holding company and 1 from a public accounting firm. Most commenters favored the substantive aspect of the proposal, agreeing that the thrift industry should adhere to the accounting guidance published by the AcSec Committee of the AICPA in the Third Notice, insofar as it differed from the guidance previously published by the AcSec in two previous Notices to Practitioners. Many noted that most of the thrift industry already follows the Third Notice even though it is not yet reflected in the Board's current policy statement. While, as discussed below, a few commenters suggested revisions to the substantive provisions of the accounting policy, both as it currently exists and as proposed, the vast majority of the comments received by the Board with respect to this proposal addressed the effective date and transition rule.

Of the comment letters addressing this issue, 19 commenters supported the AICPA effective date. Only one commenter supported the SEC rule. One expressed support for the FHLBB compromise rule. In addition, three comment letters expressed support for a prospective transition rule and effective date, under which the adoption of the provisions of the Third Notice would apply to ADC arrangements completed on or after the first day of the calendar quarter in which the final amendment of the ADC accounting rule becomes effective.

The primary focus of the comments addressing the substantive provisions of the proposal was the use of the R41c "market value" concept in evaluating the institution's ADC arrangements. The commenters addressing this issue all urged the Board to adhere to GAAP, as represented by the Third Notice.

Discussion

On August 10, 1987, Congress enacted the Competitive Equality Banking Act of 1987 ("CEBA"), Pub. L. 100–86, 101 Stat. 552. Section 402 of the CEBA instructs the Board to adopt accounting principles consistent with generally accepted accounting practices or practices of the commercial banking regulators. The Board notes that commercial banking regulators have not adopted any modifications to GAAP in this area. Additionally, Congress instructed the Board to modify its appraisal policies to conform with those of the federal banking agencies. As a result, the Board has withdrawn the R–41c memorandum discussed in the proposal. As part of its Uniform Accounting Standards regulation, adopted on December 21, 1987 and published at 12 CFR 563.23–3, the Board instructed all insured institutions to prepare financial reports to the Board or the FSLIC in accordance with GAAP for all periods beginning on or after January 1, 1989.

The Board has determined that insured institutions should account for ADC arrangements in accordance with GAAP. As such, loss allowances relating to ADC arrangements would be based upon net realizable value or market value as GAAP guidance would indicate is appropriate in the given circumstances. The Board has also determined that insured institutions should use the effective date set forth in the Third Notice in classifying ADC arrangements and in accounting for these arrangements. Publicly held institutions should continue to account for ADC arrangements in accordance with SEC requirements.

After reviewing the comments received in response to its proposal and in light of the CEBA and the Board's modification of its accounting regulations to conform to GAAP, the Board believes that a policy statement instructing insuring institutions that they should classify and account for ADC loans in accordance with GAAP, while accurate, is redundant and unnecessary.

The Third Notice, as discussed above, currently embodies GAAP on ADC arrangements. It is the Board's intention that institutions should account for ADC arrangements in accordance with the most recent guidance of the accounting profession. The Board believes that restating the Third Notice in the form of a Board regulation or policy statement would serve no useful purpose and in fact may lead to confusion in the event that GAAP is modified at some point in the future. The statement of policy is therefore being withdrawn.

The Board is taking this opportunity, however, to reiterate its commitment to monitoring ADC and nothing in the withdrawal of this statement of policy should be construed as in any way indicating any change in Board policy on this matter. As noted above, the Board's current accounting regulations instruct institutions to prepare reports in accordance with GAAP except where Board regulations affirmatively require a different accounting treatment. 12 CFR 563.23–3(c) (1988).

As indicated by the comments received in response to the proposal, the industry is already informally following the Third Notice, including the effective date contained therein. The Third Notice is less restrictive than the Board's statement of policy. Because of this, and to minimize industry confusion, the Board is adopting the effective date as set forth in the Third Notice.

Final Regulatory Flexibility Analysis

Pursuant to section 3 of the Regulatory Flexibility Act, 5 U.S.C. 603, the Board is providing the following regulatory flexibility analysis:

1. *Need for and objectives of this rule.* These elements are incorporated above in **SUPPLEMENTARY INFORMATION.**

2. *Issues raised by comments and agency assessment and response.* The comments have been summarized and addressed in the **SUPPLEMENTARY INFORMATION** section of this rule.

3. *Significant alternative minimizing small-entity impact and agency response.* There are no less burdensome alternatives.

List of Subjects in 12 CFR Part 561

Accounting, Bank deposit insurance, Savings and loan associations.

Accordingly, the Board hereby amends Part 571, Subchapter D, Chapter V, Title 12, *Code of Federal Regulations,* as set forth below.

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

PART 571—STATEMENTS OF POLICY

1. The authority citation for Part 571 continues to read as follows:

Authority: Sec. 5A, 47 Stat. 727, as added by sec. 1, 64 Stat. 256, as amended (12 U.S.C. 1425a); sec. 17, 47 Stat. 736, as amended (12 U.S.C. 1437); sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); secs. 402, 403, 406, 407, 48 Stat. 1256, 1257, 1259, 1260, as amended (12 U.S.C. 1725, 1726, 1729, 1730); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–48 Comp. p. 1071.

§ 571.17 [Removed and reserved]

2. Section 571.17 is removed and reserved.

By the Federal Home Loan Bank Board.

John F. Ghizzoni,

Assistant Secretary.

[FR Doc. 88–25997 Filed 11–9–88; 8:45 am]

BILLING CODE 6720–01–M

FEDERAL TRADE COMMISSION

16 CFR Part 429

Rule on Cooling-Off Period for Door-to-Door Sales

AGENCY: Federal Trade Commission.

ACTION: Final non-substantive amendments and exemptions to sellers of automobiles at auctions and arts and crafts at fairs.

SUMMARY: The Federal Trade Commission ("Commission") is issuing final non-substantive amendments to section 429 (a) and (b) of the Rule on a Cooling-Off Period for Door-to-Door Sales (16 CFR Part 429), and is granting exemptions to sellers of automobiles at public auctions and tent sales and arts and crafts at fairs. The Rule presently requires that sellers of goods or services who make sales away from their place of business provide the buyer with a completed Notice of Cancellation form in duplicate, containing certain mandatory language, which shall be attached to the contract or receipt and easily detachable. The amendments permit alternative methods of complying with the Notice requirements of the Rule, without lessening consumer rights. The Commission is also exempting sales of automobiles and products such as arts and crafts, which are offered for sale at temporary places of business, from the Rule's application pursuant to section 18(g) of the Federal Trade Commission Act. The exemption for automobile sales is limited to sellers who have at least one permanent place of business.

EFFECTIVE DATE: The amendments and exemptions will be effective on December 12, 1988.

FOR FURTHER INFORMATION CONTACT: Lewis Franke, Attorney, Federal Trade Commission, Washington, DC 20580 (202) 326-3009.

SUPPLEMENTARY INFORMATION: The Rule on a Cooling-Off Period for Door-to-Door Sales was promulgated by the Commission on October 26, 1972 (37 FR 22933 (1972)). The Rule makes it an unfair or deceptive act or practice for the seller of consumer goods or services with purchase price of $25.00 or more, who sells away from its place of business, to fail to furnish to the buyer certain information including the buyer's right to cancel the sale within three business days from the date of the transaction and to give the buyer a full refund of any downpayment upon the buyer's cancellation.

On August 10, 1987 the Commission published a notice in the **Federal Register** (52 FR 29539 (1987)), soliciting public comments for 60 days on the Commission's proposed amendments to the Rule and proposed exemptions. The Commission also stayed application of the Rule to sellers of automobiles at temporary places of business and sellers of arts and crafts at fairs because the underlying reasons for the Rule do not appear to apply to these types of transactions.

In response to the Federal Register Notice the Commission received 15 comments.

I. Rule Simplification Proposals

The Commission proposed two simplification amendments concerning the "Notice of Cancellation," which is one of the two notices required by the Rule.[1]

The "Notice of Cancellation" is required to be in duplicate, attached to the contract or receipt and "easily detachable."[2] Each duplicate must contain the date of the transaction as well as the date by which the buyer must mail the "Notice of Cancellation" to cancel the transaction.[3] The "Notice of Cancellation informs the buyer about: (1) The right to cancel and how to cancel; (2) the seller's obligation to return to the buyer any property traded in, payments made and any negotiable instruments executed by the buyer; and (3) the buyer's and seller's obligations with regard to the purchased product. All of this information is required to be found in the "Notice" regardless of whether it is applicable.[4]

First, the Commission proposed that sellers be afforded the opportunity to select the method of providing the Notices to buyers. In place of the requirement that each seller furnish a completed form in duplicate, "which shall be attached to the contract or receipt and easily detachable," the Commission proposed substituting a provision that only requires the seller to furnish a completed form in duplicate, one copy of which can be easily returned to the seller to effect cancellation. A seller would be in compliance with the duplicate Notice requirement as long as the buyer can retain one copy for reference and mail another copy to cancel the transaction.

Second, the Commission proposed giving sellers the option to shorten the Notice by eliminating the sections that are inapplicable to a particular transaction, such as language dealing with property traded-in, negotiable instruments, or property being delivered within the three day cooling-off period.

[1] The Rule requires the seller to furnish the buyer with a completed receipt or copy of the sales contract with two types of notices. The first is a summary notice, printed near the place for the buyer's signature, which informs the buyer generally of the right to cancel the transaction and that there is an attached "Notice of Cancellation." The latter notice explains in detail the buyer's right to cancel. See § 429.1(a) and (b). The amendments affect only the "Notice of Cancellation."

[2] Section 429.1(b).

[3] Section 429.1(c).

[4] Section 429.1(d).

A. Summary of Comments

Several comments support the simplification proposals on the basis that they would greatly reduce compliance burdens such as printing costs and at the same time benefit consumers by making the notice more understandable.[5]

Sears proposed two additional sets of amendments to the Rule. First, Sears proposed modifying the Rule to conform to rescission under the Truth-in-Lending Act and Regulation Z[6] in order that sellers could use one form for both and to eliminate consumer confusion. Second, Sears proposed broadening two exceptions to the Rule, one dealing with repairs on personal property and the other with mail and telephone orders, to include additional repairs necessary to complete the repair work initially requested by the buyer.[7]

The National Automobile Dealers Association ("NADA") proposed obligating a cancelling buyer to return a purchased automobile to the seller instead of the current requirement of either the seller picking up the purchased merchandise or the buyer returning it at the seller's expense. There was also a proposal to extend the Rule's application to telephone sales because of the increased use of this medium to conduct sales.[8]

B. Conclusions

The Commission is rejecting the proposal to conform the requirements of the Rule with the requirements of the Truth-in-Lending Act and Regulation Z. Because transactions covered by the Act and Regulation are excluded from the Rule's application, consumers would not receive two different notices for one transaction, and therefore there is little likelihood of confusion. Further, the

[5] Direct Selling Association; Sears, Roebuck & Co.; Household Finance Co.; and the Recreational Vehicle Industry Association.

[6] Under the Truth-in-Lending Act and implementing Regulation Z, consumers have three days to cancel credit transactions involving a second mortgage on one's home. 15 U.S.C. 1635 and 12 CFR 226.15, 226.23. A transaction which is subject to rescission under Truth-in-Lending is exempt from the Cooling-Off Rule. See Note 1(a)(2) to Section 429.1 of the Rule. Though the right to cancel under both is fundamentally the same, the notices and obligations under them differ from each other in several respects.

[7] Transactions in which the buyer has requested the seller to repair the buyer's personal property are excluded from the Rule's coverage. See Note 1(a)(5) to the Rule. Transactions completed entirely by mail or telephone are also excluded from the Rule. See Note 1(a)(4). Sears believes that if it is determined that additional repairs and merchandise not initially requested by the buyer are necessary to complete the original repair, the additional work would not be included in the exception.

[8] W. Leipold.

Commission is rejecting the proposal to expand the exceptions to the Rule because all merchandise or services necessary to complete a repair requested by a buyer are already included in the above-mentioned exceptions. Finally, the Commission is rejecting separate proposals which would: (1) Obligate the buyer to return a purchased vehicle to the seller at the buyer's expense, upon the buyer's cancellation, and (2) extend the Rule's application to telephone sales, because there is no evidentiary record establishing the need for such actions.

Based on the comments received the Commission is adopting the amendments it originally proposed.[9] The first amendment affords sellers the opportunity to select the method of providing the Notices to buyers. In place of the requirement that each seller furnish a completed form in duplicate "which shall be attached to the contract or receipt and easily detachable," the Rule will only require the seller to furnish a completed form in duplicate, one copy of which can be easily returned to the seller for cancellation.

This would permit, for example, the use of a contract or receipt with the reverse side containing one "Notice of Cancellation" and an attached "Notice" to be used by the buyer should the buyer decide to cancel. Another alternative method of complying with the duplicate Notice requirement will be for the seller to give the buyer two copies of the contract or receipt with both having the Notice on the reverse side of the contract or receipt.

However, regardless of the method used, the seller must ensure that in the event of cancellation the buyer is able to retain a complete copy of the contract. For example, in the case of a two-page contract the seller is not permitted to place the required duplicate Notice on the contract in such a way that when the buyer returns one of the Notices, a portion of the contract is removed as well. To preclude this type of situation, as well as other similar situations, the Rule specifies that irrespective of the location of the two Notices, the buyer must be able to retain one complete copy of the contract or receipt in the event of cancellation.

Further, regardless of the method selected by the seller to satisfy the duplicate Notice provision of the rule, the buyer must know where to find the copies of the Notice if the disclosure and retention aspects of the Rule are to be effective. Thus for those sellers who do not attach both copies of the Notice to the contract or receipt, the last sentence of the summary notice required by paragraph (a) of the rule must be appropriately altered by the seller so as to include sufficiently specific information to enable the consumer to locate the copies easily. Of course, if both copies of the Notice are attached to the contract, no change in the current summary notice will be required.

This proposed simplification satisfies the Commission's original purpose in adopting these notice provisions. As in the current Rule, the proposed simplification continues to ensure that the buyer will receive two easily-located copies of the Notice and remain fully informed of his/her rights. Further, in the event of cancellation the buyer will be able to retain a complete copy of the contract or receipt. However, by provding the seller with increased flexibility in complying with the duplicate Notice provisions of the Rule, the policy objectives of those provisions will be attained at a lower cost (including paperwork-related costs) to the seller and ultimately to the consumer.

The second amendment gives sellers the option to shorten the Notice by eliminating the sections that are inapplicable to the particular transaction. Much of the mandatory language in the Notice is not applicable to many direct sales because they do not involve property traded-in, negotiable instruments, or property being delivered prior to the expiration of the three day cooling-off period. This amendment will further reduce paperwork—related costs incurred by sellers in complying with the Rule. Shortening the Notice will also benefit consumers. Fewer sections in the Notice should increase the likelihood of consumers' reading and understanding key provisions of all documents involved. Elimination of inapplicable language could be accomplished by inserting the words "where applicable" in the paragraph preceding the verbatim statement set forth in the required Notice.

The Commission is also issuing another nonsubstantive amendment that will permit sellers to use an alternative title for the cancellation notice, *i.e.*, "Notice of Right to Cancel," thereby clarifying the purpose of the notice. The Commission is permitting the use of this title as an optional method of complying with the requirement that the form required by § 429.1(b) of the Rule be captioned "Notice of Cancellation" so that sellers who choose to continue using their old forms or the original title may do so.

[9] These comments are consistent with comments the Commission received on the two studies it published in 1981 that led to the proposed amendments.

II. Exemption for Sellers of Certain Products at Temporary Locations

The Commission stayed the Rule's application to sellers of automobiles at temporary places of business and sellers of arts and crafts at fairs because application of the Rule to these sellers may not be necessary to prevent the deceptive practices to which the Rule relates.[10]

A. Summary of Comments

Three commenters support the proposed exemption for sellers of arts and crafts at fairs.[11] Twelve comments address the Commission's proposed exemptions for sellers of automobiles at temporary places of business. Eleven comments support the exemption for sellers of automobiles on the basis that the reasons for the Rule do not apply.[12] One opposes the proposed exemption because it claims it has received consumer complaints alleging that these sellers use deceptive advertising, including bait and switch tactics, high pressure sales tactics, and misrepresentations of quality and price.[13]

Another commenter [14] supports exempting all new and used car sellers who have at least one "permanent place of business," even though it may not be within the same city or county. One permanent place of business, argues this commenter, would be evidence that the seller is seriously engaged in business and could be contacted for future problems that might arise.

One commenter requested that the automobile exemption be broadened to include all vehicles, including motor homes, vans and trucks, and all vehicle accessories.[15] Another commenter proposed that the arts and crafts exemption be extended to sellers who sell at temporary booths located in shopping malls and local fairs.[16] One

[10] The Rule applies to sales made "at a place other than the place of business of the seller." See Note 1(a) to the Rule. Hence, the Rule applies to public auctions, tent sales, and sales at fairs.

[11] Sears, Roebuck & Co., Household Finance, and Recreational Vehicle Industry Association.

[12] The names of these organizations are: Pentagon Federal Credit Union, Texas Credit Union League & Affiliates, National Association of Federal Credit Unions, Direct Selling Association, American Car Rental Association, Recreational Vehicle Industry Association, Avis Rent A Car, The Hertz Corporation, National Automobile Dealers Association, Credit Union National Association, and Household Finance.

[13] North Carolina Attorney General's Office.

[14] Texas Credit Union League and Affiliates.

[15] Recreational Vehicle Industry Association.

[16] Household Finance.

commenter opposes limiting the automobile exemption to sellers having a permanent place of business because "legitimate auctioneers" not having a permanent place of business should be exempted.[17]

Finally, NADA proposed that instead of granting a national industry-wide exemption, the Commission amend the Rule to allow specific state and local exemption applications as well as individual applications on a case-by-case basis, thereby continuing the Rule's applications where necessary.

B. Conclusions

The Rule was promulgated by the Commission due to five problems associated with sales made away from the seller's principal place of business. These problems are: (1) Deception by the seller in getting inside the consumer's home; (2) high pressure sales tactics; (3) misrepresentation as to the quality, price or characteristics of the product; (4) high price for low quality merchandise; and (5) the nuisance created by the uninvited visit of the salesperson to the home.

Although the Rule is primarily directed toward door-to-door sales, the Commission was also concerned with itinerant salesmen who sell at restaurants, shops and other places, and with the possibility that salespeople would attempt to evade the Rule's application by luring consumers outside the home by subterfuge. The Commission therefore broadened the definition of a "door-to-door" sale to include those sales made away from the seller's place of business. A literal reading of the definition of "door-to-door" sale would include a host of away from home transactions not necessarily contemplated by the Commission when it issued the Rule. Sales at arts and crafts shows and sales of automobiles at auctions do not appear to have been contemplated by the Commission as these transactions were not referenced in the Commission's *Statement of Basis and Purpose* for the Rule.

All but one of the comments support the proposed exemptions on the basis that the reasons for the Rule do not apply to auto auctions and arts and crafts fairs. There is no indication that consumers are lured to these sales settings by subterfuge. Consumers know the purpose for going to an auction and that is to buy a car and at a fair to buy arts and crafts or other merchandise.

To the extent that certain problems occur at auto sales, they typify the same problems that may occur at transactions at the seller's place of business and are addressed by other Commission rules, *e.g.*, the Used Car Rule [18] and Guides on Bait and Switch, or state laws, *e.g.*, prohibitions of "As is Sales." [19] Moreover, application of the Rule to these transactions does not necessarily mean that buyers will get a three-day period in which to learn more about the condition of the goods they are purchasing. For example, the concern of the North Carolina Attorney General's office that sellers are not permitting consumers to test drive and inspect cars offered for sale at auctions is not necessarily alleviated by application of the Cooling-Off Rule.[20] As with many other goods and services the seller may choose not to make delivery until after the cooling-off period has expired. Because of the insurance, titling, and odometer issues involved for automobiles, delivery at the conclusion of the cooling-off period seems particularly likely.[21]

The record with regard to these transactions indicates the absence of the equivalent of a deceptive "door-opener" and subterfuge; the absence of the kind of high pressure sales tactics characterizing in-home sales, which may result in a purchase simply to convince the sales agent to cease using the tactics; and the absence of the nuisance aspects of in-home sales that the Rule sought to remedy. The extent of successful price and quality misrepresentation that may accompany in-home sales is unlikely to occur in these transactions because the consumer can peruse the wares of different vendors at the auction or the fair as well as the vendors at permanent business locations. Thus, it does not appear that the underlying reasons for the Rule apply to these types of transactions.

The Commission has determined therefore to grant the exemptions pursuant to section 18(g)(2) of the Federal Trade Commission Act.[22] However, the exemption for automobile sales will be limited to sellers who have at least one permanent place of business.[23] Any automobile sellers who are itinerant, a group of salespeople the Rule was aimed at,[24] will continued to be covered by the Rule. A permanent place of business would be an indication that the seller is seriously engaged in business and very importantly can be contacted for later problems that may arise with an automobile. This limitation is particularly appropriate given that auto sales are expensive transactions and often there may be a need to contact the seller. There is no indication that this limitation is necessary with regard to the sale of arts and crafts at fairs.

The request to broaden the automobile exemption covers many additional product categories not addressed in the notice seeking comment on the proposed exemptions. Thus, to consider this proposal would require an additional notice and comment period. Consequently, the Commission must deny this request at this time. The proposal to extend the arts and crafts exemption to products sold at temporary locations such as booths at shopping malls is unnecessary. The exemption for sellers of arts and crafts sold at fairs includes arts and crafts events at, for example, shopping malls, civic centers, community centers or schools.

Finally, the proposal to amend the Rule to include specific state and local exemption applications appears to be unnecessary. The state exemption provisions in rules such as the Used Car

[17] Credit Union National Association, Inc.

[18] 16 CFR Part 455. The Used Car Rule requires dealers to post a Buyers Guide on each used car which must describe whether the vehicle is sold with a warranty, or "as is." These Guides warn consumers not to rely on spoken promises and to seek independent inspections. To the extent that inspections are impractical in an auction setting, consumers will have greater incentives to ask for a warranty or to negotiate a lower purchase price to reflect any uncertainty over the vehicle's mechanical condition. The Guide also requires the seller to give the name and address of the dealer or the person to contact if there is a problem.

[19] See, *e.g.*, comments of CUNA and the Pentagon Federal Credit Union. The latter also stated that the combined effect of the Commission's Used Car Rule and various state "lemon laws" provides a level of protection against high prices for low quality merchandise.

[20] But see, Hertz and Avis comments. Hertz states that at tent sales of its vehicles done in conjunction with credit unions, "customers are permitted to examine the cars, test drive them and review each car's written maintenance record." Avis states that purchasers "have the opportunity to thoroughly look at the vehicles, to have them inspected by their own mechanics and to review the maintenance records for the vehicles."

[21] According to CUNA, where there is a three day cancellation period, "[c]redit unions, under these circumstances, are reluctant to release the proceeds of the loan until the three day period has expired. Further, Credit Union members would be forced to wait to take possession of their automobiles."

[22] 15 U.S.C. 57 (a). This section provides that the Commission may on its own or by petition exempt persons from a rule's application if it is not necessary to prevent a practice to which the rule relates. The exemption is effectuated through informal rulemaking, consisting of notice and comment.

[23] As was the case with the original petitioner, Public Auction, an auctioneer may not be the actual seller. Hence CUNA's opposition to the "permanent place of business" limitation on the basis that "legitimate auctioneers" should be exempted is a moot point. The Rule would not apply to the auctioneer unless he or she is the seller.

[24] See Section H of Chapter X to the Rule's *Statement of Basis and Purpose* 37 FR 22947 (1972).

Rule were designed to permit a state to enforce its own law if it provides protection comparable to the Commission's rule. No state or local government suggested the need for such a provision in this Rule. Further, the proposal to grant individual case-by-case exemptions in lieu of an industry-wide exemption is impractical. Many of the affected parties are likely to be relatively small or modest size businesses which might find it too costly or time consuming to petition the Commission. It also would be more resource intensive for the Commission to respond to individual requests rather than to grant the industry-wide exemption, which the Commission finds appropriate here. We therefore reject the proposal.

List of Subjects in 16 CFR Part 429

Trade practices.

For the reasons set forth in the preamble, the Commission amends 16 CFR Part 429 as follows:

PART 429—[AMENDED]

1. The authority citation for Part 429 is revised to read as follows:

Authority 15 U.S.C. 41–58.

2. In § 429.1 the following text will be added to the end of paragraph (a) and the introductory text of paragraph (b) is revised to read as follows:

§ 429.1 The Rule.

* * * * *

(a) * * *

The seller may select the method of providing the buyer with the duplicate notice of cancellation form set forth in paragraph (b) of this section, *provided however*, that in the event of cancellation the buyer must be able to retain a complete copy of the contract or receipt. Furthermore, if both forms are not attached to the contract or receipt, the seller is required to alter the last sentence in the statement above to conform to the actual location of the forms.

(b) Fail to furnish each buyer, at the time the buyer signs the door-to-door sales contract or otherwise agrees to buy consumer goods or services from the seller, a completed form in duplicate, captioned either "NOTICE OF RIGHT TO CANCEL" or "NOTICE OF CANCELLATION," which shall (where applicable) contain in ten point bold face type the following information and statements in the same language, e.g., Spanish, as that used in the contract.

* * * * *

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 88–25980 Filed 11–9–88; 8:45 am]

BILLING CODE 6750–01–M

DEPARTMENT OF THE INTERIOR

Office of Surface Mining and Reclamation Enforcement

30 CFR Part 914

Indiana Permanent Regulatory Program; Approval of Amendments

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSMRE), Interior.

ACTION: Final rule.

SUMMARY: OSMRE is announcing the approval of an amendment to the Indiana permanent regulatory program (hereinafter referred to as the Indiana program) under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The amendment changes the Indiana Surface Mining Law provisions concerning: (1) Bond surety, (2) locations where inspection and enforcement documents will be made available to the public, and (3) notices of violation to make these provisions consistent with the requirements of SMCRA.

EFFECTIVE DATE: November 10, 1988.

FOR FURTHER INFORMATION CONTACT: Mr. Richard D. Rieke, Director, Indianapolis Field Office, Office of Surface Mining Reclamation and Enforcement, Room 300, Minton-Capehart Federal Building, 575 N. Pennsylvania Street, Indianapolis, Indiana 46204; Telephone: (317) 269–2609.

SUPPLEMENTARY INFORMATION:

I. Background

The Secretary of the Interior conditionally approved the Indiana program effective July 29, 1982. Information regarding the general background on the Indiana program, including the Secretary's findings, the disposition of comments and a detailed explanation of the conditions of approval of the Indiana program can be found in the July 26, 1982 **Federal Register** (47 FR 32107–32108). Subsequent actions concerning the conditions of approval and proposed amendments are identified in 30 CFR 914.15, 30 CFR 914.16 and 914.17.

II. Discussion of Amendments

On August 13, 1987 (Administrative Record No. IND–0501), the Indiana Department of Natural Resources (IDNR) submitted to OSMRE pursuant to 30 CFR 732.17, a proposed State program amendment for approval. The amendment modifies Indiana Code (IC) 13–4.1–6–4; 13–4.1–11–3; and 13–4.1–11–4. The proposed changes are briefly summarized below:

(1) Amendment to Indiana Code Section 13–4.1–6–4 requires that the surety of mine operator be recognized by the Treasurer of State as holding a certificate of authority from the United States Department of the Treasury as an acceptable surety on Federal Bonds.

(2) Amendment to Indiana Code Section 13–4.1–11–3 requires copies of any record, report, inspection material or other information obtained pursuant to the Division's inspection and enforcement responsibilities under Indiana Code 13–4.1–11 be made available at a public library in the county in which the mining operation is located rather than at the county recorder's office.

(3) Amendment to Indiana Code Section 13–4.1–11–4 requires that notices of violation are effective when served upon the permittee, subject to an application for temporary relief.

OSMRE announced receipt of the proposed amendments in the September 23, 1987 **Federal Register** (52 FR 35734) and, in the same notice, opened the public comment period and provided opportunity for a public hearing on their substantive adequacy. The public comment period ended October 23, 1987. There was no request for a public hearing and the hearing scheduled for October 19, 1987, was not held.

III. Director's Findings

Set forth below, pursuant to SMCRA and the Federal regulations at 30 CFR 732.15 and 732.17, are the Director's findings concerning the proposed amendments to the Indian program. Only those revisions of particular interest are discussed below. Any revisions not specifically discussed below are found to be no less stringent than SMCRA and no less effective than the Federal regulations. Revisions which are not discussed below contain language similar to the corresponding Federal rules, or concern non-substantive wording changes.

1. Bonding

Indiana has amended its program at Indiana Code Section 13–4.1–6–4 to require that the surety of a mine operator be recognized by the Treasurer of State as holding a certificate of authority from the United States Department of the Treasury as an acceptable surety on Federal Bonds.