received two comment letters in response to the Interim Final Rule, both from national credit union industry trade associations.

Both commenters supported the Interim Final Rule without reservation, addressing collateral matters as well. One commenter advocated a separate rulemaking to consider further broadening the definition of "low risk assets" to add other "similar low-risk assets such as credit union investments in Federal Home Loan Bank securities." This final rule leaves open to the NCUA Board the option of adding debt instruments guaranteed by other Government entities to the "low risk assets" portfolio once NCUA has had an opportunity to assess its experience with the NGN offerings in retrospect (including whether the NCUA Guaranty was tapped), and to consider other risks associated with those instruments.

In regard to the NGN offerings, the other commenter encouraged maximum transparency and disclosure of information about the NGNs in order to help those credit unions that lack the expertise and resources to independently asses the NGNs and to make informed business decisions about whether to invest. To ensure comprehensive transparency and disclosure of information about each NGN offering, the offerings are being conducted for NCUA by a Wall Street investment banking firm that specializes in the issuance of structured debt products by governmental entities. Further, as reflected primarily in the Offering Memorandum for each NGN offering, NCUA is relying on the advice of two law firms that have substantial expertise in the legal disclosure requirements that apply to these transactions.

In view of the commenters' support of the Interim Final Rule, there is no reason to revise the amendatory language. Accordingly, the NCUA Board adopts in final the language of the Interim Final Rule without alteration.

Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact a rule may have on a substantial number of small entities (primarily those under ten million dollars in assets). This rule will not have a significant economic impact on a substantial number of small credit unions. Thus, a Regulatory Flexibility Analysis is not required.

Paperwork Reduction Act

NCUA has determined that this rule will not increase paperwork requirements under the Paperwork Reduction Act of 1995 and regulations of the Office of Management and Budget. Control number 3133–0129 has been issued for Part 702 and will be displayed at the table at 12 CFR part 795.

Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their regulatory actions on State and local interests. NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily adheres to the fundamental federalism principles addressed by the Executive Order. This rule would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Accordingly, this rule does not constitute a policy that has federalism implications for purposes of the Executive Order.

Treasury and General Government Appropriations Act, 1999

NCUA has determined that the rule will not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999, Public Law 105–277, 112 Stat. 2681 (1998).

Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121) (SBREFA) provides generally for congressional review of agency rules. A reporting requirement is triggered in instances where NCUA issues a final rule as defined by Section 551 of the APA. 5 U.S.C. 551. NCUA does not believe this rule is a "major rule" within the meaning of the relevant sections of SBREFA. The Office of Management and Budget has determined that the Interim Final Rule is not a "major rule" for purposes of SBREFA. As required by SBREFA, NCUA will file appropriate reports with Congress and the General Accountability Office so this rule may be reviewed.

List of Subjects in 12 CFR Part 702

Credit unions, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board on March 17, 2011.

Mary F. Rupp,

Secretary of the Board.

Accordingly, the Interim Final Rule amending 12 CFR part 702, which was published at 75 FR 66298 on October 28, 2010, is adopted as a Final Rule without change.

[FR Doc. 2011–6754 Filed 3–22–11; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 707

RIN 3133–AD58

Corporate Credit Unions, Technical Corrections

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: In 2010, NCUA issued technical corrections to its corporate credit union rule, published in the **Federal Register** of October 20, 2010. NCUA is issuing this final rule adopting the technical corrections without alteration.

DATES: This rule is effective March 23, 2011.

FOR FURTHER INFORMATION CONTACT: Elizabeth Wirick, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428, or *telephone:* (703) 518–6540.

SUPPLEMENTARY INFORMATION:

I. Background

In October 2010, NCUA published a comprehensive overhaul to its corporate credit union rule, 12 CFR part 704. 75 FR 64786 (Oct. 20, 2010). After publication, NCUA discovered that three technical corrections were necessary, and NCUA issued an interim final rule containing the corrections in December. 75 FR 47173 (Dec. 20, 2010). The technical corrections are as follows:

Section 704.2 Definition of "collateralized debt obligation"

The final revisions to part 704 prohibited corporate credit unions (corporates) from purchasing certain overly complex or leveraged investments, including collateralized debt obligations (CDOs). 75 FR 64786, 64793 (October 20, 2010). These prohibitions were intended to protect the corporates from the potential for excessive investment losses. 74 FR 65210, 65237 (December 9, 2009)

(preamble to proposed part 704 revisions). The definition of CDO, however, was overly broad, in that it inadvertently included particular investments that did not—when subject to the other credit risk and asset liability management limitations of part 704—present the risk of excessive losses. This final rule amends the CDO definition to ensure the following are not prohibited: Commercial mortgage backed securities; securities collateralized by Agency mortgage-backed securities (Agency MBS); and securities that are fully guaranteed as to principal and interest by the United States Government and its agencies and government sponsored enterprises.

Paragraph 704.6(b) Exemptions to § 704.6

Section 704.6 generally requires corporate investments meet certain single obligor concentration limits, sector concentration limits, and credit rating requirements. Paragraph 704.6(b) exempts certain investments, including investments generally issued by or guaranteed by the U.S. Government or its agencies or sponsored enterprises, from the requirements of § 704.6. As stated in the preamble to the recent corporate rule revisions, however, the Board did not intend for this exemption to apply to agency MBS in the context of sector limits. 75 FR 64786, 64806 (Oct. 20, 2010) (discussing paragraph 704.6(d)(1)(i)). As drafted, however, not only the sector limits apply to agency MBS, but the other requirements, including single obligor limits and credit rating requirements, inadvertently apply to agency MBS. This correction clarifies the list of exemptions in § 704.6(b) to make clear that Agency MBS are subject to the sector concentration limits in 704.6(d) but not the other requirements of § 704.6.

Appendix A, Model Form H

The rule as published included an incorrect date instruction on Model Form H in Appendix A. *Id.* at 64851. Model Form H included introductory text indicating that the form was for use before October 20, 2011. In fact, because Model Form H deals with perpetual contributed capital, the form should be used only on and after October 20, 2011. The correction replaces the phrase "before" with the phrase "on or after."

II. Interim Final Rule

NCUA issued an interim final rule with request for comment on November 24, 2010. As discussed in the preamble to the interim final rule, the Board issued the rule as an interim final rule because the changes were technical in nature and it was in the public interest to have these corrections become effective on the same date as the other revisions to the corporate rule. 75 FR 47173, 47174 (Oct. 20, 2010).

III. Summary of Comments

NCUA received two comments on the interim final rule, both from credit union trade associations. Neither commenter suggested changes to the rule text, but one of the commenters sought additional clarification regarding NCUA's treatment of commercial mortgage backed securities (CMBS) under the revised definition of CDO. The commenter requested that NCUA state its reasoning for the exclusion of CMBS from the definition of CDO and also state that if the structure of CMBS changes in a way that increases the corporates' risk of loss on these investments, NCUA will remove this exclusion.

This commenter appears to have misunderstood the effect of the change in the definition. The change operates to make CMBS a permissible investment for corporate credit unions—that is, securities collateralized by commercial mortgage *loans.* CDOs collateralized by mortgage *securities,* commercial or residential, remain prohibited under the definition of CDO. Investments in plain-vanilla CMBS, which are collateralized by loans, do not pose the same risk as investments in securities collateralized by other securities where an investor cannot as easily determine the quality of the underlying loans. Also, as the commenter correctly noted, corporate credit union investments in CMBS are subject to the sector concentration limits imposed under § 704.6(d). Finally, NCUA will continually monitor corporates' investments and make adjustments to the corporates' investment authorities where appropriate.

IV. Regulatory Procedures

Section D of the Supplementary Information to the November 2010 interim final rule sets forth the Board's analyses under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Paperwork Reduction Act of 1995 (44 U.S.C. 3506; 5 CFR part 1320 Appendix A.1), the Small Business Regulatory Enforcement Fairness Act (Pub. L. 104–121), Executive Order 13132, and the Treasury and General Government Appropriations Act (Pub. L. 105–277, 112 Stat. 2681 1998). *See* 75 FR 71527—71528. Because the final amendments are clarifications and do not alter the substance of the analyses and determinations accompanying that final rule, the Board continues to rely on those analyses and determinations for purposes of this rulemaking.

List of Subjects in 12 CFR Part 704

Credit unions, Corporate Credit Union, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board on March 17, 2011.

Mary F. Rupp,

Secretary of the Board.

Accordingly, the interim final rule amending 12 CFR Part 704, which was published at 75 FR 71526 on November 24, 2010, is adopted as a final rule without change.

[FR Doc. 2011–6755 Filed 3–22–11; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 91

[Docket No. FAA–2011–0246; Amendment No. 91–321; SFAR No. 112]

RIN 2120–AJ93

Prohibition Against Certain Flights Within the Tripoli (HLLL) Flight Information Region (FIR)

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: This action prohibits flight operations within the Tripoli (HLLL) Flight Information Region (FIR) by all U.S. air carriers; U.S. commercial operators; persons exercising the privileges of a U.S. airman certificate, except when such persons are operating a U.S.-registered aircraft for a foreign air carrier; and operators of U.S.-registered civil aircraft, except when such operators are foreign air carriers. The FAA finds this action necessary to prevent a potential hazard to persons and aircraft engaged in such flight operations.

DATES: This action is effective March 21, 2011.

FOR FURTHER INFORMATION CONTACT: For technical questions about this final rule, contact: David Catey, William Gonzalez, or Steven Laurenzo, Air Transportation Division, Flight Standards Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591. *Telephone:* 202–267–3732, 202–267–4080, and 202–267–8772, respectively. For legal questions contact: Lorna John, Office of the Chief Counsel, AGC–200, Federal