

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 69-74
April 1, 1969

To All Banks
in the Eleventh Federal Reserve District:

Attached is a copy of a press release of the Board of Governors of the Federal Reserve System regarding an address made by J. L. Robertson, Vice Chairman of the Board of Governors, urging the nation's bankers to play a leading role in setting up educational programs for Truth in Lending which goes into effect on July 1, 1969.

Yours very truly,

P. E. Coldwell

President

Enclosure (1)



FEDERAL RESERVE

press release

For release 11:30 A.M. Pacific Standard Time
Friday, March 28, 1969.

March 28, 1969.

J. L. Robertson, Vice Chairman of the Board of Governors of the Federal Reserve System, urged the nation's bankers today to play a leading role in setting up educational programs for Truth in Lending which goes into effect on July 1.

Governor Robertson made his appeal in an address prepared for delivery before the National Instalment Credit Conference of the American Bankers Association in San Francisco. He directed the Board's preparation of the Truth in Lending Regulation Z which was published in final form on February 11.

Governor Robertson said there is an obvious need under Truth in Lending for banks not only to train their own employes but also to insure that the creditors from whom they purchase paper are educated to their Truth in Lending responsibilities. In some cases, he added, a bank could be held liable for improper disclosures made by the original creditors. "In order to properly protect itself, a bank must be able to determine whether disclosure statements made by creditors from whom it purchases paper comply with the law," he added.

"In terms of immediate self-interest as well as public service and good public relations, it would appear that the banking community could very effectively play a leading role in the educational process-- and I hope it will do so," Governor Robertson said. He added the Federal Reserve is ready to offer all possible assistance to state banking associations in preparing educational programs on Truth in Lending but the Board's limited staff precludes participation in all of them.