In addition to the application review for technical merit by the panel of national experts, FEMA Headquarters will consider the following geographic factors in final selections for funding: a balanced geographic distribution of task forces spread out throughout the Nation; seismic hazard, including the historic occurence of damaging earthquakes, as well as probable seismic activity; total population and major urban concentrations exposed to such risk; and other factors, the loss, damage, or disruption of which by a severe earthquake would have serious national impacts upon national security, such as industrial concentrations, concentrations or occurrences of natural resources, financial/economic centers and national defense facilities.

Awards of these Federal funds are intended to be on a cash-matching basis. The State and local share is to equal the Federal share dollar for dollar. The project for which the application is made is the augmentation of training and equipment needed by the applicant. The training and equipment needed is determined by comparing the existing capabilities of the applicant against the criteria stated in the solicitation materials available from the responsible State agency. The shortfall between existing capabilities and the criteria is then identified as needed. Costs are estimated on this shortfall, or on needed capabilities. The Federal share will be 50 percent, and the State and local matching share will be 50 percent. The State and local cash-match must be applicable to US&R objectives and provide direct benefit to the training and equipment augmentation project. Applicants must indicate the amount of the non-Federal cash-matching contribution on the Standard Form 424A, Budget Information—Non-Construction Programs, when submitting applications.

Grant C. Peterson,

Associate Director, State and Local Programs and Support.

[FR Doc. 91-12280 Filed 5-22-91; 8:45 am]

BILLING CODE 6718-20-M

FEDERAL HOUSING FINANCE BOARD

[No. FHFB 91-155]

Index Rates for Adjustable-Rate Mortgages

AGENCY: Federal Housing Finance Board.

ACTION: Notice of substitution of indexes for adjustable-rate mortgages.

SUMMARY: The Federal Housing Finance Board ("Finance Board") hereby gives notice of the substitution of substantially similar adjustable-rate mortgage ("ARM") index rates for certain nonstandard index rates formerly made available in its Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans ("Monthly Interest Rate Survey" or "MIRS"). The Finance Board is implementing these changes in order to improve the overall quality of MIRS by replacing statistically unreliable data with more accurate, timely, and practical information, and to reduce the reporting burden on institutions subject to the survey by no longer collecting data of limited economic or financial importance.

EFFECTIVE DATE: May 15, 1991.

FOR FURTHER INFORMATION CONTACT: Joseph A. McKenzie, Senior Financial Economist, (202) 408-2845, Federal Housing Finance Board, 1777 F Street, NW., Washington, DC 20006.

SUPPLEMENTARY INFORMATION:

A. Requirements for Availability of Indexes in FIRREA

Section 402(e)(3) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), Public Law No. 101-73, 103 Stat. 183 (August 9, 1989), provides that the Finance Board "shall take such action as may be necessary to assure that the indexes prepared by the * * * Federal Home Loan Bank Board * * * immediately prior to the enactment of [FIRREA] and used to calculate the interest rate on adjustable-rate mortgage instruments continue to be available." Section 402(e)(4) of FIRREA provides that "[i]f any agency can no longer make available an index," it may substitute a "substantially similar" index if it determines, after notice and opportunity for comment, that "(A) the new index is based upon data substantially similar to that of the original index; and (B) the substitution of the new index will result in an interest rate substantially similar to the rate in effect at the time the original index became unavailable."

B. Notice of Proposed Changes to MIRS

On March 8, 1991 the Finance Board published in the **Federal Register** (56 FR 9954) a Notice proposing several changes in the types of monthly information derived from MIRS that it now makes available, as follows:

(1) To substitute the data from the Federal Home Loan Mortgage Corporation's ("Freddie Mac's") Primary Mortgage Market Survey ("PMMS") as the substantially similar successor index for those ARMs using the mortgage commitment rate data from MIRS as an index;

(2) To designate MIRS's newly built homes data as the substantially similar index to succeed the combined construction/purchase loan index in MIRS;

(3) To designate the National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders as the substantially similar successor index for ARMs that use a contract rate series from the Finance Board's internal 57-J and 57-K Reports, and to designate the National Average Effective Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders as the substantially similar series for ARMs that use an effective rate series derived from the 57-J and 57-K Reports; and

(4) To publish the MIRS data on home loans closed for the 32 selected metropolitan statistical areas ("MSAs") on a quarterly instead of monthly basis (*i.e.,* to designate the quarterly series on metropolitan mortgage interest rates as the substantially similar successor to the monthly series).

C. Authority to Substitute Indexes

MIRS, which was prepared by the Federal Home Loan Bank Board before the enactment of FIRREA, is now being compiled by the Finance Board pursuant to the requirement of FIRREA. A small number of mortgage lenders may be using the index rates being changed to calculate the interest rates on existing ARMs. ARMs based on mortgage rate indexes now comprise only a very small proportion of total new mortgages. Most new ARMs are linked to either the yield on U.S. Treasury securities or a cost-of-funds index. Furthermore, most new ARMs that are linked to a mortgage rate use the National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders. None of the changes made by this Notice will affect this series. In short, the number of loans affected by the substitution of the new indexes is likely to be very small.

The Finance Board believes that the intent of section 402(e)(3) is to ensure that accurate, timely, and reliable data continues to be made available, and to permit the substitution of substantially similar indexes where data is not sufficiently reliable. The Finance Board therefore has the authority and discretion to modify its survey methods from time to time to ensure that the public receives quality data. The Finance Board does not believe that section 402(e)(3) is intended to require the reporting of identical data simply

because it was published in the past.

Finance Board has determined that ndexes being changed are not iciently reliable for statistical purposes, and need to be replaced with other more reliable and timely indexes. In addition, pursuant to section 402(e)(4), the Finance Board "can no longer make available" the indexes because they are not sufficiently statistically reliable. Accordingly, the Finance Board may substitute substantially similar indexes for the indexes being changed.

The MIRS indexes being replaced suffer from problems of statistical unreliability and untimeliness. The MIRS mortgage commitment rate data is subject to a five-week reporting lag, and duplicates the similar weekly PMMS conducted by Freddie MAC. In addition, the data on mortgage commitment rates is not useful to lenders or borrowers because MIRS does not ask to what index the ARM is linked, and the information on ARMs in MIRS is not for standardized loans as it is in the PMMS.

Combined construction/purchase loans are loans typically made to small home builders, and combine a construction and permanent loan in a single transaction. These loans comprise only about five percent of MIRS, and the data on such loans is statistically eliable on a monthly basis because e small sample size surveyed.

he data contained in the 57–J and 57–K Reports is statistically unreliable due to the small sample sizes involved.

Finally, the data on loans closed for the 32 selected MSAs is statistically unreliable when published on a monthly basis because of the small sample size surveyed.

D. Comments Received in Response to Notice of Proposed Changes to MIRS

In addition to publication of the proposed changes to MIRS in the Federal Register, the Finance Board notified all 5,700 subscribers to its monthly MIRS press release and all subscribers to the 57–J and 57–K Reports of the proposed changes. The Finance board received three comments—one from a Federally sponsored secondary mortgage market agency, one from a housing industry trade association, and one from a private mortgage-rate survey firm. No comments were received from lenders or borrowers who use any of the data in question as an ARM index, which supports the Finance Board's belief that the number of loans affected by the substitution of the new indexes is likely to be very small.

general, one commenter was gly supportive of the Finance ard's proposed changes to MIRS, and urged the Finance Board to continue its efforts to increase the survey sample size. The other two commenters focused their comments on the proposed change to the mortgage commitment rate survey. The comment letters are discussed in more detail below.

1. Mortgage Commitment Rate Data

One commenter suggested that substitution of data from Freddie Mac's PMMS for information now being derived from the MIRS's mortgage commitment rate survey could create the perception of a conflict of interest if Freddie Mac were to purchase loans based on that index. However, Freddie Mac generally does not purchase loans for its own portfolio, nor does it purchase seasoned adjustable-rate loans with nonstandard index rates. In addition, because the number of loans affected by the substitution of Freddie Mac's PMMS data is likely to be very small, any financial effect would be minimal.

Another commenter noted that Freddie Mac is under no legal or other obligation to publish the PMMS or similar data. However, Freddie Mac has indicated that it has no current plans to discontinue the PMMS, which has been published since 1971, and the PMMS data on fixed-rate loans is the sole measure of mortgage market conditions published by the Federal Reserve Board in its weekly summary of all interest rates (Release H15). Accordingly, it is unlikely that Freddie Mac will discontinue the series.

It was also suggested by this commenter that the Finance Board replace its mortgage commitment rate data with the National Average Contract (or Effective) Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders in MIRS, rather than with the PMMS data. The commenter noted that unlike MIRS, the PMMS contains no commitment rate averages by type of lender, loan-to-value ratio, metropolitan area, or effective interest rates. However, the MIRS commitment rate data shows almost no variability across loan-to-value ratio. For example, in March 1991 the commitment rate on fixed-rate loans ranged between 9.57 percent and 9.64 percent for various loan-to-value ratio classes. The Finance Board has decided not to accept this suggestion because it believes that the Freddie Mac PMMS data is more similar to the MIRS commitment rate data than is the MIRS data on loans closed.

One commenter also questioned whether the PMMS, which covers 125 lenders, should be used as a "national" ARM index, arguing that a larger sample size would be more representative of the national market and less easily affected by local or regional market forces. The commenter suggested that the Finance Board continue to make available the current mortgage commitment rate data in MIRS, and proposed that the Finance Board contract out the commitment rate survey to a private firm, such as the commenter. However, the Freddie Mac sample, though smaller than the MIRS sample, is national in scope. It also surveys large mortgage lenders that are continuously in the market. A number of institutions in the MIRS sample may not be actively soliciting new mortgage business at given points in time, and thus they may be posting unreasonably high mortgage rates. The PMMS data is thus a better measure of actual conditions in the mortgage market, even if the sample is smaller in size. In addition, these two series have shown such strong correlation in the past that keeping the commitment rate section of MIRS is not warranted.

2. Data on 32 MSAs

One commenter asked for clarification that the MIRS data on home loans closed for the 32 selected MSAs, which now will be published on a quarterly instead of monthly basis, also would be available monthly upon request. The commenter also suggested that the Finance Board increase the number of MSAs published in the quarterly reports as part of an overall effort to increase the sample size of MIRS. The Finance Board is in the process of updating MIRS, including increasing the sample size. As the sample size is increased, the Finance Board intends to expand the scope of such regional house price data made available, either by publishing it more frequently than quarterly, or publishing it for a larger number of MSAs. The Finance Board now makes monthly house price data available to state housing finance agencies in conjunction with determining the "safe-harbor" limits for mortgage revenue bond purchase programs, and will continue to do so.

E. Substitution of Substantially Similar Indexes Under Section 402(e)(4)

All of the new indexes are based upon data substantially similar to that of the original indexes. The Freddie Mac PMMS data uses similar mortgage commitment rate data but is based on standardized loans and is more timely than the MIRS mortgage commitment rate index. The MIRS newly built homes index is based on a larger sample of newly built homes.

Because of the variety of data contained in the 57–J and 57–K Reports with respect to type of loan, type of property and geographic classification, there is no perfect choice for a single successor series for the series in these Reports that are being eliminated. The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders is based on national average rate data of a larger sample size than the similar regional average rate data contained in the Finance Board's internal 57–J and 57–K Reports. Similarly, the National Average Effective Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders is based on data similar to the effective rate series contained in the 57–J and 57–K Reports but from a larger sample size. Accordingly, the Finance Board has determined that these two series are the most readily available substitute series.

Finally, the MIRS data on loans closed for the 32 selected MSAs will continue to be made available, except that it will be published on a quarterly instead of monthly basis.

Because the new indexes are based on data substantially similar to the current data in MIRS, the Finance Board believes that they will result in interest rates substantially similar to the rates in effect at the time the original indexes become unavailable.

Accordingly, the Finance Board hereby designates the following indexes as substantially similar successor indexes:

(1) The fixed-rate data from Freddie Mac's PMMS is the successor index for those ARMs using MIRS fixed-rate mortgage commitment rate data as an index, and the adjustable-rate data from Freddie Mac's PMMS is the successor index for those ARMs using MIRS adjustable-rate mortgage commitment rate data as an index;

(2) The MIRS's newly built homes data is the successor index for those ARMs using MIRS combined construction/purchase loan data as an index;

(3) The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders is the successor index for ARMs using a contract rate series from the Finance Board's internal 57–J and 57–K Reports, and the National Average Effective Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders is the successor index for ARMs using an effective rate series from the 57–J and 57–K Reports; and

(4) The quarterly series on metropolitan mortgage interest rates is the successor to the monthly series (*i.e.*, the MIRS data on home loans closed for the 32 selected MSAs will be published on a quarterly instead of monthly basis).

Dated: May 15, 1991.

Daniel F. Evans, Jr.,

Chairman, Federal Housing Finance Board.

[FR Doc. 91–12189 Filed 5–22–91; 8:45 am]

BILLING CODE 6725–01–M

FEDERAL MARITIME COMMISSION

Agreement(s) Filed; Port Authority of New York and New Jersey Carco, Inc.

The Federal Maritime Commission hereby gives notice of the filing of the following agreement(s) pursuant to section 5 of the Shipping Act of 1984.

Interested parties may inspect and obtain a copy of each agreement at the Washington, DC Office of the Federal Maritime Commission, 1100 L Street, NW., room 10220. Interested parties may submit comments on each agreement to the Secretary, Federal Maritime Commission, Washington, DC 20573, within 10 days after the date of the **Federal Register** in which this notice appears. The requirements for comments are found in § 572.603 of title 46 of the Code of Federal Regulations. Interested persons should consult this section before communicating with the Commission regarding a pending agreement.

Agreement No.: 224–200178–003.

Title: Port Authority of New York and New Jersey/Carco, Inc. Terminal Agreement.

Parties: Port Authority of New York and New Jersey Carco, Inc.

Synopsis: The Agreement, filed May 8, 1991, amends the basic agreement to revise the rent commencement date from October 1, 1989 to November 15, 1989.

Dated: May 17, 1991.

By Order of the Federal Maritime Commission.

Ronald D. Murphy,

Assistant Secretary.

[FR Doc. 91–12220 Filed 5–22–91; 8:45 am]

BILLING CODE 6730–01–M

State of Hawaii/Matson Navigation Co., Inc.; Agreement(s) Filed

The Federal Maritime Commission hereby gives notice that the following agreement(s) has been filed with the Commission pursuant to section 15 of the Shipping Act, 1916, and section 5 of the Shipping Act of 1984.

Interested parties may inspect and obtain a copy of each agreement at the Washington, DC Office of the Federal Maritime Commission, 1100 L Street, NW., room 10220. Interested parties may submit protests or comments on each agreement to the Secretary, Federal Maritime Commission, Washington, DC 20573, within 10 days after the date of the **Federal Register** in which this notice appears. The requirements for comments and protests are found in §§ 560.602 and/or 572.603 of title 46 of the Code of Federal Regulations. Interested persons should consult this section before communicating with the Commission regarding a pending agreement.

Any person filing a comment or protest with the Commission shall, at the same time, deliver a copy of that document to the person filing the agreement at the address shown below.

Agreement No.: 224–200518.

Title: State of Hawaii/Matson Navigation Company, Inc. Marine Terminal Agreement.

Parties: State of Hawaii (DOT), Matson Navigation Company, Inc. (Matson).

Filing Party: Mr. Edward Y. Hirata, Director of Transportation, State of Hawaii, Department of Transportation.

Synopsis: The Agreement provides for DOT to lease to Matson certain parcels and easements for the operation of a bulk sugar facility to receive from trucks, handle, convey, store and load into ocean vessels bulk raw sugar produced on the Island of Hawaii. The term of this Agreement/Lease shall expire on June 30, 2022.

Agreement No.: 224–200518–001.

Title: State of Hawaii/Matson Navigation Company, Inc./HT&T Company, Inc. Marine Terminal Agreement.

Parties: HT&T Company, Inc. (HT&T), State of Hawaii (DOT), Matson Navigation Company, Inc. (Matson).

Filing Party: Mr. Edward Y. Hirata, Director of Transportation, State of Hawaii, Department of Transportation.

Synopsis: The Agreement provides for Matson to sublease to HT&T the lease premises situated at Hilo Harbor, Hilo, Hawaii under Agreement No. 224–200518 (Harbor Lease No. H–90–9) and lease of certain machinery and equipment on Parcel 1 and Easement 1 and certain gantry cranes, crane rails and related equipment on Easement 2. HT&T, as sublessee, is given authorization to operate Matson's Hilo Bulk Sugar Facility. Rental shall be paid in accordance with the terms specified in the sublease agreement. The term of this Agreement/Lease shall expire on June 30, 2022.

By Order of the Federal Maritime Commission.