

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, July 7, 1942

To the Addressee:

There is enclosed a copy of Amendment No. 5 to Regulation W of the Board of Governors of the Federal Reserve System, effective July 2, 1942.

This amendment applies primarily to those concerns which use, in connection with charge accounts, a system of recording and billing commonly designated as "cycle billing." The amendment is being forwarded to registrants that may be directly concerned, and also to banking institutions for their information. Member banks of the Federal Reserve System are requested to insert this amendment in their ring binders.

Yours very truly,

R. R. GILBERT

President



AMENDMENT TO REGULATION W

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective July 2, 1942

Amendment No. 5 to Regulation W

Regulation W is hereby amended, effective July 2, 1942, by adding the following new subsection at the end of Section 12:

(m) "Cycle Billing."—The provisions of the following paragraph shall be applicable, instead of the provisions of the opening paragraph of Section 5(c), to any registrant who (1) on May 6, 1942, was using a system of recording and billing his charge accounts whereby such accounts were divided into several groups and a different monthly closing date and monthly billing period was used for each such group, and (2) has received from the Federal Reserve Bank of his district a notification which is still in force stating that the Federal Reserve Bank is satisfied (a) that such billing system makes it impracticable for him to operate under Section 5(c), and (b) that it would be impracticable for him, in view of orders of the War Production Board restricting deliveries of office machinery, to change his system over to one that uses the calendar month as the billing period.

A charge account maintained by such registrant shall be deemed to be in default if any article (whether listed or unlisted) for which credit was extended in such account has not been paid for in full on or before the 40th day following the last day of the applicable monthly billing period during which such article was sold, except as provided in the three numbered paragraphs in Section 5(c).

With respect to any article sold in such a charge account, the maximum maturity shall be the period provided in the preceding paragraph instead of that provided in Section 5(a).