III. Procedural Issues and Regulatory Review

DOE has concluded that the determinations made pursuant to the various procedural requirements applicable to the June 26, 2023, final rule remain unchanged for this final rule technical correction. These determinations are set forth in the June 26, 2023, final rule. 88 FR 41289.

Pursuant to the Administrative Procedure Act, 5 U.S.C. 553(b), DOE finds that there is good cause to not issue a separate notice to solicit public comment on the changes contained in this document. Neither the errors nor the corrections in this document affect the substance of the June 26, 2023, final rule or any of the conclusions reached in support of the final rule. For these reasons, this rule is not subject to the 30-day delay in effective date requirement of 5 U.S.C. 553(d) otherwise applicable to rules that make substantive changes.

IV. Approval by the Office of the Secretary of Energy

The Secretary of Energy has approved publication of this final rule.

List of Subjects in 10 CFR Part 1045

Classified information, Declassification, Formerly restricted data, Restricted data, Transclassified foreign nuclear information.

Signing Authority

This document of the Department of Energy was signed on November 14, 2023, by David Turk, Deputy Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on November 20, 2023.

Treena V. Garrett,

Federal Register Liaison Officer, U.S. Department of Energy.

For the reasons set forth in the preamble, the Department of Energy corrects part 1045 of chapter X of title 10 of the Code of Federal Regulations by making the following correcting amendments:

PART 1045—NUCLEAR CLASSIFICATION AND DECLASSIFICATION

■ 1. The authority citation for part 1045 continues to read as follows:

Authority: 42 U.S.C. 2011; E.O. 13526, 75 FR 705, 3 CFR 2010 Comp., pp. 298–327.

§ 1045.80 [Amended]

■ 2. Amend § 1045.80 in paragraph (a) by removing the words ''Associate Under Secretary of Environment, Health, Safety and Security'' and adding in their place the words ''Director, Office of Environment, Health, Safety and Security''.

§ 1045.180 [Amended]

■ 3. Amend § 1045.180 in paragraphs (b)(2), (d), and (e)(1) and (2) by removing the words ''Associate Under Secretary for Environment, Health, Safety and Security'' and adding in their place the words ''Director, Office of Environment, Health, Safety and Security''.

§ 1045.210 [Amended]

■ 4. Amend § 1045.210 in paragraph (a) by removing the words ''Associate Under Secretary for Environment, Health, Safety and Security'' and adding in their place the words ''Director, Office of Environment, Health, Safety and Security''.

§ 1045.215 [Amended]

■ 5. Amend § 1045.215 by:

■ a. Removing the words ''Associate Under Secretary for Environment, Health, Safety and Security'' and adding in their place the words ''Director, Office of Environment, Health, Safety and Security'' in paragraph (a); and

■ b. Removing the words ''Associate Under Secretary for Environment, Health, Safety and Security's'' and adding in their place the words ''Director, Office of Environment, Health, Safety and Security's'' in paragraph (b).

§ 1045.220 [Amended]

■ 6. Amend § 1045.220 in paragraphs (a) and (b) by removing the words ''Associate Under Secretary for Environment, Health, Safety and Security'' and adding in their place the words ''Director, Office of Environment, Health, Safety and Security''.

[FR Doc. 2023–25923 Filed 11–22–23; 8:45 am]

BILLING CODE 6450–01–P

FARM CREDIT ADMINISTRATION

12 CFR Parts 619 and 627

RIN 3052–AD48

Conservators and Receivers

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA, we, our) is adopting a final rule that updates, restructures, and reorganizes our regulations that govern the appointment of the Farm Credit System Insurance Corporation (FCSIC) as the conservator or receiver of Farm Credit System (FCS or System) banks, associations, service corporations, and the Federal Farm Credit Banks Funding Corporation (Funding Corporation). The final rule also ensures FCA conservatorship and receivership regulations are consistent with the Agricultural Improvement Act of 2018 (2018 Farm Bill), which strengthens, updates, and clarifies FCSIC's powers as the conservator or receiver of these FCS institutions. Additionally, the final rule consolidates and reorganizes our conservatorship and receivership regulations, so they are easier to understand and use. We also made conforming amendments to definitional regulations to clarify that bridge System banks, while subject to FCA supervision and oversight, are not subject to FCA regulations that apply to other System institutions. We revised these definitions because several provisions of the Farm Credit Act expressly exempt bridge banks from certain legal requirements that apply to viable and solvent System banks.

DATES: This final rule will be effective 30 days after publication in the **Federal Register** during which either or both Houses of Congress are in session. We will publish a document announcing the effective date in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT:

Technical information: Jason Moore, Associate Director, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4414, TTY (703) 883–4056; or

Legal Information: Karen Hunter, Attorney Advisor, or Richard A. Katz, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TTY (703) 883–4056.

SUPPLEMENTARY INFORMATION:

I. Objectives

The objectives of this final rule are to:

• Consolidate, reorganize, and update our regulations governing FCA's

appointment of FCSIC as the conservator or receiver of any System bank, association, service corporation, or the Funding Corporation.

- Ensure our conservatorship and receivership regulations in part 627 are consistent with section 5412 of the 2018 Farm Bill,[1] which added section 5.61C to the Farm Credit Act of 1971, as amended (Act).
- Restructure and reorganize part 627 so it is easier for FCA examiners, FCS institutions and other interested parties to understand and use, and to make conforming or technical revisions to other FCA regulations.
- Make conforming amendments to two definitions in part 619 to exempt bridge System banks, which are created pursuant to section 5.61C(h) of the Act, from FCA regulations and other laws that apply to healthy and ongoing FCS banks, associations, and service corporations.

II. Background

Section 4.12 of the Act governs the dissolution of Farm Credit institutions through voluntary and involuntary liquidation, mergers, and receiverships or conservatorships.[2] Pursuant to section 4.12(b), FCA has the ''exclusive power and jurisdiction'' to appoint a conservator or receiver for any System institution [3] when any of six specific conditions exist that indicates an institution is insolvent or unviable.[4] Over the last thirty years, FCA's regulations in Part 627 regarding conservators, receivers, and voluntary liquidations have implemented the provisions in section 4.12 of the Act.

The main reason for this rulemaking is the 2018 Farm Bill added a new section 5.61C to the Act, which strengthens, clarifies, and updates the powers and duties of FCSIC in its capacity as the appointed conservator or receiver of any FCS institution. Section 5.61C enhances FCSIC's authority to: (1) operate any FCS institution in conservatorship or receivership and perform all its functions; (2) handle all claims by various parties against such institution; and (3) enforce contracts on the institution's behalf. This enhanced statutory conservatorship and receivership authority is comparable to the authority of the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and Federal Housing Finance Agency (FHFA) regarding the institutions they oversee.[5]

The Farm Bill also introduced the concept of bridge System banks as a means for FCSIC to resolve or liquidate failing or failed System banks. Section 5.61C(h) authorizes FCA to charter bridge System banks at FCSIC's request for one or more distressed System banks and dissolve them once such failing or failed banks are resolved.[6] The statutory provisions governing all aspects of bridge System banks from their creation to their termination and dissolution are comprehensive, clear, and prescriptive.[7]

This final rule completes our second rulemaking since 2021 to revise our regulations in part 627 to implement changes section 5412 of the 2018 Farm Bill made to the Act. In March 2021, we issued a direct final rule that rescinded ten regulations in Part 627 that the 2018 Farm Bill superseded and rendered obsolete because they were no longer consistent with FCSIC's new statutory authority over the priority of claims and other aspects relating to the administration and management of conservatorships and receiverships.[8]

In this most recent phase of this rulemaking, we published a proposed rule on April 4, 2022 [9] that would update, restructure, and consolidate FCA regulations at part 627 governing the appointment and role of FCSIC as the conservator or receiver of an FCS institution, other than Farmer Mac. More specifically, we proposed combining the four remaining conservatorship regulations into a single regulation and consolidating the three receivership regulations we retained into a separate regulation.

FCA also proposed to reverse the chronological order of the existing regulations by presenting the conservatorship regulation first and the receivership regulation second.[10] FCA also proposed to simplify the numbering system for the regulations in part 627 such that they will have no more than a two-digit number after the decimal point, which is consistent with the way FCA has numbered regulations in recent years. The proposed rule also: (1) reorganized the definitions in alphabetical order, (2) deleted references to the defunct Farm Credit System Financial Assistance Corporation, and (3) updated the reference to FCSIC in our conservatorship and receivership regulations to be consistent with all other FCA regulations. We also proposed conforming changes to other FCA regulations to be consistent with the changes made to part 627.

In response to the proposed rule, we received one substantive comment from an individual who supported the proposed rule.

III. Final Rule

After careful consideration, FCA is finalizing the proposed rule without material change.[11] We received no

[1] Public Law 115–334, 132 Stat. 4490 (Dec. 20, 2018).

[2] Section 4.12 of the Act governs both the voluntary and involuntary dissolution of System institutions. Subpart D of part 627 addresses the voluntary liquidation of System banks, associations, service corporations, and the Funding Corporation. However, the voluntary liquidation of these System institutions is outside the scope of this rulemaking.

[3] In contrast to all other FCS institutions, section 8.41 governs the conservatorship, liquidation, and receivership of Farmer Mac. Under section 8.41(c)(1)(A) of the Act, FCA is allowed, but not required, to appoint FCSIC as the conservator or receiver of Farmer Mac. Regulations in part 650, subpart B, govern the conservatorship or receivership of Farmer Mac. For these reasons, this rulemaking does not apply to the conservatorship or receivership of Farmer Mac.

[4] These conditions include: (1) insolvency, in that the assets of the institution are less than its obligations to its creditors and others, including its members; (2) substantial dissipation of assets or earnings due to any violation of law, rules, or regulations, or to any unsafe or unsound practice; (3) an unsafe or unsound condition to transact business; (4) willful violation of a cease and desist order that has become final; (5) concealment of books, papers, records, or assets of the institution or refusal to submit books, papers, records or other material relating to the affairs of the institution for inspection to any examiner or to any lawful agent of FCA; (6) the institution in unable to timely pay principal or interest on any insured obligation issued by the institution.

[5] Additionally, the legislative history to the 2018 Farm Bill further reveals Congress intended FCSIC's authorities ''to be functionally equivalent to the parallel authorities of the [FDIC].'' See Conf. Report No. 115–1072, 115th Cong., 2nd Sess., (Dec. 10, 2018) p. 648.

[6] According to section 5.61C(h)(2)(A) of the Act, FCA may charter a bridge System bank only if it determines that: (1) the amount which is reasonably necessary to operate the bridge System bank will not exceed the amount which is reasonably necessary to save the cost of liquidating 1 or more System banks in default or danger of default; (2) chartering a bridge System bank is essential to continue providing adequate farm credit services in communities where such System bank(s) in default or danger of default provides such farm credit services; or (3) the continued operation of such System bank(s) in default or danger of default with respect to which the bridge System bank is chartered is in the best interest of the FCS or the public.

[7] Section 5.61(h) of the Act lists all the aspects of bridge System banks from cradle to grave. *See also* footnote 7 of the proposed conservators and receivers' rule at 87 FR 19398 (Apr. 4, 2022).

[8] *See* 86 FR 15081 (Mar. 22, 2021). The rule became effective on May 13, 2021. *See* FR 27510 (May 21, 2021).

[9] *See* 87 FR 19397 (Apr. 4, 2022).

[10] As explained in the preamble to the proposed rule, this is a logical change because (1) it follows the order of section 4.12 of the Act and (2) an institution in a conservatorship can be placed into receivership if its condition worsens. *See* 87 FR 19399 (Apr. 4, 2022).

[11] However, we made a few minor, non-substantive revisions to the text of specific regulatory provisions to improve their clarity, flow, and readability. We removed ''that are'' before ''identified in section 1.2 of the Act, and ''it'' before ''excludes bridge System banks'' in § 619.9146 because these words are superfluous and unnecessary. In § 627.3(a), we substituted ''FCA''

Continued

comments that opposed the proposed rule or asked us to change it. As noted earlier, the purpose of this rulemaking is to update, clarify, restructure, and reorganize our conservators and receivers regulations to be consistent with changes the 2018 Farm Bill made to the Act. More specifically, the 2018 Farm Bill realigned and clarified the roles of FCA and FCSIC pertaining to the conservatorship and receivership of failing and failed FCS institutions, and it gave FCSIC enhanced powers as the conservator or receiver of System institutions. Accordingly, we restructured and reorganized our regulations in part 627 to implement FCA's specific statutory authorities governing conservatorships and receiverships while deferring to FCSIC as to how it will carry out its own authorities.[12]

The final rule also achieves FCA's goal of making these regulations more user-friendly. Restructuring, consolidating, renumbering, eliminating redundancies, and simplifying the wording of these regulations improves their clarity and readability. As a result, FCA examiners, System institutions and borrowers, and other members of the public who may be affected by the conservatorship or receivership of an FCS institution will find it easier to understand, use, and rely on these regulations.

We now discuss the specific provisions of the final rule and how they alter many of the regulations in part 627 that were previously in effect. This analytical discussion primarily focuses on substantive changes to these regulations. We have already explained minor, non-substantive regulatory revisions (such as a simplified numbering system, and stylistic wording changes) both above and in the preamble to the proposed rule and, therefore, we do not describe them in great detail here.

We discuss the specific provisions of the final rule in the same chronological order they appear in the regulations in part 627. Conforming amendments to certain definitions in part 619 appear last in this analysis.

for ''it'' immediately after the word ''if.'' This revision clarifies an ambiguity in the text of the proposed rule by clearly identifying FCA as the party that determines if one or more of the grounds in 627.3(b) exists for placing a System institution in conservatorship or receivership. We omitted the word ''that'' in three out of four places it appeared in §§ 627.10(c)(1) and (c)(2), and 627.20(d)(1) because this term is not needed to support the grammatical structure of these respective sentences.

[12] *See* 87 FR 19397, *supra* at 19399.

A. Subpart A—General Provisions

As before, subpart A continues to house the general regulatory provisions that apply to the other subparts of part 627. The final rule retains the four regulations in subpart A but renumbered them for the reasons discussed above.

1. Applicability—§ 627.1

Final and redesignated § 627.1 states the ''provisions in this part apply to conservatorships, receiverships, and voluntary liquidations of System institutions chartered under titles I, II, III, IV, and VII of the Act.'' The only substantive difference between final § 627.1 and its predecessor, former § 627.2700, is the addition of specific references to other titles of the Act. This change clarifies that the regulations in part 627 do not apply to Farmer Mac. Instead, as noted earlier, the regulations in Subpart B of part 650 govern the conservatorship, receivership, or voluntary liquidation of Farmer Mac.

2. Definitions—§ 627.2

The definitions that apply to part 627 are located in final and redesignated § 627.2. Final § 627.2 lists the definitions alphabetically, without paragraph designations, which is consistent with FCA's recent practice in rulemakings. The most significant changes in final and redesignated § 627.2 are to the definition of ''Farm Credit institution(s) or institution(s).'' First, we removed the reference to the now-defunct Farm Credit System Financial Assistance Corporation from this definition.[13] Second, we added a final sentence to the provision specifically stating these terms do not include bridge System banks chartered by FCA in accordance with section 5.61C(h)(2) of the Act.

3. Grounds for Appointing FCSIC as Conservator or Receiver

Final and redesignated § 627.3 specifies the grounds for FCA appointing FCSIC as conservator or receiver of a System institution pursuant to sections 4.12(b) and 5.61C(l) of the Act. Essentially, final § 627.3(a) allows FCA, in its discretion, to appoint FCSIC as the conservator or receiver of an FCS institution if FCA determines that one or more of the grounds in the § 627.3(b) exist. As before, paragraph (b) of this regulation identifies six grounds for FCA to appoint FCSIC as the conservator or receiver of a System institution, which derive from section 4.12(b) of the Act. The most substantive change we made to this regulation is an added sentence at the end of final and redesignated § 627.3(a) that implements new section 5.61C(l)(1) of the Act, which requires FCA, to the extent practicable, to consult with FCSIC before taking a pre-resolution action that could result in a conservatorship or receivership of a distressed FCS institution.[14] As explained in detail in the preamble to the proposed rule, the other changes to this regulation are non-substantive, technical, grammatical, and stylistic revisions that improve its clarity and readability.[15]

[13] Section 5411(39) of the 2018 Farm Bill repealed title VI of the Act. Subpart B of former title VI of the Act established the Farm Credit System Financial Assistance Corporation. *See* Public Law 115–334, *supra* at 4683.

4. Action for the Removal of the Conservator or Receiver—§ 627.4

Final and redesignated § 627.4, which replaces former § 627.2715, allows an FCS institution placed into conservatorship or receivership to initiate an action for removal of the conservator or receiver. This regulation implements provisions in section 4.12(b) of the Act that authorizes an FCS institution, within 30 days after FCA appoints FCSIC as its conservator or receiver, to bring an action in certain United States district courts to remove the conservator or receiver. Once an institution is placed in conservatorship or receivership, all powers, rights, and privileges of its board of directors, management, and employees transfer to FCSIC and the charter of an institution in receivership is cancelled.

Final and redesignated § 627.4 creates an exception for an institution's board of directors to meet after the appointment of a conservator or receiver and initiate an action for removal. Under this regulation, only an institution's board of directors has the power to authorize an action to remove the conservator or receiver.

The revisions to this regulation are non-substantive. We improved its clarity by rewriting it in the active voice, and by adding cross-references to this regulation in § 627.10 and § 627.20.

B. Subpart B—Conservator and Conservatorships

As revised, subpart B of part 627 addresses FCA's authority under section 4.12(b) of the Act to appoint FCSIC as the conservator of distressed FCS

[14] Section 5.61C(l) of the Act establishes a reciprocal requirement on FCSIC. According to section 5.61C(l)(2) of the Act, FCSIC ''acting in the capacity of the Corporation as a conservator or receiver, shall consult with the [FCA] prior to taking any significant action impacting System institutions or service to System borrowers.''

[15] *Id* at 19399–400.

institutions. As discussed above, we relocated our conservatorship regulations from subpart C to subpart B and combined the four remaining regulations into a single conservatorship regulation. Yet, final § 627.10 is not substantively different from the four regulations it replaces because both the former and new regulations effectively carry out FCA's statutory powers and responsibilities concerning the conservatorship of FCS institutions.

The role of a conservator is to continue the ongoing operations of an institution while taking measures to preserve its assets and restore its financial viability so it can resume its normal business activities when it emerges from conservatorship. The purpose of a conservatorship is to resuscitate a trouble institution, not to liquidate it. In this context, our revised conservatorship regulation continues to implement FCA's authority to: (1) appoint FCSIC as the conservator of a System institution; (2) transfer the day-to-day operations of the institution to FCSIC, in its capacity as the conservator, (3) examine the institution in conservatorship; (4) require audits and published financial reports for any FCS institution in conservatorship, and (5)terminate the conservatorship by either discharging FCSIC as conservator or by placing the institution into receivership.

Final and redesignated § 627.10(a), which replaces former § 627.2775, governs FCA's appointment of FCSIC as conservator of a failing FCS institution. According to new § 627.10(a)(1), the FCA Board may exercise its authority under 4.12(b) of the Act and § 627.3 to appoint FCSIC as conservator of an FCS institution once it finds one or more grounds identified in § 627.3(b) exist. This provision also authorizes the FCA Board to appoint FCSIC as the conservator of a System institution *ex parte* and without notice. The substance of final § 627.10(a)(1) is the same as its predecessor, § 627.2775(a). However, we changed the order and flow of this regulatory provision. As rewritten, the rule now requires us to first find legal grounds exist for appointing the conservator before we can do so *ex parte* and without notice. This revision makes the regulation more logical and easier to read and understand.

Final and redesignated § 627.10(a)(2) requires the FCA Chairman, upon the appointment of the conservator, to immediately notify the affected institution and if it is an association, its funding bank. It also requires FCA to publish a notice in the **Federal Register** whenever it appoints FCSIC as the conservator of a System institution. The only substantive change to this provision is that we deleted the provision in former § 627.2775(b) that required FCSIC to notify all holders of the institution's voting stock and participation certificates, by First-Class mail about the establishment of the conservatorship, and its effects on the: (1) institution's operations, and (2) borrowers' loans and equity holdings. As explained earlier, new section 5.61C of the Act strengthened FCSIC's powers as the conservator of FCS institutions and, therefore, FCA regulations will not instruct FCSIC how to administer conservatorships unless a specific statutory provision explicitly requires us to do so. Notification to shareholders of System institutions about how a conservatorship will affect them is now within FCSIC's jurisdiction. Final § 627.10(a)(2) also incorporates two non-substantive, stylistic changes we proposed to update the language and improve the readability of this provision.[16]

Final and redesignated § 627.10(b)addresses FCA's role, responsibilities, powers, and prerogatives once it places an FCS institution into conservatorship. It incorporates various provisions in its predecessor regulations, §§ 627.2775 and 627.2785.

Final § 627.10(b)(1), which is a restatement of former § 627.2775(c), reaffirms that once the FCA Board issues an order placing an FCS institution into conservatorship, all rights, privileges, and powers of its members, board of directors, and employees are transferred to and vested exclusively in FCSIC as conservator. The FCA added a passage at the end of § 627.10(b)(1) that states, ''the board of directors of the institution retains authority to initiate an action in Federal court to remove the conservator pursuant to § 627.4.'' This new passage adds a cross-reference to § 627.4, which replaces the more ambiguous ''notwithstanding'' clause in former § 627.2715.

The next four paragraphs of final § 627.10(b) derive from various provisions of former § 627.2785. It establishes requirements for the examination, auditing, and financial reporting of a System institution in conservatorship. Final § 627.10(b)(2), which restates the first sentence of former § 627.2785(b), affirms FCA's authority to examine FCS institutions in conservatorship in accordance with section 5.19 of the Act. The second sentence of former § 627.2785(b), which requires a certified public accountant audit a System institution in conservatorship pursuant to part 621, now becomes a separate regulatory provision, and is redesignated as final § 627.10(b)(3). Final §§ 627.10(b)(4) and (b)(5) govern financial reporting by a System institution in conservatorship to FCA and its shareholders, respectively. Former § 627.2785(c), which this rulemaking redesignates as § 627.10(b)(4), requires each System institution in conservatorship to file financial reports required by part 621. More specifically § 621.14 requires each System institution to certify that: (1) its financial reports have been prepared in accordance with applicable regulations and instructions, and (2) its financial reports are a true and accurate representation of the institution's financial condition and performance. Also, § 621.14 requires an officer of the institution to certify these financial reports. Since FCSIC replaces the management of a System institution in conservatorship, FCSIC is required by both the former and new regulation to certify the reports of financial condition the institution submits to FCA. Similarly, final § 627.10(b)(5), which replaces former § 627.2785(d), requires System institutions in conservatorship to prepare and publish financial reports for their shareholders in accordance with part 620. Under this regulation, FCSIC, as conservator, must sign and certify such disclosures to the institution's shareholders. As explained in the preamble to the proposed rule, several stylistic revisions to redesignated §§ 627.10(b)(2) through (b)(5) shortened these four provisions, simplified their language, and improved their readability and clarity without altering their substantive meaning.[17]

The final rule repeals the provision in former § 627.2785(a) that required the conservator to: (1) take an inventory of the assets and liabilities of the institution from the date FCA placed it into conservatorship; and (2) file a copy of the inventory with FCA. Conducting an inventory of the assets and liabilities of an FCS institution in conservatorship falls within FCSIC's new powers and duties under section 5.61C(b) of the Act. As explained in the proposed rule, FCA continues to have the right to obtain a copy of the inventory because a System institution in conservatorship is still chartered as an ongoing FCS institution, and it remains subject to FCA examination, supervision, and regulation. FCA has authority under the

[16] First, we changed ''district bank'' to ''funding bank.'' Second, the provision about publishing the notice in the *Federal Regist*er became a separate sentence. *Id.* at 19400–401.

[17] *Id.* at 19401.

2018 Farm Bill to receive a copy of the conservator's inventory of the institution's assets and liabilities. However, requiring FCSIC, by regulation, to conduct the inventory and share a copy of it with us is not necessary under the new legislation.

Final and redesignated § 627.10(c) governs the termination of a conservatorship. A conservatorship ends in one of two ways. In the first situation, the conservatorship corrects and resolves the problems or conditions that led to the conservatorship of the institution, and FCA determines the institution is able to resume normal operations under new management. Alternatively, the institution's conditions continue to deteriorate, and FCA decides to place it into receivership. In this situation, FCA will appoint FCSIC as the institution's receiver, and FCSIC will determine the best course of action for liquidating and resolving the institution.

These two scenarios are set forth in final § 627.10(c)(1) and § 627.10(c)(2), respectively. More specifically, the FCA Board may terminate the conservatorship under final § 627.10(c)(1) by determining the institution is in a position to resume normal management. In this situation, our Board will instruct FCSIC to turn the institution's operations over to new management FCA designates. Once new management is in place, FCA discharges FCSIC as conservator. In the alternative, the conservatorship will end when FCA places the institution in receivership and appoints FCSIC as receiver under § 627.10(c)(2). Both provisions of final § 627.10(c) are a restatement of the last two sentences of former § 627.2770(a).

The final rule rescinds former § 627.2790, which previously required FCSIC to submit a report to FCA on its conservatorship activities before its discharge as conservator of an institution. Filing a report with the FCA is not a statutory requirement for terminating a conservatorship. FCA and FCSIC will jointly determine what documentation is appropriate to share when conservatorship terminates.

C. Subpart C—Receivers and Receiverships

The final rule also consolidates the three remaining receivership regulations, former §§ 627.2720, 627.2735, and 627.2765 into a single regulation, which we redesignated as § 627.20. As noted above, we reorganized part 627 by transferring our receivership regulations from subpart B to subpart C, where it now follows our conservatorship regulations. To a large extent, final and redesignated § 627.20 follows the same format and structure as the revised conservatorship regulation. Yet, a receivership is fundamentally different from a conservatorship because it liquidates and resolves a failing institution rather than correcting its problems. For this reason, there are some key distinctions between our conservatorship and receivership regulations. As a result, the changes to our receivership regulations are more extensive and substantive than those to our conservatorship regulations.

Final § 627.20(a) addresses FCA's appointment of FCSIC as the receiver of an FCS institution. More specifically, § 627.20(a)(1) states the FCA Board ''may exercise its authority under section 4.12(b) of the Act and § 627.3 to appoint FCSIC as the receiver of an FCS institution upon finding that one or more of the grounds identified in § 627.3(b) exist.'' This regulatory provision also authorizes the FCA Board to appoint FCSIC as the receiver of any System institution *ex parte* and without notice.

In this context, final § 627.20(a)(1) has the same substantive requirements as its predecessor, former § 627.2720(a). Additionally, § 627.20(a)(1) is virtually identical to the corresponding provision in the final conservatorship regulation, § 627.10(a)(1). We made the same technical and stylistic changes to both provisions because the same reasoning applies to the appointment of both conservators and receivers. As explained above in the preamble discussion to the final conservatorship regulation, legal grounds must exist for FCA to appoint FCSIC as the conservator or receiver of an FCS institution before we can do so *ex parte* and without notice.

Upon appointment of FCSIC as receiver, final § 627.20(a)(2) requires the FCA Chairman to immediately notify the affected institution and its funding bank if it is an association. It also requires FCA to publish a notice in the **Federal Register** whenever it appoints FCSIC as the receiver of a System institution. Again, the technical changes to final § 627.20(a)(2) mirror changes to the corresponding provision of the conservatorship regulation. The same explanation and rationale provided in this preamble explaining these changes to the conservatorship regulation apply to the receivership rule, as well.

Final and redesignated § 627.20(b), which replaces former § 627.2720(d), continues to require the funding bank, in the event of the voluntary or involuntary liquidation of an affiliated association, to take appropriate measures to minimize the adverse effect of the liquidation on borrowers whose loans are purchased by, or otherwise transferred to another System institution. The only revisions to this provision are a few minor word changes. As explained earlier, our current rulemaking does not substantively amend our voluntary liquidation regulations in subpart D of part 627. For this reason, final § 627.20(b) continues to apply to both voluntary liquidations and receiverships for the time being.

Former § 627.2720(e), which the final rule redesignates as § 627.20(c), addresses how receivership changes the status of a failed System institution. Final § 627.20(c)(1) continues to state that once the FCA Board issues an order placing an FCS institution into receivership, ''all rights, privileges, and powers of its members, board of directors, and employees are transferred to and vested exclusively in FCSIC as receiver.'' We have added a new provision at the end of § 627.20(c)(1) that carves out an exception that enables the institution's board to initiate an action in Federal court to remove the receiver pursuant to § 627.4. We have already explained the reasons for these changes twice above.

Final and redesignated § 627.20(c)(2) revises the last sentence of former § 627.2729(e). This provision governs the cancelation of a System institution's charter when FCA appoints FCSIC as its receiver. Under the former rule, FCA could cancel a System institution's charter either when it appoints FCSIC as receiver, or at any time thereafter.[18] In contrast to former § 627.2720(e), final § 627.20(c)(2) requires cancelation of the charter when FCSIC is appointed as the receiver of a System institution. Canceling the charter means an institution is out of business and undergoing liquidation and resolution. A 'live' corporate charter is inconsistent with FCSIC's rights, powers, and duties as receiver under section 5.61C of the Act, as added by Congress in 2018. As long as the charter remains in effect, the institution is not defunct as a matter of law, and FCSIC's authority and ability to resolve the estate by disposing of its assets and liabilities can more easily be challenged by creditors, shareholder-members, and other parties, contrary to Congressional intent to provide for an

[18] In 1992, we added the provision to former § 627.2720(e) that allowed us to cancel the charter at a later time in response to a comment from a System trade association. At that time, FCA opted for the flexibility to consider when to cancel an institution's charter on a case-by-case basis, although the preamble to the former regulation expressed FCA's expectation that it would ordinarily cancel the charter when it appointed FCSIC as the institution's receiver. *See* 57 FR 46482 (Oct. 9, 1992).

orderly liquidation process comparable to that of other federally chartered financial institutions.[19]

Final and redesignated § 627.20(d) implements section 4.37 of the Act, which addresses the treatment of uninsured voluntary and involuntary accounts of a System institution in receivership.[20] This regulation provides that once the FCA Board has placed a System institution into receivership, FCSIC, in accordance with section 4.37 of the Act, will, as soon as practicable, notify every borrower who holds an uninsured voluntary or involuntary account, as described in § 624.4175, at such institution that: (1) such accounts ceased earning interest from the date the receivership commenced; and (2) FCSIC, as receiver, will immediately apply the funds in a borrower's account(s) as payment against the outstanding balance of the borrower's loan(s). The final rule rescinds a provision in the former regulation, § 627.2735(e), that allowed a borrower, within 15 days of receiving this notice, to direct FCSIC to apply the funds in the account for some other purpose specified in the loan documents. We are repealing this provision because these accounts are uninsured and unsecured, and section 4.37 of the Act explicitly states these funds must be applied to reduce the outstanding balance of the borrower's loans.[21] All other changes to this regulation are not substantive, and they are designed to improve its readability and clarity.

The final rule also rescinds former § 627.2735(b), which requires FCSIC to provide notice to stockholders of an FCS institution in receivership regarding the value they will receive for their stock upon its liquidations. No regulation is needed to implement statutory provisions that protect borrower stock at System institutions in liquidation. Section 4.9A(c) of the Act, which requires FCSIC to retire borrower stock at par at a System institution in receivership, provides clear and unambiguous guidance to FCSIC.

Finally, redesignated § 627.20(e) amends and restates former § 627.2765, which governs the final discharge and release of the receiver. According to this regulation, the receivership terminates once FCSIC makes a final distribution of the liquidated institution's assets. At that time, final § 627.20(e) specifies the FCA Board will completely and finally release and discharge the receiver. This rulemaking repealed a provision in former § 627.2765 that required our Board to cancel the institution's charter at this time if it had not done so previously. We rescinded this provision because, as discussed earlier, § 627.20(c)(2) requires FCA to cancel the charter when the FCA Board places the institution in receivership.

D. Conforming Amendments

The final rule makes conforming amendments to other regulations in parts 619 and 627.

1. Definitions in Part 619

Our regulations in part 619 define terms that apply to all regulations unless a provision in a part, subpart, or section specifically states a different definition applies. This final rule amends the definition of ''Farm Credit bank'' in § 619.9240 and ''Farm Credit institutions'' in § 619.9146, so both terms explicitly exclude bridge System banks FCA charters at FCSIC's request under section 5.61C(h)(2) of the Act. Bridge System banks are vehicles to resolve System institutions in liquidation. These conforming amendments to §§ 619.9140 and 619.9146 exempt bridge System banks from FCA regulations that govern the activities and operations of healthy, ongoing FCS institutions. Thus, FCA regulations governing the organization and governance, capitalization, funding, and other activities of other System institutions would not apply to bridge System banks unless we enact a regulation that states otherwise.

Additionally, we deleted the reference to the Funding Corporation from the definition of ''Farm Credit institution'' in § 619.9146. The reason for this revision is section 5411(2) of the 2018 Farm Bill amended section 1.2(a)of the Act to expressly identify the Funding Corporation as a System institution. As a result, referencing the Funding Corporation in this regulation is now duplicative and unnecessary.

2. Voluntary Liquidation Regulation in Subpart D of Part 627

As noted earlier, FCA is not revising its voluntary liquidation regulations in Subpart D at this time. However, the final rule made non-substantive conforming changes we proposed to ensure these regulations in subpart D are consistent with amendments to the conservatorship and receivership regulations in part 627. First, we redesignated the two regulations in subpart D, §§ 627.2795 and 627.2797 as §§ 627.40 and 627.41 respectively, so they conform to the numbering changes we made to subparts A, B, and C of part 627. Second, we changed the reference to ''subpart B'' in redesignated § 627.40(a) to subpart C because, as discussed above, the final rule relocates our new receivership regulation to subpart C. Finally, we deleted the passage at the end of the final sentence in former § 627.2797(a), which states, ''except that if the Farm Credit institution is placed in receivership, the provisions of § 627.2730 shall govern further disposition of the equities of the Farm Credit institution.'' We deleted this passage because the direct final rule we enacted in 2021 repealed § 627.2730.

IV. Bridge System Banks and Voluntary Liquidations

A. Bridge System Banks

Bridge System banks are one of the new tools the 2018 Farm Bill gave FCSIC, in its capacity as receiver, for resolving or liquidating failing or failed System banks. Section 5.61C(h) of the Act authorizes FCA to charter bridge System banks at FCSIC's request and dissolve them once a failing or failed Farm Credit bank is resolved.[22]

The statutory provisions governing the creation, operation, capitalization, and termination and dissolution of bridge System banks are comprehensive, unambiguous, and prescriptive.[23] For that reason, new regulations are not necessary to implement FCA's statutory authority pertaining to bridge System banks. To date, FCA has not proposed regulations for bridge System banks and instead will rely on its chartering and supervisory powers, as well as coordination with FCSIC, to fulfill FCA's responsibilities and obligations under section 5.61C(h) of the Act. We note section 5.61C(h) grants FCSIC authority to organize, control, manage, and operate bridge System banks. Other

[19] Federal statutes comparable to section 4.12(b) of the Act permit commercial banks, credit unions, and Federal Home Loan Banks to challenge in Federal court, decisions by the three Federal banking regulatory agencies, the NCUA, and FHFA to appoint receivers and seek their removal. These agencies cancel the charters of institutions they supervise at the time they place them into receivership to ensure an orderly liquidation and resolution.

[20] Section 4.37 of the Act requires money of a borrower held in an uninsured voluntary or involuntary account at a System institution must be immediately applied as payment against the borrower's outstanding loans if the institution is placed in liquidation. This statutory provision also requires FCA to enact regulations that: (1) define the term ''uninsured voluntary or involuntary account''; and (2) effectively carry out section 4.37 of the Act.

[21] Section 4.37 of the Act requires FCA to enact regulations about how uninsured voluntary and involuntary accounts at System institutions are to be resolved by FCSIC. For this reason, final § 627.20(d) specifies how FCSIC will address the resolution of these specific liabilities of a System institution in receivership.

[22] *See supra* note 6. *See* also 87 FR *supra* at 19398, footnote 6.

[23] *See supra* note 7. Detailed information concerning bridge System banks for cradle to grave is in available in the preamble to the proposed rule. *Id.* at footnote 7.

Federal regulators of financial institutions, including the Comptroller of the Currency, the NCUA, and the FHFA, have not enacted regulations to implement similar statutory provisions.

Section 5.61C(h) of the Act also establishes the statutory framework for creating a healthy and viable successor bank to a bridge System bank once the receivership ends.[24] However, replacing the bridge System bank with successor FCS banks raises novel issues of first impression for both FCA and FCSIC. As noted in the preamble to the proposed rule, both agencies are exploring and consulting about this issue. FCA may propose new regulations in the future to implement section 5.61C(h)(9) and (h)(10) concerning the processes and procedures for replacing a bridge System bank with a solvent, and viable Farm Credit bank.

B. Voluntary Liquidations

As discussed above, the FCA has not substantively amended its regulations in subpart D of part 627 governing the voluntary liquidation of System institutions other than Farmer Mac. These regulations have been in effect since 1998, and FCA is reviewing them to determine whether revisions are needed.[25]

IV. Regulatory Analysis

A. Regulatory Flexibility Act and Major Rule Conclusion

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), FCA hereby certifies the final rule will not have a significant economic impact on a substantial number of small entities. Each of the banks in the Farm Credit System, considered together with its affiliated associations, has assets and annual income in excess of the amounts that would qualify them as small entities. Therefore, Farm Credit System institutions are not ''small entities'' as defined in the Regulatory Flexibility Act.

B. Congressional Review Act

[To be determined.]

List of Subjects

12 CFR Part 619

Agriculture, Banks, Banking, and Rural areas.

12 CFR Part 627

Agriculture, Banks, Banking, Claims, Rural areas.

[24] *Id.* at 10398.

[25] *See* 63 FR 5726 (Feb. 4, 1998).

For the reasons stated in the preamble, parts 619 and 627 of chapter VI, title 12 of the Code of Federal Regulations are amended as follows:

PART 619—DEFINITIONS

■ 1. The authority citation for part 619 is revised to read as follows:

Authority: Secs. 1.4, 1.5, 1.7, 2.1, 2.2, 2.4, 2.11, 2.12, 3.1, 3.2, 4.9, 5.9, 5.17, 5.19, 5.61C, 7.0, 7.1, 7.6, 7.8 and 7.12 of the Farm Credit Act (12 U.S.C. 2012, 2013, 2015, 2072, 2073, 2075, 2092, 2093, 2122, 2123, 2160, 2243, 2252, 2254, 2279a, 2279a–1, 2279b, 2279c–1, 2279f); sec 514 of Pub. L. 102–552. 106 Stat. 4102.

■ 2. Revise § 619.9140 to read as follows:

§ 619.9140 Farm Credit bank(s).

Except as otherwise defined, the term *Farm Credit bank(s)* includes Farm Credit Banks, agricultural credit banks, and banks for cooperatives, but excludes bridge System banks chartered by the Farm Credit Administration Board pursuant to section 5.61C(h)(2) of the Act.

■ 3. Revise § 619.9146 to read as follows:

§ 619.9146 Farm Credit institutions.

Except as otherwise defined, the term *Farm Credit institutions* refers to all institutions identified in section 1.2 of the Act and are chartered and regulated by the Farm Credit Administration but excludes bridge System banks chartered by the Farm Credit Administration Board pursuant to section 5.61C(h)(2) of the Act.

PART 627—TITLE IV CONSERVATORS, RECEIVERS, BRIDGE SYSTEM BANKS, AND VOLUNTARY LIQUIDATIONS

■ 4. The authority citation for part 627 is revised to read as follows:

Authority: Secs. 4.2, 5.9, 5.10, 5.17, 5.51, 5.58, 5.61, 5.61C of the Farm Credit Act (12 U.S.C. 2183, 2243, 2244, 2252, 2277a, 2277a–7.

■ 5. The heading for part 627 is revised to read as set forth above. 2277a–10, 2277a–10c.).

■ 6. Subparts A, B, and C are revised to read as follows:

Subpart A—General Provisions

Sec.
627.1 Applicability.
627.2 Definitions.
627.3 Grounds for appointing a conservator or receiver.
627.4 Action for removal of a conservator or receiver.

Subpart B—Conservator and Conservatorships

627.10 FCSIC as conservator.

Subpart C—Receiver and Receiverships

627.20 FCSIC as receiver.

Subpart A—General Provisions

§ 627.1 Applicability.

The provisions of this part apply to conservatorships, receiverships, and voluntary liquidations of System institutions chartered under titles I, II, III, IV, and VII of the Act.

§ 627.2 Definitions.

For the purposes of this part, the following definitions apply:

Act means the Farm Credit Act of 1971, as amended.

Conservator means the Farm Credit System Insurance Corporation acting in its capacity as the conservator of a Farm Credit institution.

Farm Credit institution(s) or institution(s) means all Farm Credit banks, associations, service corporations chartered under title IV of the Act, and the Federal Farm Credit Banks Funding Corporation. These two terms do not include any bridge System bank chartered by FCA, in accordance with section 5.61C(h)(2) of the Act.

FCSIC means the Farm Credit System Insurance Corporation.

Receiver means FCSIC acting in its capacity as the receiver of a Farm Credit institution.

§ 627.3 Grounds for appointing FCSIC as conservator or receiver.

(a) FCA may, in its discretion, appoint a conservator or receiver of a Farm Credit institution if FCA determines that one or more of the grounds in paragraph (b) of this section exists. FCA must appoint FCSIC as conservator or receiver of a Farm Credit institution. To the extent practicable, FCA will consult with FCSIC before taking a pre-resolution action that may result in a conservatorship or receivership of a Farm Credit institution.

(b) The grounds for appointing FCSIC as a conservator or receiver of a System institution are:

(1) The institution is insolvent because the value of its assets is less than its obligations to creditors and others, including its members. For the purpose of determining insolvency, ''obligations to members'' does not include stock or allocated equites held by current or former borrowers.

(2) There has been a substantial dissipation of assets or earnings of the institution due to the violation of any law, rule, or regulation, or one or more unsafe or unsound practice(s).

(3) The institution is in an unsafe or unsound condition to transact business, including having insufficient capital levels or otherwise. For the purpose of this part, ''unsafe or unsound condition'' includes, but is not limited to, the following conditions:

(i) For associations, a default by the association of one or more terms of its general financing agreement with its funding bank that the Farm Credit Administration determines to be a material default;

(ii) For all institutions, permanent capital of less than one-half the minimum required level for the institution; or

(iii) For associations, stock impairment.

(4) The institution has committed a willful violation of a final cease and desist order issued by the Farm Credit Administration Board.

(5) The institution is concealing its books, papers, records, or assets, or is refusing to submit its books, papers, records, assets, or other material relating to the affairs of the institution for inspection to any examiner or to any lawful agent of the Farm Credit Administration Board.

(6) A Farm Credit bank is unable to make a timely payment of principal or interest on any insured obligation(s) defined in section 5.51(3) of the Act issued by the bank individually, or on which it is primarily liable.

§ 627.4 Action for the removal of the conservator or receiver.

Within 30 days after the Farm Credit Administration Board appoints FCSIC as the conservator or receiver of a Farm Credit institution, pursuant to § 627.3, the institution may bring an action in the United States District Court for the judicial district in which its home office is located, or the United States District Court for the District of Columbia, for an order requiring the Farm Credit Administration Board to remove such conservator or receiver and, if the charter has been canceled, to rescind the cancellation of the charter. The institution's board of directors is empowered to meet subsequent to the appointment of a conservator or receiver and authorize the filing of an action in Federal court to remove the conservator or receiver. Only the institution's board of directors has the power to authorize an action to remove the conservator or receiver.

Subpart B—Conservator and Conservatorships

§ 627.10 FCSIC as Conservator.

(a) *Appointment.* (1) The Farm Credit Administration Board may exercise its authority under section 4.12(b) of the Act and § 627.3 to appoint FCSIC as the conservator of a Farm Credit institution upon finding that one or more of the grounds identified in § 627.3(b) exists. The Farm Credit Administration Board may appoint, *ex parte* and without notice, FCSIC as conservator for any Farm Credit institution.

(2) Upon appointing FCSIC as the conservator of an institution, the Chairman of the Farm Credit Administration shall immediately notify such institution and, in the case of an association, its funding bank. The Farm Credit Administration will immediately publish notice of the appointment of the conservator in the **Federal Register**.

(b) *Conservatorship.* (1) Once the Farm Credit Administration Board issues the order placing a Farm Credit institution in conservatorship, all rights, privileges, and powers of its members, board of directors, officers, and employees, are transferred to and vested exclusively in FCSIC as conservator, except that the board of directors of the institution retains authority to initiate an action in a Federal district court to remove the conservator pursuant to § 627.4.

(2) The Farm Credit Administration will continue to examine Farm Credit institutions in conservatorship in accordance with section 5.19 of the Act.

(3) A qualified public accountant must audit a Farm Credit institution in conservatorship in accordance with part 621 of this chapter.

(4) Pursuant to the requirements of part 621 of this chapter, each institution in conservatorship must prepare and file with the Farm Credit Administration financial reports, certified by FCSIC, as required by § 621.14.

(5) Each institution in conservatorship must prepare and issue published financial reports in accordance with the requirements of part 620 of this chapter. FCSIC, as the conservator of the institution, will provide the signatures and certifications required by § 620.3.

(c) *Termination of the conservatorship.* (1) Whenever the Farm Credit Administration Board determines the problem(s) or condition(s) that led to the conservatorship have been corrected and resolved, and the institution is in a position to resume normal operations, it may terminate the conservatorship and direct FCSIC to turn over the institution's operations to such management that FCA designates. Once new management is in place, the conservatorship terminates and FCA discharges FCSIC as conservator; or

(2) Whenever the Farm Credit Administration Board determines the institution should be placed in receivership, the Farm Credit Administration Board will appoint FCSIC as the receiver of such institution.

Subpart C—Receiver and Receiverships

§ 627.20 FCSIC as receiver.

(a) *Appointment.* (1) The Farm Credit Administration Board may exercise its authority under section 4.12(b) of the Act and § 627.3 to appoint FCSIC as the receiver of a Farm Credit institution upon finding that one or more of the grounds identified in § 627.3(b) exists. The Farm Credit Administration Board may appoint, *ex parte* and without notice, FCSIC as receiver for any Farm Credit institution.

(2) Upon appointing FCSIC as the receiver of an institution, the Chairman of the Farm Credit Administration shall immediately notify such institution and, in the case of an association, its funding bank. The Farm Credit Administration will immediately publish notice of the appointment of the receiver in the **Federal Register**.

(b) *Funding bank role for association in liquidation.* In the event of the voluntary or involuntary liquidation of an association, the funding bank must institute appropriate measures to minimize the adverse effect of the liquidation on those borrowers whose loans are purchased by, or otherwise transferred to another System institution.

(c) *Receivership.* (1) Once the Farm Credit Administration Board issues the order placing a Farm Credit institution in receivership, all rights, privileges, and powers of its members, the board of directors, officers, and employees, are transferred to and vested exclusively in FCSIC as receiver, except that the institution's board of directors retains authority to initiate an action in a Federal district court to remove the receiver pursuant to § 627.4.

(2) The Farm Credit Administration Board simultaneously will cancel the charter of the institution when it appoints FCSIC as receiver.

(d) *Uninsured accounts.* Once the Farm Credit Administration Board has placed an institution into receivership, FCSIC, in accordance with section 4.37 of the Act will, as soon as practicable, notify every borrower who holds an uninsured voluntary or involuntary account, as described in § 614.4175 of this subchapter, at the institution that:

(1) Such accounts ceased earning interest from the date the Farm Credit Administration Board placed the institution into receivership; and

(2) FCSIC, as receiver, will immediately apply the funds in a borrower's uninsured account(s) as payment against the outstanding balance of the borrower's loan(s).

(e) *Final discharge and release of the receiver.* The receivership terminates after FCSIC makes a final distribution of the assets of the liquidated institution. Then, the Farm Credit Administration Board will completely and finally release and discharge the receiver.

Subpart D—Voluntary Liquidation

§ 627.2795 [Redesignated as § 627.40]

■ 7. Redesignate § 627.2795 as § 627.40.

§ 627.40 [Amended]

■ 8. In newly redesignated § 627.40, in paragraph (a), remove ''subpart B'' and add ''subpart C'' in its place.

§ 627.2797 [Redesignated as § 627.41]

■ 9. Redesignate § 627.2797 as § 627.41.

■ 10. In newly redesignated § 627.41, revise the last sentence in paragraph (a) to read as follows:

§ 627.41 Preservation of equity.

(a) * * * In the event the resolution to liquidate is approved by the stockholders of the Farm Credit institution and the liquidation plan is approved by the Farm Credit Administration Board, the liquidation plan shall govern disposition of the equities of the Farm Credit institution.

* * * * *

Dated: November 15, 2023.

Ashley Waldron,

Secretary, Farm Credit Administration Board.

[FR Doc. 2023–25652 Filed 11–22–23; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2023–1722; Project Identifier MCAI–2023–00493–T; Amendment 39–22597; AD 2023–22–13]

RIN 2120–AA64

Airworthiness Directives; Dassault Aviation Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is superseding Airworthiness Directive (AD) 2023–04–15, which applied to certain Dassault Aviation Model FALCON 7X airplanes. AD 2023–04–15 required revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations. This AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. This AD continues to require the actions in AD 2023–04–15 and requires revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations, as specified in a European Union Aviation Safety Agency (EASA) AD, which is incorporated by reference. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective December 29, 2023.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of December 29, 2023.

The Director of the Federal Register approved the incorporation by reference of a certain other publication listed in this AD as of May 10, 2023 (88 FR 20062, April 5, 2023).

ADDRESSES:

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2023–1722; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

• For material incorporated by reference in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email *ADs@easa.europa.eu;* website *easa.europa.eu.* You may find this material on the EASA website at *ad.easa.europa.eu.*

• You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195. It is also available in the AD docket at *regulations.gov* under Docket No. FAA–2023–1722.

FOR FURTHER INFORMATION CONTACT: Tom Rodriguez, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone: 206–231–3226; email: *tom.rodriguez@faa.gov.*

SUPPLEMENTARY INFORMATION:

Background

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to supersede AD 2023–04–15, Amendment 39–22362 (88 FR 20062, April 5, 2023) (AD 2023–04–15). AD 2023–04–15 applied to certain Dassault Aviation Model FALCON 7X airplanes. AD 2023–04–15 required revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations. The FAA issued AD 2023–04–15 to address reduced structural integrity and reduced control of the airplane due to the failure of system components. AD 2023–04–15 specified that accomplishing the revision required by that AD terminates the requirements of paragraph (q) of AD 2014–16–23, Amendment 39–17947 (79 FR 52545, September 4, 2014) (AD 2014–16–23). This AD therefore continues to allow that terminating action.

The NPRM published in the **Federal Register** on August 29, 2023 (88 FR 59473). The NPRM was prompted by AD 2023–0063, dated March 20, 2023, issued by EASA, which is the Technical Agent for the Member States of the European Union (EASA AD 2023–0063) (also referred to as the MCAI). The MCAI states that new or more restrictive airworthiness limitations have been developed.

In the NPRM, the FAA proposed to continue to require the actions in AD 2023–04–15 and to require revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations, as specified in EASA AD 2023–0063. The FAA is issuing this AD to address reduced structural integrity and reduced control of the airplane due to the failure of system components.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2023–1722.

Discussion of Final Airworthiness Directive

Comments

The FAA received no comments on the NPRM or on the determination of the cost to the public.

Conclusion

This product has been approved by the aviation authority of another country and is approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, it has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA reviewed the relevant data and