

benefit include adding a savings component, financial education, reporting of members' payment of PALs I loans to credit bureaus, or electronic loan transactions as part of a PALs I program. In addition, although a Federal credit union cannot require members to authorize a payroll deduction, a Federal credit union should encourage or incentivize members to utilize payroll deduction.

(2) *Underwriting.* Federal credit unions need to develop minimum underwriting standards that account for a member's need for quickly available funds, while adhering to principles of responsible lending. Underwriting standards should address required documentation for proof of employment or income, including at least two recent paycheck stubs. Federal credit unions should be able to use a borrower's proof of recurring income as the key criterion in developing standards for maturity lengths and loan amounts so a borrower can manage repayment of the loan. For members with established accounts, Federal credit unions should only need to review a member's account records and proof of recurring income or employment.

(3) *Risk avoidance.* Federal credit unions need to consider risk avoidance strategies, including: Requiring members to participate in direct deposit and conducting a thorough evaluation of the Federal credit union's resources and ability to engage in a PALs I loan program.

(iv)(A) *Payday alternative loans II (PALs II).* Notwithstanding the provisions in paragraph (c)(7)(ii) of this section, a Federal credit union may charge an interest rate of 1000 basis points above the maximum interest rate as established by the Board, provided the Federal credit union is making a closed-end loan in accordance with the following conditions:

(1) The principal of the loan is not more than \$2,000;

(2) The loan has a minimum maturity term of one month and a maximum maturity term of twelve months;

(3) The Federal credit union does not make more than one PALs loan at a time to a borrower;

(4) The Federal credit union must not roll-over any PALs II loan;

(i) The prohibition against roll-overs does not apply to an extension of the loan term within the maximum loan terms in paragraph (c)(7)(iv)(2)(j)(1)(ii) provided the Federal credit union does not charge any additional fees or extend any new credit.

(ii) [Reserved]

(5) The Federal credit union fully amortizes the loan;

(6) The Federal credit union charges an application fee to all members applying for a new loan that reflects the actual costs associated with processing the application, but in no case may the application fee exceed \$20; and

(7) The Federal credit union includes, in its written lending policies, a limit on the aggregate dollar amount of PALs I and PALs II loans made under this section of a maximum of 20% of net worth and implements appropriate underwriting guidelines to minimize risk; for example, requiring a borrower to verify employment by producing at least two recent pay stubs.

(B) *PALs II Loan Program guidance and best practices.* The PALs II loan program guidance and best practices are the same as those outlined for PALs I in paragraph (c)(7)(iii)(B) of this section.

[FR Doc. 2018-11591 Filed 6-1-18; 8:45 am]

BILLING CODE 7535-01-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2018-0493; Product Identifier 2017-NM-141-AD]

RIN 2120-AA64

#### Airworthiness Directives; Airbus Defense and Space S.A. (Formerly Known as Construcciones Aeronauticas, S.A.) Airplanes

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for all Airbus Defense and Space S.A. Model CN-235, CN-235-100, CN-235-200, CN-235-300, and C-295 airplanes. This proposed AD was prompted by reports that cracks were found on the door mechanism actuator shaft assemblies of the nose landing gear (NLG). This proposed AD would require repetitive inspections of the NLG door mechanism actuator shaft assemblies having certain part numbers, and corrective actions if necessary. This proposed AD would also provide an optional terminating action for the repetitive inspections for Model CN-235, CN-235-100, CN-235-200, and CN-235-300 airplanes. We are proposing this AD to address the unsafe condition on these products.

**DATES:** We must receive comments on this proposed AD by July 19, 2018.

**ADDRESSES:** You may send comments, using the procedures found in 14 CFR

11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Fax:* 202-493-2251.

- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this NPRM, contact Airbus Defense and Space Services/Engineering Support, Avenida de Aragón 404, 28022 Madrid, Spain; telephone +34 91 585 55 84; fax +34 91 585 31 27; email

[MTA.TechnicalService@airbus.com](mailto:MTA.TechnicalService@airbus.com).

You may view this referenced service information at the FAA, Transport Standards Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

#### Examining the AD Docket

You may examine the AD docket on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2018-0493; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Shahram Daneshmandi, Aerospace Engineer, International Section, Transport Standards Branch, FAA, 2200 South 216th St., Des Moines, WA 98198; telephone and fax 206-231-3220.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2018-0493; Product Identifier 2017-NM-141-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this NPRM. We will consider all comments received by the closing date and may amend this NPRM based on those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this NPRM.

**Discussion**

The European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2017-0181, dated September 18, 2017 (referred to after this as the Mandatory Continuing Airworthiness Information, or “the MCAI”), to correct an unsafe condition for all Airbus Defense and Space S.A. Model CN-235, CN-235-100, CN-235-200, CN-235-300, and C-295 airplanes. The MCAI states:

Cracks were reportedly found on nose landing gear (NLG) door actuator shaft assemblies on CN-235 aeroplanes. The subsequent design review determined that combined or multiple rupture of the affected shaft assembly could occur, without this being signalled to the flight crew.

This condition, if not detected and corrected, could lead to an in-flight NLG door opening, possibly resulting in detachment of the affected door, with consequent damage to, or reduced control of, the aeroplane and injury to persons on the ground.

To address this unsafe condition, Airbus Defence & Space (D&S) issued Alert

Operators Transmissions AOT-CN235-32-0001 Revision (Rev.) 2 and AOT-C295-32-0001 Rev. 2 to provide inspection instructions.

For the reasons described above, this [EASA] AD requires repetitive detailed (DET) or special detailed [rototest] inspections of the NLG door actuator shaft assembly, as applicable, and, depending on findings, corrective actions [including replacement of any cracked component, or cracked NLG door mechanism actuator shaft assembly with a serviceable part]. This [EASA] AD also introduces a modification for CN-235 aeroplanes as (optional) terminating action for the repetitive inspections as required by this [EASA] AD.

You may examine the MCAI in the AD docket on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2018-0493.

**Related Service Information Under 1 CFR Part 51**

Airbus Defence and Space has issued Alert Operators Transmission (AOT) AOT-CN235-32-0001, Revision 2, dated October 26, 2016; and AOT AOT-C295-32-0001, Revision 2, dated October 26, 2016. This service information describes procedures for inspections for cracking of the door mechanism actuator shaft assemblies of the NLG, and corrective actions. These documents are distinct since they apply to different airplane models.

Airbus Defence and Space has also issued Service Bulletin 235-32-0031C, dated September 22, 2016. This service information describes procedures for modification of the NLG door latching mechanism.

This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the ADDRESSES section.

**FAA’s Determination and Requirements of This Proposed AD**

This product has been approved by the aviation authority of another country, and is approved for operation in the United States. Pursuant to our bilateral agreement with the State of Design Authority, we have been notified of the unsafe condition described in the MCAI and service information referenced above. We are proposing this AD because we evaluated all pertinent information and determined an unsafe condition exists and is likely to exist or develop on other products of these same type designs.

**Costs of Compliance**

We estimate that this proposed AD affects 14 airplanes of U.S. registry.

We estimate the following costs to comply with this proposed AD:

**ESTIMATED COSTS**

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspections .....	21 work-hours × \$85 per hour = \$1,785 per inspection cycle.	\$0 .....	\$1,785 per inspection cycle.	\$24,990 per inspection cycle.

**OPTIONAL TERMINATING ACTION**

Action	Labor cost	Parts cost	Cost per product
Modification for Model CN-235 airplanes.	10 work-hours × \$85 per hour = \$850 .....	\$33,626	\$34,476

We estimate the following costs to do any necessary replacements that would

be required based on the results of the proposed inspections. We have no way

of determining the number of aircraft that might need these replacements:

**ON-CONDITION COSTS**

Action	Labor cost	Parts cost	Cost per product
Replacement .....	14 work-hours × \$85 per hour = \$1,190 .....	\$18,720	\$19,910

**Authority for This Rulemaking**

Title 49 of the United States Code specifies the FAA’s authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of

the FAA Administrator. “Subtitle VII: Aviation Programs,” describes in more detail the scope of the Agency’s authority.

We are issuing this rulemaking under the authority described in “Subtitle VII, Part A, Subpart III, Section 44701: General requirements.” Under that section, Congress charges the FAA with

promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

This proposed AD is issued in accordance with authority delegated by the Executive Director, Aircraft Certification Service, as authorized by FAA Order 8000.51C. In accordance with that order, issuance of ADs is normally a function of the Compliance and Airworthiness Division, but during this transition period, the Executive Director has delegated the authority to issue ADs applicable to transport category airplanes to the Director of the System Oversight Division.

**Regulatory Findings**

We 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.

For the reasons discussed above, I certify this proposed regulation:

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);
3. Will not affect intrastate aviation in Alaska; and
4. 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.

**List of Subjects in 14 CFR Part 39**

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

**The Proposed Amendment**

Accordingly, under the authority delegated to me by the Administrator, the FAA 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):

**Airbus Defense and Space S.A. (Formerly Known as Construcciones Aeronauticas, S.A.):** Docket No. FAA–2018–0493; Product Identifier 2017–NM–141–AD.

**(a) Comments Due Date**

We must receive comments by July 19, 2018.

**(b) Affected ADs**

None.

**(c) Applicability**

This AD applies to the Airbus Defense and Space S.A. airplanes identified in paragraphs (c)(1) and (c)(2) of this AD, certificated in any category, all manufacturer serial numbers.

(1) Model CN–235, CN–235–100, CN–235–200, and CN–235–300 airplanes.

(2) Model C–295 airplanes.

**(d) Subject**

Air Transport Association (ATA) of America Code 52, Doors.

**(e) Reason**

This AD was prompted by reports that cracks were found on the door mechanism actuator shaft assemblies of the nose landing gear (NLG). We are issuing this AD to address such cracking, which could lead to an in-flight NLG door opening and possibly result in detachment of the affected door, and consequent damage to, or reduced control of the airplane.

**(f) Compliance**

Comply with this AD within the compliance times specified, unless already done.

**(g) Definition of Affected NLG Door Mechanism Actuator Shaft Assembly**

For the purpose of this AD, an affected NLG door mechanism actuator shaft assembly has part number (P/N) 35–42311–00 or P/N 95–42315–00, depending on airplane model.

**(h) Detailed and Rototest Inspections**

(1) For any affected NLG door mechanism actuator shaft assembly: Before exceeding 600 flight hours accumulated by any NLG door mechanism lever or cam since new, or within 60 flight hours after the effective date of this AD, whichever occurs later, on the NLG door mechanism actuator shaft assembly with the NLG actuator shaft installed, do a detailed inspection for cracking of all installed NLG door mechanism levers and cams, in accordance with the instructions in Airbus Defence and Space Alert Operators Transmission (AOT) AOT–CN235–32–0001, Revision 2, dated October 26, 2016; or AOT AOT–C295–32–0001, Revision 2, dated October 26, 2016; as applicable. Repeat the inspection thereafter at intervals not to exceed those specified in figure 1 to paragraph (h)(1) of this AD, depending on the findings or corrective actions completed, as specified in paragraphs (i)(1) and (i)(2) of this AD, after the previous inspection.

**FIGURE 1 TO PARAGRAPH (H)(1) OF THIS AD—REPETITIVE INSPECTION INTERVALS**

Findings/corrective action completed (after the previous inspection)	Interval
NLG door vibration observed (during previous flights) .....	150 flight hours.
No findings .....	300 flight hours.
Damaged components replaced.	300 flight hours.
NLG door actuator shaft assembly replaced by new assembly.	600 flight hours.

(2) For any affected NLG door mechanism actuator shaft assembly: Before exceeding 1,800 flight hours accumulated by the NLG door shaft of the NLG door mechanism actuator shaft assembly since new, or within 60 flight hours after the effective date of this AD, whichever occurs later, do a rototest or detailed inspection of the NLG door actuator shaft, in accordance with the instructions in Airbus Defence and Space AOT AOT–CN235–32–0001, Revision 2, dated October 26, 2016; or AOT AOT–C295–32–0001, Revision 2, dated October 26, 2016; as applicable. Repeat the rototest or detailed inspection thereafter at intervals not to exceed those specified in figure 2 to paragraph (h)(2) of this AD, depending on the inspection method used during the most recent inspection.

**FIGURE 2 TO PARAGRAPH (H)(2) OF THIS AD—REPETITIVE INSPECTION INTERVALS**

Inspection method	Interval
Rototest .....	900 flight hours.
Detailed .....	600 flight hours.

**(i) Corrective Actions**

(1) During any detailed inspection required by paragraph (h)(1) of this AD, if any crack with a length of 18 millimeters (mm) (0.709 inches) or more is found, or if there is more than one crack with a length of less than 18 mm (0.709 inch) found, before further flight, replace the cracked component, or replace the NLG door mechanism actuator shaft assembly with a serviceable part, in accordance with the instructions of Airbus Defence and Space AOT AOT–CN235–32–0001, Revision 2, dated October 26, 2016; or AOT AOT–C295–32–0001, Revision 2, dated October 26, 2016; as applicable.

(2) During any detailed inspection required by paragraph (h)(1) of this AD, if a single crack with a length of less than 18 mm (0.709 inch) is found, within 5 flight cycles after the detailed inspection when the crack was found, replace any cracked component, or replace the NLG door mechanism actuator shaft assembly with a serviceable part, in accordance with the instructions of Airbus Defence and Space AOT AOT–CN235–32–0001, Revision 2, dated October 26, 2016; or AOT AOT–C295–32–0001, Revision 2, dated October 26, 2016; as applicable.

(3) During any detailed or rototest inspection required by paragraph (h)(2) of this AD, if any crack is found, before further flight, replace the NLG door mechanism actuator shaft with a serviceable part, in accordance with the instructions of Airbus Defence and Space AOT AOT-CN235-32-0001, Revision 2, dated October 26, 2016; or AOT AOT-C295-32-0001, Revision 2, dated October 26, 2016; as applicable.

**(j) Replacement not Terminating Action**

Accomplishment of any corrective action on an airplane, as required by paragraph (i)(1), (i)(2), or (i)(3) of this AD, as applicable, is not terminating action for the repetitive detailed or rototest inspections required by paragraphs (h)(1) and (h)(2) of this AD, for that airplane.

**(k) Optional Terminating Action**

For Model CN-235, CN-235-100, CN-235-200, and CN-235-300 airplanes: Modification of the NLG door latching mechanism, in accordance with the Accomplishment Instructions of Airbus Defence and Space Service Bulletin SB-235-32-0031C, dated September 22, 2016, is terminating action for the repetitive inspections required by paragraphs (h)(1) and (h)(2) of this AD, for that airplane.

**(l) Parts Installation Limitation**

As of the effective date of this AD, installation of an NLG door mechanism actuator shaft assembly having P/N 35-42311-00 or P/N 95-42315-00, or any of its components, is allowed, provided that the part is new; or provided that the assembly or the components, as applicable, has passed an inspection; in accordance with the instructions of Airbus Space and Defence AOT AOT-CN235-32-0001, Revision 2, dated October 26, 2016; or AOT AOT-C295-32-0001, Revision 2, dated October 26, 2016; as applicable.

**(m) Reporting Not Required**

Although Airbus Space and Defence AOT AOT-CN235-32-0001, Revision 2, dated October 26, 2016; and AOT AOT-C295-32-0001, Revision 2, dated October 26, 2016; both specify to submit certain information to the manufacturer, this AD does not include that requirement.

**(n) Credit for Previous Actions**

This paragraph provides credit for the initial inspection required by paragraph (h)(1) and (h)(2) of this AD, and the corrective actions required by paragraphs (i)(1), (i)(2), and (i)(3) of this AD, if those actions were performed before the effective date of this AD using the applicable service information identified in paragraphs (n)(1) through (n)(4) of this AD.

(1) Airbus Space and Defence AOT AOT-CN235-32-0001, dated September 29, 2015.

(2) Airbus Space and Defence AOT AOT-CN235-32-0001, Revision 1, dated February 19, 2016.

(3) Airbus Space and Defence AOT AOT-C295-32-0001, dated September 29, 2015.

(4) Airbus Space and Defence AOT AOT-C295-32-0001, Revision 1, dated February 19, 2016.

**(o) Other FAA AD Provisions**

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs)*: The Manager, International Section, Transport Standards Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the International Section, send it to the attention of the person identified in paragraph (p)(2) of this AD. Information may be emailed to: [9-ANM-116-AMOC-REQUESTS@faa.gov](mailto:9-ANM-116-AMOC-REQUESTS@faa.gov). Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(2) *Contacting the Manufacturer*: For any requirement in this AD to obtain corrective actions from a manufacturer, the action must be accomplished using a method approved by the Manager, International Section, Transport Standards Branch, FAA; or the European Aviation Safety Agency (EASA); or Airbus Space and Defense's EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

**(p) Related Information**

(1) Refer to Mandatory Continuing Airworthiness Information (MCAI) EASA AD 2017-0181, dated September 18, 2017, for related information. This MCAI may be found in the AD docket on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2018-0493.

(2) For more information about this AD, contact Shahram Daneshmandi, Aerospace Engineer, International Section, Transport Standards Branch, FAA, 2200 South 216th St., Des Moines, WA 98198; telephone and fax 206-231-3220.

(3) For service information identified in this AD, contact Airbus Defense and Space Services/Engineering Support, Avenida de Aragón 404, 28022 Madrid, Spain; telephone +34 91 585 55 84; fax +34 91 585 31 27; email [MTA.TechnicalService@airbus.com](mailto:MTA.TechnicalService@airbus.com). You may view this service information at the FAA, Transport Standards Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

Issued in Des Moines, Washington, on May 23, 2018.

**James Cashdollar,**

*Acting Director, System Oversight Division, Aircraft Certification Service.*

[FR Doc. 2018-11699 Filed 6-1-18; 8:45 am]

**BILLING CODE 4910-13-P**

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. FAA-2018-0497; Product Identifier 2017-NM-140-AD]

**RIN 2120-AA64**

**Airworthiness Directives; Airbus Airplanes**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for certain Airbus Model A300 B4-603, B4-620, and B4-622 airplanes; Model A300 F4-605R airplanes; Model A300 C4-605R Variant F airplanes; and Model A300 B4-600R series airplanes. This proposed AD was prompted by reports of cracking on the frame (FR) 47 angle fitting. This proposed AD would require, depending on airplane configuration, a modification of certain angle fitting attachment holes, repetitive inspections for cracking of certain holes of the internal lower angle fitting web, certain holes of the internal lower angle fitting horizontal splicing, the aft bottom panel, and the FR47/Rib 1 junction area, and related investigative and corrective actions if necessary. We are proposing this AD to address the unsafe condition on these products.

**DATES:** We must receive comments on this proposed AD by July 19, 2018.

**ADDRESSES:** You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Fax:* 202-493-2251.

- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this NPRM, contact Airbus SAS, Airworthiness Office—EAW, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France; telephone +33 5 61 93 36 96; fax +33 5 61 93 44 51; email [account.airworth-eas@airbus.com](mailto:account.airworth-eas@airbus.com); internet <http://www.airbus.com>. You may view this service information at the FAA, Transport Standards Branch, 2200