

FEDERAL RESERVE BANK  
OF DALLAS

Dallas, Texas, May 16, 1951

CONSUMER CREDIT  
AMENDMENT NO. 3 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. 3 to Regulation W, effective May 15, 1951:

“The Board of Governors of the Federal Reserve System today amended its Regulation W—Consumer Credit—to provide certain technical changes in the exemption provisions of the Regulation. One change relates to the method to be used by a Federal Reserve Bank in designating Disaster Areas under the Regulation and the other change, dealing with Rental Agreements, permits the continuation of certain rental arrangements in effect during the year 1950.”

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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. 3 TO REGULATION W

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### ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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Regulation W is hereby amended in the following respects, effective May 15, 1951:

1. By amending subsection (*j*) of Section 7 to read as follows:

(*j*) **Disaster Credits.**—Any credit of a kind designated by a Federal Reserve Bank under this subsection as a result of a flood or other similar disaster which the Federal Reserve Bank determines has created within its district an emergency affecting the credit needs of a substantial number of the inhabitants of the stricken area. This exemption shall apply only within such areas and during such periods, and shall be subject to such other conditions, as the Federal Reserve Bank may prescribe.

2. By amending subsection (*l*) of Section 7 to read as follows:

(*l*) **Certain Rentals.**—Any rental, leasing or bailment contract or arrangement (1) for a specified period of not more than 3 months if (i) the transaction is to be terminated, and the article returned to the registrant, on or before the expiration of the specified period, and (ii) 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; or (2) existing during 1950 between the Registrant and the obligor, or any *bona fide* continuation or modification thereafter of such existing contract or arrangement, which (i) does not expand the number of articles outstanding between the Registrant and the obligor beyond the maximum number outstanding between them at any one time during 1950, and (ii) does not otherwise alter the essential nature of the original contract or arrangement.