

programs to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl.

The Program is administered by the American Egg Board, which is composed of egg producers and egg producer representatives. Each of the 18 members and their specific alternates are appointed by the Secretary of Agriculture from nominations submitted by certified producer organizations. The Secretary annually appoints half of the Board, nine members and nine alternates, for 2-year terms.

AMS published in the **Federal Register** (64 FR 8014) its plan to review certain regulations, including the Egg Research and Promotion Order, under the criteria contained in section 610 of the Regulatory Flexibility Act (5 U.S.C. 601–612). An updated plan was published in the **Federal Register** on August 14, 2003 (68 FR 48573).

A notice of review and request for written comments on the Order was published in the February 6, 2006, issue of the **Federal Register** (71 FR 6021). No comments were received.

The review was undertaken to determine whether the Order should be continued without change, amended, or rescinded (consistent with the objectives of the Egg Research and Consumer Information Act of 1974) to minimize the impacts on small entities. In conducting this review, AMD considered the following factors: (1) The continued need for the Order; (2) the nature of complaints or comments received from the public concerning the Order; (3) the complexity of the Order; (4) the extent to which the Order overlaps, duplicates, or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (5) the length of time since the Order has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the Order.

Currently, there are approximately 260 producers covered under the Order. AMS provides Federal oversight of the egg research and promotion program. The Order is not unduly complex, and AMS has not identified regulations that duplicate, overlap, or conflict with the Order. Over the years, regulation changes have been made to address industry operation changes and to improve program administration. The goal of these evaluations is to assure that the Order and the regulations implemented under it fit the needs of the industry and are consistent with the Act. Based upon the review, AMS has determined that the Order should be continued without change. AMS plans

to continue working with the egg industry in maintaining an effective program.

Dated: December 19, 2006.

Lloyd C. Day,

Administrator, Agricultural Marketing Service.

[FR Doc. E6–22039 Filed 12–22–06; 8:45 am]

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FEDERAL RESERVE SYSTEM

12 CFR Part 203

[Regulation C; Docket No. R–1275]

Home Mortgage Disclosure

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; staff commentary.

SUMMARY: The Board is publishing a final rule amending the staff commentary that interprets the requirements of Regulation C (Home Mortgage Disclosure). The staff commentary is amended to increase the asset-size exemption threshold for depository institutions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers. The adjustment from \$35 million to \$36 million reflects the increase of that index by 3.32 percent during the twelve-month period ending in November 2006. Thus, depository institutions with assets of \$36 million or less as of December 31, 2006, are exempt from collecting data in 2007.

DATES: Effective January 1, 2007.

FOR FURTHER INFORMATION CONTACT: John C. Wood, Kathleen C. Ryan, or Dan S. Sokolov, Counsels, Division of Consumer and Community Affairs, at (202) 452–3667; for users of Telecommunications Device for the Deaf (TDD) only, contact (202) 263–4869.

SUPPLEMENTARY INFORMATION: The Home Mortgage Disclosure Act (HMDA; 12 U.S.C. 2801 *et seq.*) requires most mortgage lenders located in metropolitan areas to collect data about their housing-related lending activity. Annually, lenders must report that data to their federal supervisory agencies and make the data available to the public. The Board's Regulation C (12 CFR part 203) implements HMDA.

Prior to 1997, HMDA exempted depository institutions with assets totaling \$10 million or less, as of the preceding year-end. Provisions of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (codified at 12 U.S.C. 2808(b)) amended HMDA to expand the exemption for

small depository institutions. The statutory amendment increased the asset-size exemption threshold by requiring a one-time adjustment of the \$10 million figure based on the percentage by which the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW) for 1996 exceeded the CPIW for 1975, and provided for annual adjustments thereafter based on the annual percentage increase in the CPIW. The one-time adjustment increased the exemption threshold to \$28 million for 1997 data collection.

Section 203.2(e)(1)(i) of Regulation C provides that the Board will adjust the threshold based on the year-to-year change in the average of the CPIW, not seasonally adjusted, for each twelve-month period ending in November, rounded to the nearest million. Pursuant to this section, the Board has adjusted the threshold annually, as appropriate.

For 2006, the threshold was \$35 million. During the twelve-month period ending in November 2006, the CPIW increased by 3.32 percent. As a result, the exemption threshold is raised to \$36 million. Thus, depository institutions with assets of \$36 million or less as of December 31, 2006, are exempt from collecting data in 2007. An institution's exemption from collecting data in 2007 does not affect its responsibility to report data it was required to collect in 2006.

Final Rule

Under the Administrative Procedure Act, notice and opportunity for public comment are not required if the Board finds that notice and public comment are unnecessary. 5 U.S.C. 553(b)(3)(B). The amendment in this notice is technical. Comment 2(e)–2 to section 203.2 of the regulation is amended to implement the increase in the exemption threshold. This amendment merely applies the formula established by Regulation C for determining adjustments to the exemption threshold. For these reasons, the Board has determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary. Therefore, the amendment is adopted in final form.

List of Subjects in 12 CFR Part 203

Banks, Banking, Federal Reserve System, Mortgages, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, the Board amends 12 CFR part 203 as follows:

PART 203—HOME MORTGAGE DISCLOSURE (REGULATION C)

■ 1. The authority citation for part 203 continues to read as follows:

Authority: 12 U.S.C. 2801–2810.

■ 2. In Supplement I to part 203, under section 203.2 Definitions, 2(e) *Financial Institution*, paragraph 2. is revised.

Supplement I to Part 203—Staff Commentary

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§ 203.2 Definitions.

2(e) *Financial Institution*

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2. *Adjustment of exemption threshold for depository institutions.* For data collection in 2007, the asset-size exemption threshold is \$36 million. Depository institutions with assets at or below \$36 million as of December 31, 2006 are exempt from collecting data for 2007.

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By order of the Board of Governors of the Federal Reserve System, acting through the Director of the Division of Consumer and Community Affairs under delegated authority, December 20, 2006.

Jennifer J. Johnson,
Secretary of the Board.

[FR Doc. E6–22027 Filed 12–22–06; 8:45 am]

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FARM CREDIT ADMINISTRATION

12 CFR Parts 652 and 655

RIN 3052–AC17

Federal Agricultural Mortgage Corporation Funding and Fiscal Affairs; Federal Agricultural Mortgage Corporation Disclosure and Reporting Requirements; Risk-Based Capital Requirements

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA, Agency, we) is amending regulations governing the Federal Agricultural Mortgage Corporation (Farmer Mac or the Corporation) risk-based capital stress test (RBCST or model). We are making these amendments in response to changing financial markets, new business practices and the evolution of the loan portfolio at Farmer Mac, as well as continued development of industry best practices among leading financial institutions. The rule modifies regulations in 12 CFR part 652, subpart B. The rule is intended to more

accurately reflect risk in the model in order to improve the model's output—Farmer Mac's regulatory minimum risk-based capital level. The rule also clarifies Farmer Mac's reporting requirements in § 655.50(c).

DATES: Effective Date: This regulation will be effective the later of 30 days after publication in the **Federal Register** during which time either or both Houses of Congress are in session, or March 31, 2007. We will publish a notice of the effective date in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT:

Joseph T. Connor, Associate Director for Policy and Analysis, Office of Secondary Market Oversight, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4280, TTY (703) 883–4434;

or

Rebecca S. Orlich, Senior Counsel, Office of the General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TTY (703) 883–4020.

SUPPLEMENTARY INFORMATION:

I. Purpose

The purpose of this rule is to revise the risk-based capital (RBC) regulations that apply to Farmer Mac. Our proposed rule was published in the **Federal Register** on November 17, 2005.¹ The final rule makes the following changes to the RBCST:

1. Establishes specific proxy values for loans with missing or anomalous or ambiguous data. In the final rule, the Debt-to-Assets ratio (DA) proxy value is 0.50, the Loan-to-Value ratio (LTV) remains at 0.70, and the Debt Service Coverage ratio (DSC) is 1.25.

2. Requires the application of known data on Long-term Standby Purchase Commitment (Standby) loans in the model.

3. Revises the estimate of future years' miscellaneous income to the annualized 3-year weighted average of the most recent quarterly miscellaneous income rate as a fraction of the current quarter's sum of cash, investments, guaranteed securities, and loans held for investment.

4. Revises the treatment of gain on sale of agricultural mortgage-backed securities (AMBS) by applying the 3-year gain rate factor to the most recent 4 quarters of AMBS sales.

5. Revises the method used to estimate operating expenses to a moving-average of operating expenses as a percent of non-program assets and on-

¹ 79 FR 69692. See the preamble to our proposed rule for a full discussion of our proposed changes.

and off-balance sheet program investments.

The proposed rule also included provisions related to improved estimates of the carrying costs of troubled loans by revising assumptions regarding Loan Loss Resolution Timing (LLRT), and related to adding a component to reflect counterparty risk. These two items are not included in the final rule. The Agency plans to address these issues in a future rulemaking.

In developing this rule, we considered the comments and recommendations pertaining to the RBCST in the Government Accountability Office (GAO) report entitled, "Farmer Mac: Some Progress Made, but Greater Attention to Risk Management, Mission, and Corporate Governance is Needed."² We also met with Farmer Mac representatives on several occasions prior to the development of the proposed rule and discussed possible Agency revisions to the RBCST.

II. Background

Our analysis of the RBCST has identified a need to update the model in response to changing financial markets, new business practices and the evolution of the loan portfolio at Farmer Mac, as well as continued development of industry best practices among leading financial institutions. Our goal is to ensure that the RBCST reflects changes in the Corporation's business structure and loan portfolio that have occurred since the model was originally developed by FCA, while complying with the statutory requirements and constraints on the model's design.

Our proposed rule was published in the **Federal Register** on November 17, 2005, and provided for a 90-day comment period to end on February 15, 2006. We later extended and reopened the comment period, which ended on May 17, 2006.³

III. Comments

We received seven comment letters on the proposed rule from the following: Farmer Mac, the Farm Credit Bank of Texas (FCBT), AgFirst Farm Credit Bank (AgFirst), U.S. AgBank FCB (U.S. AgBank), Sacramento Valley Farm Credit (Sac Valley), First Dakota National Bank (Dakota Mac), and AgStar

² United States General Accounting Office, Farmer Mac: Some Progress Made, but Greater Attention to Risk Management, Mission, and Corporate Governance is Needed, GAO–04–116 (2003). At the time of the report's publication, the GAO was known as the General Accounting Office.

³ In response to requests from commenters, we extended the original comment period to April 17, 2006 (71 FR 7446, Feb. 13, 2006), and subsequently reopened the comment period until May 17, 2006 (71 FR 24613, Apr. 26, 2006).