



American Revolution Bicentennial

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 75-107  
July 28, 1975

## REVISED PROPOSED AMENDMENTS TO THE TRUTH-IN-LENDING REGULATION REGULATION Z

### Fair Credit Billing Act Amendments

TO ALL BANKS, OTHER CREDITORS,  
AND OTHERS CONCERNED IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

Following is the text of a statement issued July 22, 1975, by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today scheduled an informal hearing, to take place August 5 and 6, on revised proposals for regulations to implement the Fair Credit Billing Amendments to the Truth-in-Lending Act.

As indicated in the attached FEDERAL REGISTER notice, the Board outlined the substance of the principal issues on which it desired comments, and it stated that it planned to issue revised regulatory draft language before the hearing.

Written comment on the proposals will be received through August 12. Those wishing to participate in the hearing should file a written request with the Secretary of the Board, indicating the nature and extent of participation desired, to be received not later than July 30, 1975.

The Board first published proposed regulations to implement the Fair Credit Billing Amendments--which go into effect October 28, 1975--on May 5, and received comment through June 20, 1975. It is scheduling a hearing, and it will be issuing revised regulatory proposals, in the light of comments received.

The principal issues on which the Board asked comment include:

1. The definition of billing error with respect to acceptance of goods. The proposal would make it clear that there is a billing error in this respect only if goods are not accepted because delivery has been made late, to the wrong location, in the wrong quantity, or when the goods are different from those described in the sales agreement. Disputes as to quality of goods would not be included.

2. In place of the previous proposal requiring that creditors credit payments as of the date received, regardless of when the payment is posted, it is proposed that:
  - The creditor specify at least one location at which all payments received will be credited on the day of receipt;
  - Payments received at branches or other remote locations be posted within no more than three days, and that customers be informed of such a possible delay;
  - With respect to accounts paid in full, credit be given so as to avoid further finance charges.

Some period for creditors to make transition to this procedure may be necessary.

3. The original proposals specified there could be no finance charge while a dispute over a billing error was being settled, regardless of who was in error. The revised regulation proposes that finance charges be adjusted only if the creditor was in error.
4. The revised proposal requests comment on whether a surcharge should be treated the same as a discount when imposed on customers who choose to use a credit card instead of paying cash.

The FEDERAL REGISTER notice referred to above is not attached; however, those desiring a copy of the full text of that notice may obtain it by contacting the Secretary's Office of this Bank.

Interested persons need not participate in the oral presentation to have their views considered but may submit their views in writing to be received by the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than August 12, 1975.

Sincerely yours,  
T. W. Plant  
First Vice President