

favorable decision, the district director will designate the lender by executing with the 503 Company the PCLP Agreement. Before it can operate as a Premier Certified Lender, the 503 company must execute such PCLP Agreement.

§ 108.509-3 Eligibility.

In making the determination of whether a 503 company may become a Premier Certified Lender, SBA shall consider, but is not limited to, the following factors:

(a) Whether the 503 company has been an active participant in the Accredited Lenders Program under § 108.508 for not less than the preceding 12 months, and whether the 503 company has demonstrated ability to work with the local SBA office in a cooperative and constructive manner. Prior to January 1, 1996, SBA may waive the requirement for prior activity in the Accredited Lenders Program if such company is otherwise qualified to participate in that program;

(b) Whether the 503 company has a history of submitting to SBA complete, accurate and adequately analyzed debenture guaranty application packages;

(c) Whether the 503 company agrees to assume and to reimburse SBA for 10 percent of any loss sustained by the SBA as a result of a default by the company in the payment of principal or interest on a debenture issued by such company and guaranteed by SBA under the PCLP Program; and

Whether the 503 company has a historical loss rate acceptable to SBA.

§ 108.509-4 Loss reserve.

Each Premier Certified Lender shall establish a loss reserve for financings approved pursuant to the PCL Program.

(a) *Amount.* The amount of the loss reserve shall be the greater of:

(1) The historic loss rate on all debentures issued by such company; or

(2) 10 percent of the amount of the company's exposure on debentures issued under the PCL Program.

(b) *Assets.* The loss reserve shall be comprised of segregated assets of the company which shall be securitized in favor of the SBA.

(c) *Contributions.* For each debenture issued by a Premier Certified Lender, the company shall make a contribution proportionate to the total amount of loss reserve required in the following amounts and at the following intervals:

(1) 50 percent when the debenture is funded,

(2) 25 percent not later than one year after the debenture is funded, and

(3) 25 percent not later than two years after the debenture is funded.

§ 108.509-5 Suspension or revocation.

(a) *Cause.* The designation of a 503 Company as a Premier Certified Lender may be suspended or revoked if the SBA determines that:

(1) The 503 company has not continued to meet the criteria for eligibility under § 108.509-3; or

(2) The 503 company has not established or maintained the loss reserve required under § 108.509-4; or

(3) The 503 company has failed to adhere to the SBA's rules and regulations or has violated any other applicable provision of law.

(b) *Review.* At intervals not greater than 12 months, SBA shall review the financings made by each Premier Certified Lender. The review shall include the lender's credit decisions and general compliance with the eligibility requirements for each financing approved under the program authorized by this section.

(c) *Procedure.* SBA reserves the unilateral right to suspend or revoke the designation of any Premier Certified Lender as a result of any violation of SBA regulations, any breach of any agreement with SBA, or any change of circumstance resulting in the Lender's inability to meet the operational requirements set forth herein: Provided, however, that such suspension or revocation shall not invalidate any guaranty previously entered into by SBA. Proceedings for such purposes will be initiated by a determination to suspend or revoke issued by the Director of the Office of Rural Affairs and Economic Development. Such determination may be appealed to the Associate Deputy Administrator for Economic Development whose decision on any appeal shall be the final decision of SBA.

Catalog of Federal Domestic Assistance
59.036 Certified Development Company
Loans (503 Loans); 59.041 Certified
Development Company Loans (504 Loans).

Dated: March 17, 1995.

Philip Lader,

Administrator.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 94-NM-158-AD; Amendment 39-9205; AD 95-09-01]

Airworthiness Directives; Boeing Model 737-300, -400, and -500 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Boeing Model 737-300, -400, and -500 series airplanes, that requires an inspection to determine the type of topcoat material currently on the insulation of the inner wall of the fan duct cowl (the firewall) of the thrust reversers, and application of an improved topcoat material, if necessary. This amendment is prompted by tests, which demonstrated that flames can penetrate the firewall if certain combinations of insulation and topcoat materials are used. The actions specified by this AD are intended to prevent failure of the fireproof insulation top coat installed on the firewalls of the thrust reverser fan cowls, which could result in degradation or loss of the firewall and lead to an uncontained engine fire.

DATES: Effective May 26, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of May 26, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Stephen Bray, Aerospace Engineer, Propulsion Branch, ANM-140S, Seattle Aircraft Certification Office, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (206) 227-2681; fax (206) 227-1181.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD)