

on eligibility or the Association no longer has jurisdiction over a claim, whichever is later. The parties agree that they will not assert a statute of limitations defense in court that is inconsistent with this subparagraph.”¹⁶

8. Do proposed NASD Rule 10304(d)(1) and the proposed amendments to NASD Rule 3110(f) provide reasonable assurances to the parties regarding the possibility that a statute of limitations could expire during the period of time in which the Director is making an eligibility determination?

9. Should proposed NASD Rule 10304 be amended to provide that a claimant may request an expedited determination of eligibility where the claimant has concerns regarding the possible expiration of a statute of limitations?

* * * * *

Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All 2 submissions should refer to File No. SR-NASD-97-44 and should be submitted by May 10, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁷

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45745; File No. SR-OCC-2001-04]

Self-Regulatory Organizations; the Options Clearing Corporation; Order Approving a Proposed Rule Change Relating to Forms of Margin Collateral

April 12, 2002.

On March 9, 2001, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) and on August 24, 2001, amended proposed rule change SR-OCC-2001-04 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”).¹ Notice of the proposal was published in the **Federal Register** on November 13, 2001.² On April 8, 2002, OCC filed a second amendment.³ No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The proposed rule change expands the types of debt securities that clearing members may deposit with OCC as margin collateral. In light of the declining supply of U.S. Treasury bills, notes, and bonds, the rule change allows OCC clearing members to deposit as margin debt securities issued by Congressionally chartered corporations (government sponsored enterprise or “GSE” debt securities).

To be acceptable as margin collateral, the GSE debt securities must be approved by OCC's membership/margin committee. OCC's membership/margin committee has approved certain non-callable debt securities issued by two GSEs, the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae), as being eligible for margin deposit.⁴ Both companies are stockholder-owned, Congressionally chartered corporations with the public purpose of increasing the supply and availability of home mortgages.

In 1998, Freddie Mac initiated its Reference Debt Program (“RDP”) in order to finance the mortgages it retains.⁵ Through the RDP program,

Freddie Mac sells large issues of long and short-term non-callable debt (*i.e.*, bills, notes, and bonds) to provide investors with high quality debt securities.⁶ The debt securities generally are distributed through a group of participating dealers that also support secondary trading in the securities. To ensure broad based dealer participation, Freddie Mac limits the allocation to any one dealer to 35 percent of the offered amount. The debt securities are offered according to a predetermined schedule and issued in sufficient quantities to provide investors with liquid secondary markets. The RDP debt securities issued by Freddie Mac are the general obligations of the company and are not secured by the full faith and credit of the U.S. Government. Not all RDP debt has been rated. However, all such debt that has been rated has received S&P and Moody's top ratings. Domestic clearing and settlement may be done through organizations participating in one or more U.S. clearing systems, principally the book entry system operated by the Board of Governors of the Federal Reserve System. As a result, OCC will be readily able to perfect its security interest in these securities.

Also in 1998, Fannie Mae launched the Benchmark Debt Program (BDP), which is its debt financing initiative.⁷ The BDP model is almost identical to the RDP model. Through the BDP, Fannie Mae sells large issues of non-callable long and short-term debt securities that are the general obligations of the company and are not secured by the full faith and credit of the U.S. Government.⁸ Other than the total value of securities issued in the programs, the most notable difference between the RDP and BDP is that all BDP securities have been rated and have received Moody's and S&P's top credit ratings.

These debt securities issued by Freddie Mac and Fannie Mae are liquid, marketable, and of high credit quality which makes them an appropriate form of margin collateral. These characteristics help ensure that OCC will be readily able to liquidate the securities and to realize their market value in order to cover any clearing member default. Securities haircuts,

¹⁶ Current NASD Rule 10307(a) provides: “Where permitted by applicable law, the time limitations which would otherwise run or accrue for the institution of legal proceedings shall be tolled where a duly executed Submission Agreement is filed by the Claimant(s). The tolling shall continue for such period as the Association shall retain jurisdiction upon the matter submitted.” This provision would be replaced by proposed NASD Rule 10304(d)(1).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 45021 (November 5, 2001), 65 FR 56876.

³ The amendment was technical in nature and did not affect the substance of the proposal as published for notice.

⁴ OCC will advise the Commission staff of additional GSE debt securities that the membership/margin committee approves for deposit as margin collateral.

⁵ Freddie Mac's web site, www.freddiemac.com, provides a detailed description of the RDP program.

⁶ At the end of 2000, the total outstanding notional value of non-callable RDP bonds and notes approached \$100 billion while the outstanding notional value of the non-callable RDP bills approached \$600 billion.

⁷ Fannie Mae's web site, www.fanniemae.com, provides a detailed description of its BDP program.

⁸ At the end of 2000, the total outstanding notional value of non-callable BDP bonds and notes approached \$180 billion. The outstanding notional value of BDP bills approached \$350 billion in notional value at the end of 2000.

similar to those used for U.S. Government securities deposited as margin, have been prescribed to cover market and liquidity risk.⁹

II. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder and particularly with the requirements of Section 17A(b)(3)(F).¹⁰ Section 17A(b)(3)(F) requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible. The Commission believes that OCC's rule change meets this requirement because it allows OCC's clearing members to deposit high quality, liquid debt securities with OCC as margin collateral in a manner that should provide OCC with sufficient safeguards to protect the securities and funds that are within its custody or control or for which it is responsible.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-OCC-2001-04) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3392]

State of Kansas; (Amendment #2)

In accordance with information received from the Federal Emergency Management Agency, dated April 9, 2002, the above numbered declaration is hereby amended to extend the deadline for filing applications for physical

damages as a result of this disaster to April 22, 2002.

All other information remains the same, i.e., the deadline for filing applications for economic injury is November 7, 2002.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: April 11, 2002.

Allan I. Hoberman,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 02-9539 Filed 4-18-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3393]

State of Missouri; (Amendment #2)

In accordance with information received from the Federal Emergency Management Agency, dated April 9, 2002 the above numbered declaration is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to April 22, 2002.

All other information remains the same, i.e., the deadline for filing applications for economic injury is November 7, 2002.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: April 11, 2002.

Allan I. Hoberman,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 02-9538 Filed 4-18-02; 8:45 am]

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request

In compliance with Public Law 104-13, the Paperwork Reduction Act of 1995, the Social Security Administration (SSA) is providing notice of its information collections that require submission to the Office of Management and Budget (OMB). SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

Written comments and recommendations regarding the information collections should be submitted to the SSA Reports Clearance Officer at the following address: (SSA),

Social Security Administration, DCFAM, Attn: Reports Clearance Officer, 1-A-21 Operations Bldg., 6401 Security Blvd., Baltimore, MD 21235.

The information collections listed below will be submitted to OMB within 60 days from the date of this notice. Therefore, comments and recommendations regarding the information collections would be most useful if received by the Agency within 60 days from the date of this publication. You can obtain a copy of the collection instruments by calling the SSA Reports Clearance Officer at (410) 965-0454, or by writing to the address listed above.

1. Statement Regarding Date of Birth and Citizenship—0960-0016

The Social Security Administration (SSA) collects information on Form SSA-702 when preferred or other evidence is not available to prove age for an individual applying for Social Security benefits. The respondents are Social Security benefit applicants who need to establish their dates of birth as a factor of entitlement or U.S. citizenship as a factor of payment.

Number of Respondents: 1,200.

Frequency of Response: 1.

Average Burden Per Response: 10 minutes.

Estimated Annual Burden: 200 hours.

2. Request for Reconsideration—Disability Cessation—0960-0349

Form SSA-789 collects information used by SSA to schedule disability hearings and to develop additional evidence/information for claimants whose disability is found to have ceased, not to have existed, or is no longer disabling. The information will also be used to determine if an interpreter is needed for the disability hearing. The respondents are claimants under Titles II & XVI of the Social Security Act who wish to request reconsideration of disability cessation.

Number of Respondents: 49,000.

Frequency of Response: 1.

Average Burden Per Response: 12-15 minutes.

Estimated Annual Burden: 10,290 hours.

3. Self-Employment/Corporate Officer Questionnaire—0960-0487

Form SSA-4184 is used by SSA to develop earnings and corroborate a claimant's allegations regarding retirement when the claimant is self-employed or a corporate officer. The information collected is used to determine the benefit amount. The respondents are self-employed individuals and corporate officers.

⁹ OCC is also making technical changes to Rule 604(b)(1) in order to more accurately describe the maturity periods of Government securities for purposes of valuation as margin collateral.

¹⁰ U.S.C. 78q-1(b)(3)(F).

¹¹ 17 CFR 200.30-3(a)(12).