test any method which he contemplates using to ascertain whether it meets the tolerances prescribed by this paragraph. An employer may not use any method, one of the principal purposes of which is to consistently produce amounts to be deducted and withheld which are less (though substantially the same) than the amount required to be deducted and withheld by applying section 3402(a).

(b) In addition to the methods authorized by paragraph (a) of this section, an employer may determine the amount of tax to be deducted and withheld under section 3402 upon a payment of wages to an employee by using tables prescribed by the Commissioner which combine the amounts of tax to be deducted under sections 3102 and 3402. Such tables shall provide for the deduction of the sum of such amounts, computed on the basis of the midpoints of the wage brackets in the tables prescribed under section 3402(c). The portion of such sum which is to be treated as the tax deducted and withheld under section 3402 shall be the amount obtained by subtracting from such sum the amount of tax required to be deducted by section 3102. Such tables may be used only with respect to payments which are wages under both sections 3121(a) and 3401(a).

PAR. 2. Paragraph (c) (1) (iii) of § 31.3402(k)-1 is amended to read as follows:

**§ 31.3402(k)-1 Special rule for tips.**

\* \* \* \* \*

(c) *Priority of tax collection*—(1) *In general.* \* \* \*

(iii) Any tax under section 3402 which, at the time of the payment of the wages, the employer is required to collect—

(a) In respect of tips reported by the employee to the employer in a written statement furnished to the employer pursuant to section 6053(a), or

(b) By reason of the employer's election to make collection of the tax under section 3402 in respect of tips on an estimated basis,

but which has not been collected by the employer and which cannot be deducted from funds turned over by the employee

to the employer for such purpose. For provisions relating to the withholding of tax on the basis of average estimated tips, see paragraph (b) of § 31.3402(h) (1)-1.

PAR. 3. Section 31.6001-5(a) is amended by adding new subparagraph (17) immediately after subparagraph (16):

**§ 31.6001-5 Additional records in connection with collection of income tax at source on wages.**

(a) \* \* \*

(17) Any request of an employee under section 3402(h) (3) and § 31.3402(h) (3)-1 to have the amount of tax to be withheld from his wages computed on the basis of his cumulative wages, and any notice of revocation thereof.

\* \* \* \* \*  
[F.R. Doc. 70-5554; Filed, May 5, 1970; 8:51 a.m.]

**DEPARTMENT OF TRANSPORTATION**

**Hazardous Materials Regulations Board**

**[ 49 CFR Part 173 ]**

[Docket No. HM-47; Notice 70-8]

**TRANSPORTATION OF HAZARDOUS MATERIALS**

**Ethylene Imine, Inhibited in Tank Cars**

The Hazardous Materials Regulations Board is considering amending the Department's Hazardous Materials Regulations to authorize shipment of ethylene imine, inhibited in specification 111A60W1 tank cars.

This proposal is based on the satisfactory performance of this type tank car in the service of ethylene imine, inhibited under special permit provisions during the past 2 years. No reports of adverse experience on shipments made in accordance with special permit conditions have been received by the Department.

It is the Board's opinion that specification 111A60W1 insulated tank cars are equivalent to specification 104W tank cars currently prescribed in § 173.139 of the regulations.

In consideration of the foregoing, it is proposed to amend 49 CFR 173.139 paragraph (a) (4) to read as follows:

**§ 173.139 Ethylene imine, inhibited, and propylene imine, inhibited.**

(a) \* \* \*

(4) Specification 104W or 111A60W1 (§§ 179.200 and 179.201 of this chapter). Tank cars, for ethylene imine, inhibited only. Specification 111A60W1 tank cars must be insulated in accordance with § 179.200-4 of this chapter.

\* \* \* \* \*  
Interested persons are invited to give their views on this proposal. Communi-

cations should identify the docket number and be submitted in duplicate to the Secretary, Hazardous Materials Regulations Board, Department of Transportation, 400 Sixth Street SW., Washington, D.C. 20590. Communications received on or before June 9, 1970, will be considered before final action is taken on the proposal. All comments received will be available for examination by interested persons at the Office of the Secretary, Hazardous Materials Regulations Board, both before and after the closing date for comments.

This proposal is made under the authority of sections 831-835 of title 18, United States Code, and section 9 of the Department of Transportation Act (49 U.S.C. 1657).

Issued in Washington, D.C., on May 1, 1970.

J. B. McCARTY, Jr.,  
*Captain, U.S. Coast Guard, by direction of Commandant, U.S. Coast Guard.*

R. N. WHITMAN,  
*Administrator, Federal Railroad Administration.*

[F.R. Doc. 70-5556; Filed, May 5, 1970; 8:51 a.m.]

**Office of Pipeline Safety**

**[ 49 CFR Part 192 ]**

[Notice 70-8; Docket No. OPS-5]

**MINIMUM FEDERAL SAFETY STANDARDS FOR GAS PIPELINES**

**Requirements for Corrosion Control**

The Department of Transportation is developing proposals for comprehensive minimum Federal safety standards for gas pipeline facilities and for the transportation of gas, as required by section 3(b) of the Natural Gas Pipeline Safety Act of 1968.

Interested persons are invited to participate in the making of the proposed rules by submitting written data, views, or arguments. Communications should identify the regulatory docket and notice number and be submitted in duplicate to the Office of Pipeline Safety, Department of Transportation, 400 Sixth Street SW., Washington, D.C. 20590. Communications received before June 29, 1970, will be considered before taking final action on the notice. All comments will be available for examination by interested persons at the Office of Pipeline Safety before and after the closing date for comments. The proposals contained in this notice may be changed in light of comments received.

This notice differs from the previous series of notices issued over the last 6 months, which were based largely on the USAS B31.3 Code, 1968 edition. Since the treatment of corrosion control in the Code was deemed inadequate, this notice would propose new minimum requirements for the protection of gas pipe and piping facilities from external and internal corrosion. Use has been made of

the 1969 issue of the National Association of Corrosion Engineers' Standard RP-01-69, "Recommended Practice—Control of External Corrosion on Underground or Submerged Metallic Piping Systems."

The proposed regulations will become effective 30 days after the date of issue, except for certain specific provisions which have different effective dates to allow appropriate lead time for compliance. This is true of the provisions relating to cathodic protection of existing pipelines (§§ 192.467, 192.469, 192.471, and 192.473), internal corrosion control (§ 192.487), atmospheric corrosion control (§ 192.489), control of interference currents (§ 192.491), and corrosion control records (§ 192.493). Comment is invited on the adequacy of the proposed effective dates, both as to whether earlier dates would be in the interest of increased safety and whether later dates are indicated by factors of cost or feasibility.

While the Department's Corrosion regulations applicable to pipelines carrying hazardous liquids (49 CFR Part 195), apply only to steel pipe, these proposed regulations apply to steel, cast iron, ductile iron, aluminum, and copper pipe. Although more detailed, the proposed regulations for corrosion control of gas pipeline facilities are consistent with those for liquid pipelines, for the most part.

The proposed regulations apply to new construction and to existing pipelines and facilities, and to both coated and bare pipe. Subjects covered include cathodic protection, monitoring, remedial measures, installation of test stations and test leads, electrical insulation, atmospheric corrosion control, control of interference currents, and corrosion records.

Aluminum piping has been treated in essentially the same way as iron and steel except for certain special provisions which apply to amphoteric metal. Copper piping has received different treatment because it is more passive to most environments.

It should be noted that § 192.455 would require that all pipe used in new construction be externally coated to minimize corrosion. In addition, paragraph (a) of § 192.483 and paragraph (a) of § 192.485 would require that where corroded pipe in an existing pipeline, main or service line is replaced by metal pipe, the replacement pipe must be coated. Are there circumstances under which it is inappropriate to require that the pipe used in new construction or pipe used to replace corroded pipe in existing pipelines, must be coated? Comments and discussion are invited on this question.

Even under present-day construction methods, pipeline coating is sometimes damaged during construction, or subsequently by cold flow of the coating due to piercing by rocks or hard clods of soil. Supplemental cathodic protection is therefore required for coated pipe as well as bare pipe.

Paragraph (d) of § 192.457 would require that the negative (cathodic) voltage between all structure surfaces must

be at least as negative as that required to protect the most anodic metal in the structure. Since similar metals may have different cathodic potentials under certain circumstances, as for example, where old steel is used with new steel, we have eliminated use of the term "dissimilar metals." Does elimination of this term create any problems of ambiguity or uncertainty?

In consideration of the foregoing, the Department proposes to amend Title 49 of the Code of Federal Regulations by adding a new Part 192 to contain Subpart I as set forth below.

This notice is issued under the authority of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. sec. 1671 et seq.), Part 1 of the Regulations of the Office of the Secretary of Transportation (49 CFR Part 1), and the delegation of authority to the Director, Office of Pipeline Safety dated November 6, 1968 (33 F.R. 16468).

Issued in Washington, D.C., on April 30, 1970.

WILLIAM C. JENNINGS,  
*Acting Director,*  
*Office of Pipeline Safety.*

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Subpart I—Requirements for  
Corrosion Control

§ 192.451 Scope.

This subpart prescribes minimum requirements for the protection of gas pipeline facilities from external and internal corrosion. It applies to new construction and to existing pipelines, mains, service lines, and related facilities.

§ 192.453 New construction: External corrosion control of buried or submerged piping.

(a) Except as provided in paragraph (c) of this section each buried or submerged metallic pipe or pipeline component must be protected against external corrosion.

(b) Aluminum may not be used in a pipeline system in a highly alkaline environment unless tests or experience indicate its suitability in the particular environment involved.

(c) Each buried or submerged copper pipe or pipeline facility must be protected against corrosion unless the operator can demonstrate by test, investigation, or experience in the area of application, and in environmental conditions comparable to the intended service, that a corrosive condition does not exist.

§ 192.455 New construction: External coating.

(a) Except as provided in paragraph (c) of § 192.453, no metallic pipe or pipeline component may be buried unless that pipe or component has a properly prepared surface and has an external protective coating, either conductive or insulating, that—

(1) Is designed to minimize corrosion on the buried pipe or component;

(2) Has sufficient adhesion to the metal surface to prevent underfilm migration of moisture;

(3) Is sufficiently ductile to resist cracking;

(4) Has enough strength to resist damage due to handling and soil stress; and

(5) Is capable of supporting any supplemental cathodic protection.

(b) Electrically insulating coatings, in addition to the requirements of paragraph (a) of this section, must have—

(1) Low moisture absorption;

(2) Low moisture vapor transmission; and

(3) High electrical resistance.

(c) All coating on metallic pipe and pipeline components must be inspected just prior to lowering the pipe and components into the ditch, and any damage must be repaired.

(d) All coating on metallic pipe and pipeline components must be protected from damage resulting from adverse ditch conditions or damage from supporting blocks.

§ 192.457 New construction: Cathodic protection.

(a) Except as provided in paragraph (c) of § 192.453, each buried pipe or pipeline component must be cathodically protected not later than 1 year after completion of construction.

(b) Each cathodic protection system must be designed and installed by, or under the direction of, a person qualified by experience and training in corrosion control methods.

(c) The level of cathodic protection must be at least equal to that achieved by complying with one or more of the criteria contained in paragraph 6.3 of the 1969 edition of NACE Standard RP-01-69.

(d) The negative (cathodic) voltage between metals of different anodic potentials must be at least as negative as that required to protect the most anodic metal in the structure.

(e) In addition to the requirements of paragraph (d) of this section, if amphoteric metals are included in a buried pipeline system containing metal of different anodic potentials—

(1) The amphoteric metals must be electrically isolated from the remainder of the system and cathodically protected; or

(2) The entire buried system must be cathodically protected at a cathodic potential deemed safe for the amphoteric metal, consistent with paragraph 6.3 of the 1969 edition of NACE Standard RP-01-69.

(f) The cathodic potential of a buried pipeline system may not exceed (be more negative than) a value which assures proper performance of the protective coating system.

**§ 192.459 New construction: Installation of test stations.**

Test stations must be provided at intervals frequent enough to obtain electrical measurements indicating the adequacy of the cathodic protection.

**§ 192.461 New construction: Installation of test leads.**

(a) Each connection of a test lead wire to pipe must be installed so as to remain mechanically secure and electrically conductive.

(b) Each lead wire must be attached to the pipe so as to minimize stress concentration on the pipe.

(c) Each bared test lead wire and bared metallic area at point of connection to the pipe must be coated with an electrical insulating material compatible with the pipe coating and wire insulation.

**§ 192.463 New construction: Electrical insulation.**

(a) An insulating device must be installed where electrical isolation of a portion of the piping system is necessary to facilitate the application of corrosion control, or to prevent galvanic action between metals of different anodic potentials. Inspection and electrical measurements must be made to assure that electrical isolation is adequate.

(b) An insulating device may not be installed in an area where a combustible atmosphere is likely to be present.

(c) Whenever lightning and fault currents are likely to be present, protective measures must be taken at insulating devices.

(d) Except for unprotected copper inserted in piping, each pipe or pipeline

component must be electrically isolated from metallic casings when such casings are a part of the underground system.

(e) Where electrical contact would adversely affect cathodic protection, the piping system must be electrically isolated from supporting pipe stanchions, bridge structures, tunnel enclosures, piling, or reinforced concrete foundations. However, except for aluminum and copper, piping may be attached directly to a bridge without insulation, if insulating devices are installed at each side of the bridge to electrically isolate the bridge piping from adjacent underground piping.

**§ 192.465 New construction: Clearance between pipe and underground structures.**

(a) Each pipe installed underground must be provided with permanent electrical isolation from other underground structures.

(b) Where a pipe is located in close proximity to transmission tower footings, ground cables or counterpoise, special provisions must be made to prevent damage due to lightning and fault currents.

**§ 192.467 Existing pipelines: Cathodic protection; steel and aluminum pipelines, mains, or service lines operating at 20 percent or more of specified minimum yield strength.**

(a) *Externally coated pipe.* Except for buried station piping, before \_\_\_\_\_ (3 years after effective date), each steel or aluminum pipeline, main or service line operating at 20 percent or more of specified minimum yield strength that has an external coating, must be cathodically protected in its entirety.

(b) *Bare pipe.* Before \_\_\_\_\_ (5 years after effective date), each bare steel or aluminum pipeline, main, or service line operating at 20 percent or more of specified minimum yield strength must be cathodically protected in areas in which corrosion exists. The operator shall determine by electrical survey, or other means where cathodic protection is needed.

(c) *Buried station piping.* Before \_\_\_\_\_ (3 years after effective date), all buried steel or aluminum station piping operating at 20 percent or more of specified minimum yield strength, whether bare or coated, including piping in compressor stations, regulator stations and measuring stations, must be cathodically protected in areas in which corrosion exists. The operator shall determine by electrical survey, or other means, where cathodic protection is needed.

**§ 192.469 Existing pipelines: Cathodic protection; steel and aluminum pipelines, mains, or service lines operating at less than 20 percent of specified minimum yield strength.**

Before \_\_\_\_\_ (5 years after effective date), each steel or aluminum pipeline, main, or service line operating at less than 20 percent of specified minimum yield strength must be cathodically protected in areas in which corrosion

exists. The operator shall determine by electrical survey, or other means, where cathodic protection is needed.

**§ 192.471 Existing pipelines: Cathodic protection; cast iron and ductile iron.**

(a) Before \_\_\_\_\_ (3 years after effective date), each cast iron or ductile iron pipeline, main or service line that has an external coating must be cathodically protected in its entirety.

(b) Before \_\_\_\_\_ (5 years after effective date) each bare cast iron or ductile iron pipeline, service line, or main, must be cathodically protected in areas in which corrosion exists. The operator shall determine by electrical survey or other means, where cathodic protection is needed.

**§ 192.473 Existing pipelines: Cathodic protection; copper piping.**

(a) Before \_\_\_\_\_ (5 years after effective date), all copper piping must be cathodically protected in areas in which corrosion exists. The operator shall determine by electrical survey, or other means, where cathodic protection is needed.

**§ 192.475 Existing pipelines: Cathodic protection; monitoring.**

(a) At intervals not exceeding 12 months, each operator shall conduct tests on underground facilities in its pipeline system that are under cathodic protection, to determine whether the protection is adequate. However, where annual tests of separately protected services or short electrically isolated sections of protected mains not in excess of 100 feet are impractical, surveys may be made on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system, must be surveyed each year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

(b) At intervals not exceeding 3 years, each operator shall reevaluate its unprotected bare pipe and cathodically protect it in areas in which corrosion exists.

(c) At intervals not exceeding 2 months, each operator shall inspect each of its cathodic protection rectifiers or other impressed current power sources.

(d) At intervals not exceeding 2 months, each operator shall electrically check for proper performance each reverse current switch, diode, and interference bond.

**§ 192.477 Existing pipelines: Installation of test stations and test leads.**

Whenever the installation of test stations and test leads is required to ascertain the adequacy of cathodic protection of existing pipelines, the provisions of §§ 192.459 and 192.461 apply.

**§ 192.479 Existing pipelines: Electrical insulation.**

Whenever electrical insulation of a portion of an existing piping system is required to facilitate the application of corrosion control, the provisions of § 192.463 apply.

**§ 192.481 Existing pipelines: General remedial measures.**

(a) Whenever any buried piping is exposed for any reason, it must be examined for evidence of external corrosion. Except as provided in paragraph (c) of this section, all corroded pipe must be replaced or repaired and cathodic protection applied in accordance with the requirements of this part.

(b) Each cathodic protection survey and installation must be made by or under the direction of a person qualified by experience and training in corrosion control methods.

(c) Generally corroded pipe, whether the corrosion is external or internal, need not be replaced or repaired if the operating pressure is reduced so as to be commensurate with the limits on operating pressure specified in this part based on the actual remaining wall thickness.

**§ 192.483 Existing pipelines: Remedial measures; pipelines, mains, or service lines operating at 20 percent or more of specified minimum yield strength.**

(a) Each pipeline, main, or service line operating at 20 percent or more of specified minimum yield strength found to be so generally corroded that the remaining wall thickness is less than the minimum thickness required by the pipe specification tolerances of Subpart C of this part, must be replaced with coated pipe or, if the area is small, must be repaired.

(b) If isolated corrosion pitting is found on a pipeline, main, or service line operating at 20 percent or more of specified minimum yield strength, the pipe must be repaired or replaced unless the diameter of the pits, as measured at the surface of the pipe, is less than the nominal wall thickness of the pipe, and the remaining wall thickness at the bottom of the pits is at least 70 percent of the nominal wall thickness.

**§ 192.485 Existing pipelines: Remedial measure; pipelines, mains, or service lines operating at less than 20 percent of specified minimum yield strength.**

(a) Each pipeline, main, or service line operating at less than 20 percent of specified minimum yield strength found to be so generally corroded that the remaining wall thickness is less than 50 percent of the nominal wall thickness, must be replaced with coated pipe or plastic pipe, or, if the area is small, must be repaired.

(b) If isolated corrosion pitting is found on a pipeline, main, or service line operating at less than 20 percent of specified minimum yield strength, the pipe must be repaired or replaced, unless the diameter of the corrosion pits, as measured at the surface of the pipe, is less than three times the nominal wall thickness, and the remaining wall thickness at the bottom of the pits is at least 30 percent of the nominal wall thickness.

(c) Each cast iron or ductile iron pipe operating at less than 20 percent of specified minimum yield strength, on

which general graphitization is found to a degree where fracture or any leakage might result, must be replaced.

**§ 192.487 Internal corrosion control.**

(a) After ----- (12 months after effective date), no operator may transport gas that would corrode the pipe or other components of the pipeline system, unless it has investigated the corrosive effect of the gas on the system and has taken adequate steps to minimize corrosion.

(b) Each operator shall use coupons or other monitoring equipment to determine the effectiveness of steps taken to minimize internal corrosion.

(c) At intervals not exceeding six months commencing on ----- (12 months after effective date), the operator shall examine each coupon or other type of monitoring equipment to determine the effectiveness of the steps taken to minimize internal corrosion or the extent of any corrosion.

(d) Whenever any pipe is removed from the pipeline for any reason, the internal surface must be inspected for evidence of corrosion, the adjacent pipe must be investigated to determine the extent of corrosion and—

(1) Where the pipe is so generally corroded that the remaining wall thickness is less than the minimum thickness permitted by §§ 192.483 and 192.485 the corroded pipe must be replaced.

(2) Where cast iron or ductile iron pipe is internally corroded and the pipe is generally graphitized or pitted to the extent that fracture or leakage might result, the pipe must be replaced.

**§ 192.489 Atmospheric corrosion control.**

Before ----- (12 months after effective date), each operator shall clean and coat, or jacket, steel, cast iron or ductile iron pipe and component with material suitable for the prevention of atmospheric corrosion, and thereafter maintain this protection for each pipe and component in its pipeline system that is exposed to the atmosphere. This requirement also applies to aluminum and copper pipe and components when exposed to an atmospheric environment that is corrosive to these metals.

**§ 192.491 Control of interference currents.**

(a) Before ----- (12 months after effective date), each operator shall minimize the detrimental effects of stray currents.

(b) If an impressed current type cathodic protection system is used, it must be installed with its associated ground bed located so as to minimize any adverse effects on existing adjacent underground metallic structures.

**§ 192.493 Corrosion control records.**

Before ----- (12 months after effective date)—

(a) Construction drawings and records must be made of the cathodically protected piping, the cathodic protection facilities, and neighboring structure af-

ected by the cathodic protection system; and

(b) Each record of a test, survey, or inspection required by this subpart must be retained for the useful life of the part of the pipeline system to which it relates.

[F.R. Doc. 70-5487; Filed, May 5, 1970; 8:46 a.m.]

**FEDERAL HOME LOAN BANK BOARD**

[ 12 CFR Part 545 ]

[No. 24,051]

**FEDERAL SAVINGS AND LOAN SYSTEM**

**Sale of Loans and Participation Interests in Loans**

APRIL 30, 1970.

Resolved that the Federal Home Loan Bank Board considers it advisable to amend Part 545 of the rules and regulations for the Federal Savings and Loan System (12 CFR Part 545) for the purpose of permitting Federal savings and loan associations to sell packages of loans, or participation interests in loans, in amounts not less than \$100,000, on a "with recourse" basis. Accordingly, it proposes to amend said Part 545 as follows:

1. By revising paragraph (a) of § 545.6-4 to read as follows:

**§ 545.6-4 Participation loans.**

(a) *General.* Any Federal association may participate with other lenders in making loans of any type that such an association may otherwise make: *Provided, That:*

(1) The real estate security is located within such association's regular lending area;

(2) Each of the lenders, except as otherwise permitted by prior written approval of the Board with respect to a particular loan, is either an instrumentality of the U.S. Government or is insured by the Federal Savings and Loan Insurance Corporation or by the Federal Deposit Insurance Corporation; any loan in which a Federal association participates pursuant to such approval may be repayable on such basis and within such period as the Board may authorize in such approval, without regard to any other provision of this part. Any Federal association may, to the extent that it has under statute and its charter legal authority to do so, sell to or purchase from any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, without regard to the provisions of § 545.11, a participating interest in any loan, and such sale shall not be regarded as a sale of a loan within the meaning of § 545.11. Any sale by a Federal association of a participating interest in any loan shall be without recourse, except as is otherwise provided in § 545.11-1.

\* \* \* \* \*

2. By revising § 545.11 to read as follows: