

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, February 23, 1951

**CONSUMER CREDIT
AMENDMENT NO. 2 TO REGULATION W**

To the Registrant Addressed and Others Concerned:

There is quoted below the text of a statement issued by the Board of Governors of the Federal Reserve System in connection with Amendment No. 2 to Regulation W, effective February 26, 1951:

"For immediate release February 21, 1951

"The Board of Governors of the Federal Reserve System has today adopted amendment No. 2 to Regulation W—Consumer Credit, effective Monday, February 26, 1951. The amendment exempts from the down payment and monthly payment requirements of Regulation W certain short-term, nonrenewable leases which neither extend beyond three months nor involve a delivery in connection with subsequent leasing or sale arrangements.

"Regulation W, as reissued by the Board of Governors effective September 18, 1950, prescribes down payment and monthly payment requirements for leasing arrangements, instalment sales, and other instalment financing of automobiles, household electrical appliances, furniture, major consumer durable goods, and consumer instalment loans in general. The amendment serves to relax the regulation with respect to certain seasonal and other specialized short-term leases."

The text of the amendment is reproduced on the reverse of this letter.

This bank and its branches at El Paso, Houston, and San Antonio will be glad to furnish any information which may be desired concerning the regulation.

Yours very truly,

R. R. GILBERT

President

CONSUMER CREDIT

AMENDMENT NO. 2 TO REGULATION W

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective February 26, 1951, Section 7 of Regulation W is hereby amended by adding, at the end thereof after the present subsection (k), a new subsection (l) reading as follows:

(l) **Certain Temporary Rentals.**—Any contract or similar arrangement for the rental, leasing or bailment of a listed article for a specified period of not more than 3 months if (1) the transaction is to be terminated, and the article returned to the registrant, on or before the expiration of the specified period, and (2) the transaction is not renewable and does not directly or indirectly relate to or involve any subsequent lease, use of, or other interest in, the article or any similar article.