

FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, December 28, 1951

CONSUMER CREDIT AMENDMENT NO. 6 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. 6 to Regulation W, effective January 2, 1952:

“The Board of Governors announced today that effective January 2, 1952, all 1942 and older model automobiles will be removed from the list of articles subject to the provisions of Regulation W—Consumer Credit.

“Although about 40 per cent of all passenger automobiles now in use are prewar models, the change is not expected to have any appreciable effect on the general credit situation. Greater risk is involved in financing older model cars and as a result terms actually made available by sellers and lenders have in general been more stringent than those required under Regulation W.”

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. 6 TO REGULATION W

Issued by the Board of Governors
of the Federal Reserve System

Regulation W is hereby amended in the following respects, effective January 2, 1952:

1. By adding after the word "Automobiles" in item 1, Group A, Part 1 of the Supplement to the regulation the words "of year-model later than 1942."

2. By adding the following sentence at the end of section 6(j):

"Any credit outstanding in connection with the purchase of any property used as a trade-in shall be deemed to be credit for financing the purchase of the article with respect to which the trade-in is made."