

of Federal regulators in a timely and appropriate manner.

* * * * *

9. Add new § 1710.16 to read as follows:

§ 1710.16 Prohibition of extensions of credit to board members and executive officers.

An Enterprise may not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any board member or executive officer of the Enterprise, as provided by section 402 of the SOA.

10. Add new § 1710.17 to read as follows:

§ 1710.17 Certification of disclosures by chief executive officer and chief financial officer.

The chief executive officer and the chief financial officer of an Enterprise shall read each quarterly report and annual report issued by the Enterprise and such reports shall include certifications by such officers as required by section 302 of the SOA.

11. Add new § 1710.18 to read as follows:

§ 1710.18 Change of external audit partner and audit firm.

(a) *Change of external audit partner.* An Enterprise may not accept audit services from an external auditor if either the lead (or coordinating) external audit partner who has primary responsibility for the external audit of the Enterprise or the external audit partner who has primary responsibility for reviewing the external audit has performed audit services for the Enterprise in each of the five previous fiscal years.

(b) *Change of external audit firm.* The Federal National Mortgage Association shall change its external auditor no later than January 1, 2006, and thereafter no less frequently than every ten years; and the Federal Home Loan Mortgage Corporation shall change its external auditor no later than January 1, 2009, and thereafter no less frequently than every ten years.

12. Add new § 1710.19 to read as follows:

§ 1710.19 Compliance and risk management programs; compliance with other laws.

(a) *Compliance program.* An Enterprise shall establish and maintain a compliance program, headed by a person who reports directly to the chief executive officer of the Enterprise, that shall—

(1) Ensure that the Enterprise complies with all applicable laws, rules, regulations, and guidelines, and adheres to best practices;

(2) Establish written internal controls and disclosure controls and procedures;

(3) Provide for periodic meetings of the board of directors to ensure the board is able to assess adherence to and adequacy of current policies and procedures of the Enterprise regarding compliance and adjust such policies and procedures, as required.

(b) *Risk management program.* An Enterprise shall establish and maintain a risk management program, headed by a person who reports directly to the chief executive officer of the Enterprise, that shall—

(1) Manage the overall risk oversight function of the Enterprise;

(2) Provide for periodic meetings of the board of directors to ensure the board is able to assess adherence to and adequacy of current policies and procedures of the Enterprise regarding risk management and adjust such policies and procedures, as required.

(c) *Compliance with other laws.*

(1) If an Enterprise deregisters or does not register its common stock with the U.S. Securities and Exchange Commission (Commission) under the Securities Exchange Act of 1934, the Enterprise shall continue to comply with sections 301, 302, 304, 402, and 406 of the SOA, subject to such requirements as provided by § 1710.30 of this part.

(2) An Enterprise that has its common stock registered with the Commission shall maintain such registered status, unless it provides 60 days prior written notice to the Director stating its intent to deregister and its understanding that it will remain subject to the requirements of sections 301, 302, 304, 402, and 406 of the SOA, subject to such requirements as provided by § 1710.30 of this part.

13. Add new subpart D to read as follows:

Subpart D—Modification of Certain Provisions

§ 1710.30 Modification of certain provisions.

In connection with standards of Federal or state law (including the Revised Model Corporation Act) or NYSE rules that are made applicable to an Enterprise by §§ 1710.10, 1710.11, 1710.12, 1710.17, and 1710.19 of this part, the Director, in his or her sole discretion, may modify such standards upon written notice to the Enterprise.

Dated: April 7, 2004.

Armando Falcon, Jr.,

Director, Office of Federal Housing Enterprise Oversight.

[FR Doc. 04–8236 Filed 4–9–04; 8:45 am]

BILLING CODE 4220–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2004–CE–02–AD]

RIN 2120–AA64

Airworthiness Directives; deHavilland Inc. Models DHC–2 Mk. I and DHC–2 Mk. II Airplanes and Bombardier Inc. Model (Otter) DHC–3 Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for all deHavilland Inc. Models DHC–2 Mk. I and DHC–2 Mk. II airplanes and for all Bombardier Inc. Model (Otter) DHC–3 airplanes powered by radial engines. This proposed AD would require you to visually inspect the firewall ignition plugs and receptacles for proper lockwire security and replace or modify as appropriate. This proposed AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Canada. We are issuing this proposed AD to prevent loss of ignition systems during flight caused by improper lockwire security, which could result in engine failure. This failure could lead to a forced landing of the airplane.

DATES: We must receive any comments on this proposed AD by May 7, 2004.

ADDRESSES: Use one of the following to submit comments on this proposed AD:

- *By mail:* FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2004–CE–02–AD, 901 Locust, Room 506, Kansas City, Missouri 64106.
- *By fax:* (816) 329–3771.
- *By e-mail:* 9-ACE-7-Docket@faa.gov. Comments sent electronically must contain “Docket No. 2004–CE–02–AD” in the subject line. If you send comments electronically as attached electronic files, the files must be formatted in Microsoft Word 97 for Windows or ASCII.

You may get the service information identified in this proposed AD from Bombardier Aerospace Regional

Aircraft, Garratt Boulevard, Downsview, Ontario, Canada M3K 1Y5; facsimile: (416) 375-4538.

You may view the AD docket at FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2004-CE-02-AD, 901 Locust, Room 506, Kansas City, Missouri 64106. Office hours are 8 a.m. to 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Sarbhpreet Singh Sawhney, Aerospace Engineer, New York Aircraft Certification Office (ACO), FAA, 1600 Stewart Avenue, Suite 410, Westbury, New York 11590; telephone: (516) 228-7340; facsimile: (516) 794-5531.

SUPPLEMENTARY INFORMATION:

Comments Invited

How do I comment on this proposed AD? We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include "AD Docket No. 2004-CE-02-AD" in the subject line of your comments. If you want us to acknowledge receipt of your mailed comments, send us a self-addressed, stamped postcard with the docket number written on it. We will date-stamp your postcard and mail it back to you.

Are there any specific portions of this proposed AD I should pay attention to? We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. If you contact us through a nonwritten communication and that contact relates to a substantive part of this proposed AD, we will summarize the contact and place the summary in the docket. We will consider all comments received by the closing date and may amend this proposed AD in light of those comments and contacts.

Discussion

What events have caused this proposed AD? Transport Canada, which is the airworthiness authority for Canada, recently notified FAA that an unsafe condition may exist on all deHavilland DHC-2 Mk. I and DHC-2

Mk. II airplanes and all Bombardier (Otter) DHC-3 airplanes powered by radial engines. Transport Canada reports that a DHC-3 airplane lost both ignition systems during flight.

The lockwire hole in the ignition connector plug on the firewall broke and the plug vibrated loose. Both magnetos then grounded through a spring-loaded center pin in the plug (a maintenance safety feature).

The DHC-2 Mk. I and DHC-2 Mk. II airplanes have a similar ignition system.

What are the consequences if the condition is not corrected? If not detected and corrected, failure of the lockwire hole could result in engine failure. This failure could lead to a forced landing of the airplane.

Is there service information that applies to this subject? Bombardier has issued deHavilland Beaver Alert Service Bulletin Number A2/53, Revision A, dated August 30, 2001; and deHavilland Otter Alert Service Bulletin Number A3/53, Revision A, dated August 30, 2001.

What are the provisions of this service information? These service bulletins include procedures for:

- Inspecting the ignition plugs and receptacles on the fore and aft side of the firewall for security;
- Replacing any plugs or receptacles with damaged lockwire holes; and
- Replacing any damaged lockwire.

What action did Transport Canada take? Transport Canada classified these service bulletin as mandatory and issued Canadian AD Number CF-2001-36, dated October 31, 2001, and Canadian AD Number CF-2001-37, dated October 31, 2001, to ensure the continued airworthiness of these airplanes in Canada.

Did Transport Canada inform the United States under the bilateral airworthiness agreement? These deHavilland DHC-2 Mk. I and DHC-2 Mk. II airplanes, and Bombardier (Otter) DHC-3 airplanes are manufactured in Canada and are type-certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement.

Under this bilateral airworthiness agreement, Transport Canada has kept us informed of the situation described above.

FAA's Determination and Requirements of This Proposed AD

What has FAA decided? We have examined Transport Canada's findings, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Since the unsafe condition described previously is likely to exist or develop on other deHavilland DHC-2 Mk. I and DHC-2 Mk. II airplanes, and Bombardier (Otter) DHC-3 airplanes powered by radial engines of the same type design that are registered in the United States, we are proposing AD action to prevent loss of ignition systems during flight caused by improper lockwire security, which could result in engine failure. This failure could lead to a forced landing of the airplane.

What would this proposed AD require? This proposed AD would require you to incorporate the actions in the previously-referenced service bulletin.

How does the revision to 14 CFR part 39 affect this proposed AD? On July 10, 2002, we published a new version of 14 CFR part 39 (67 FR 47997, July 22, 2002), which governs FAA's AD system. This regulation now includes material that relates to altered products, special flight permits, and alternative methods of compliance. This material previously was included in each individual AD. Since this material is included in 14 CFR part 39, we will not include it in future AD actions.

Costs of Compliance

How many airplanes would this proposed AD impact? We estimate that this proposed AD affects 242 airplanes in the U.S. registry.

What would be the cost impact of this proposed AD on owners/operators of the affected airplanes? We estimate the following costs to accomplish this proposed inspection:

Labor cost	Parts cost	Total cost per airplane	Total cost on U.S. operators
2 workhours × \$65 per hour = \$130	Not applicable	\$130	\$130 × 242 = \$31,460.

We estimate the following costs to accomplish any necessary replacements that would be required based on the

results of this proposed inspection. We have no way of determining the number

of airplanes that may need these replacements:

Labor cost	Parts cost	Total cost per replacement part
2 workhours × \$65 per hour = \$130	Connector plug and firewall receptacle = \$152 each. Lockwire = minimal cost.	\$130 + \$152 = \$282.

Regulatory Findings

Would this proposed AD impact various entities? We have determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD 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.

Would this proposed AD involve a significant rule or regulatory action? For the reasons discussed above, I certify that this proposed AD:

1. Is not a "significant regulatory action" under Executive Order 12866;
2. Is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and
3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a summary of the costs to comply with this proposed AD and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under

ADDRESSES. Include "AD Docket No. 2004-CE-02-AD" in your request.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. The FAA amends § 39.13 by adding the following new airworthiness directive (AD):

deHavilland Inc. and Bombardier Inc.:
Docket No. 2004-CE-02-AD.

When Is the Last Date I Can Submit Comments on This Proposed AD?

- (a) We must receive comments on this proposed airworthiness directive (AD) by May 7, 2004.

What Other ADs Are Affected by This Action?

- (b) None.

What Airplanes Are Affected by This AD?

- (c) This AD affects the following airplane models and serial numbers that are certificated in any category:

Model	Serial numbers
deHavilland DHC-2 Mk. I.	All.
deHavilland DHC-2 Mk. II.	All.
Bombardier (Otter) DHC-3.	All serial numbers powered by radial engines.

What Is the Unsafe Condition Presented in This AD?

- (d) This AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Canada. We are issuing this AD to prevent loss of ignition systems during flight caused by improper lockwire security, which could result in engine failure. This failure could lead to a forced landing of the airplane.

What Must I Do To Address This Problem?

- (e) To address this problem, you must do the following:

Actions	Compliance	Procedures
(1) Inspect the following: (i) ignition plugs and receptacles on the fore and aft side of the firewall for security; (ii) ignition plug lockwire to ensure it is intact and the holes in the plugs and in the receptacles are not broken out or cracked.	Initially inspect within the next 100 hours time-in-service (TIS) after the effective date of this AD. Repetitively inspect thereafter at intervals not to exceed 100 hours TIS.	Follow deHavilland Beaver Alert Service Bulletin Number A2/53, Revision A, dated August 30, 2001; and deHavilland Otter Alert Service Bulletin Number A3/53, Revision A, dated August 30, 2001, as applicable.
(2) If during any inspection required in paragraph (e)(1)(i) and (e)(1)(ii) of this AD: (i) the lockwire holes are found damaged, replace plug and/or receptacle with the parts of the same part numbers; and (ii) the lockwire is damaged, replace the lockwire.	Prior to further flight after any inspection required by paragraphs (e)(1)(i) and (e)(1)(ii) of this AD.	Follow deHavilland Beaver Alert Service Bulletin Number A2/53, Revision A, dated August 30, 2001; and deHavilland Otter Alert Service Bulletin Number A3/53, Revision A, dated August 30, 2001, as applicable.
(3) When the plugs or receptacles are replaced, do an operational check of the magnetos and correct as appropriate.	Prior to further flight after any replacement required by paragraph (e)(2)(i) of this AD.	Follow the applicable maintenance manual procedures.

Note: We recommend you insert de Havilland Inc. Temporary Revision No. 2-24, dated August 24, 2001, and Temporary Revision No. 14, dated August 24, 2001, into the applicable maintenance manual.

May I Request an Alternative Method of Compliance?

- (f) You may request a different method of compliance or a different compliance time

for this AD by following the procedures in 14 CFR 39.19. Unless FAA authorizes otherwise, send your request to your principal inspector. The principal inspector may add comments and will send your request to the Manager, New York Aircraft Certification Office (ACO), FAA. For information on any already approved alternative methods of compliance, contact Sarbhpreet Singh Sawhney, Aerospace Engineer, New York

ACO, FAA, 1600 Stewart Avenue, Suite 410, Westbury, New York 11590; telephone: (516) 228-7340; facsimile: (516) 794-5531.

May I Get Copies of the Documents Referenced in This AD?

- (g) You may get copies of the documents referenced in this AD from Bombardier Aerospace Regional Aircraft, Garratt Boulevard, Downsview, Ontario, Canada

M3K 1Y5; facsimile: (416) 375-4538. You may view these documents at FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106.

Is There Other Information That Relates to This Subject?

(h) Canadian AD Number CF-2001-36, dated October 31, 2001, and Canadian AD Number CF-2001-37, dated October 31, 2001, also address the subject of this AD.

Issued in Kansas City, Missouri, on April 5, 2004.

Dorenda D. Baker,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 04-8221 Filed 4-9-04; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2003-CE-65-AD]

RIN 2120-AA64

Airworthiness Directives; Glaser-Dirks Flugzeugbau GmbH Model DG-800B Sailplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for all Glaser-Dirks Flugzeugbau GmbH (DG Flugzeugbau) Model DG-800B sailplanes equipped with engine SOLO 2625 or Mid-West AE 50T. This proposed AD would require you to modify the coolant pump and fuel pump electrical circuits, replace the non-resettable circuit breaker with a resettable circuit breaker, and (for a version of the Mikuni carburetor) secure the choke butterfly valve axis. This proposed AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany. We are issuing this proposed AD to prevent fuel pump electrical failure if a non-resettable circuit breaker trips. This could result in power loss with the inability to restart the fuel pump during a critical phase of flight (for example, takeoff under own power).

DATES: We must receive any comments on this proposed AD by May 24, 2004.

ADDRESSES: Use one of the following to submit comments on this proposed AD:

- *By mail:* FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-CE-

65-AD, 901 Locust, Room 506, Kansas City, Missouri 64106.

- *By fax:* (816) 329-3771.

- *By e-mail:* 9-ACE-7-Docket@faa.gov.

Comments sent electronically must contain "Docket No. 2003-CE-65-AD" in the subject line. If you send comments electronically as attached electronic files, the files must be formatted in Microsoft Word 97 for Windows or ASCII.

You may get the service information identified in this proposed AD from DG Flugzeugbau, Postbox 41 20, D-76625 Bruchsal, Federal Republic of Germany; telephone: 011-49 7257-890; facsimile: 011-49 7257-8922.

You may view the AD docket at FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-CE-65-AD, 901 Locust, Room 506, Kansas City, Missouri 64106. Office hours are 8 a.m. to 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; facsimile: (816) 329-4090.

SUPPLEMENTARY INFORMATION:

Comments Invited

How Do I Comment on This Proposed AD?

We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include "AD Docket No. 2003-CE-65-AD" in the subject line of your comments. If you want us to acknowledge receipt of your mailed comments, send us a self-addressed, stamped postcard with the docket number written on it. We will date-stamp your postcard and mail it back to you.

Are There Any Specific Portions of This Proposed AD I Should Pay Attention To?

We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. If you contact us through a nonwritten communication and that contact relates to a substantive part of this proposed AD, we will summarize the contact and place the summary in the docket. We will consider all comments received by the closing date and may amend this proposed AD in light of those comments and contacts.

Discussion

What Events Have Caused This Proposed AD?

The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, recently notified FAA that an unsafe condition may exist on DG Flugzeugbau Model DG-800B sailplanes. The LBA reports both electrical circuits of the fuel pump and the coolant pump (on engine SOLO 2625 or Mid-West AE 50T) are protected by a non-resettable digital engine indicator (DEI) circuit breaker. The pumps will stop running if the non-resettable circuit breaker activates.

What Are the Consequences if the Condition Is Not Corrected?

If a non-resettable circuit breaker trips, this could result in power loss with the inability to restart the fuel pump during a critical phase of flight (for example, takeoff under own power).

Is There Service Information That Applies to This Subject?

DG Flugzeugbau has issued:
—Technical Note No. 873/26, dated November 12, 2001; and
—Technical Note No. 873/27, dated November 29, 2001.

What Are the Provisions of This Service Information?

The service bulletins include procedures for:
—Modifying the coolant pump and fuel pump electrical circuits;
—Replacing the non-resettable circuit breaker with a resettable circuit breaker; and
—Securing the choke butterfly valve axis for a version of the Mikuni carburetor.

What Action Did the LBA Take?

The LBA classified these service bulletins as mandatory and issued German AD Number 2002-083, dated April 4, 2002, to ensure the continued airworthiness of these sailplanes in Germany.

Did the LBA Inform the United States Under the Bilateral Airworthiness Agreement?

These DG Flugzeugbau Model DG-800B sailplanes are manufactured in Germany and are type-certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement.

Under this bilateral airworthiness agreement, the LBA has kept us informed of the situation described above.