



American Revolution Bicentennial

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 75-171  
November 7, 1975

## REGULATION Z Amendment Regarding Disclosure of Real Estate Closing Costs

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

Following is the text of a statement issued October 24, 1975, by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System has announced amendment of its Regulation Z--Truth-in-Lending--to comply with a provision of law requiring disclosure of closing costs in certain real property transactions not covered by the Real Estate Settlement Procedures Act (RESPA).

The new law becomes effective October 28, 1975. While the implementing regulatory amendment also becomes effective October 28, 1975, the Board has provided a transition period to January 31, 1976, when major operating provisions of the amendment will go into effect. The transition period takes account of the fact that the Senate has voted to repeal that section of the Act under which Regulation Z was amended and that the question is now under consideration in the House of Representatives.

Section 409 of the Truth-in-Lending Act, enacted October 28, 1974, and the related amendment of Regulation Z, apply to credit transactions where the lender retains or acquires an interest in the real property involved as collateral, except for mortgages covered by RESPA (which is also under reconsideration in the Congress).

The Board made public on September 16, 1975 a proposed amendment to Regulation Z to implement the new statute. This was adopted without substantive change except for the transition period to January 31, 1976.

Due to the transition period expiring January 31, 1976, and the pending reconsideration by Congress of the underlying statute, the Federal Reserve Bank of Dallas is not making a general distribution of the amendment at this time. Distribution will be made well in advance of the starting date for compliance, should the underlying statute remain in effect.

If you have any questions regarding the amendment of Regulation Z, please contact George H. McElroy of our Regulations Department at (214) 651-6169. Interested parties may receive a copy of the amendment by addressing requests to the Secretary's Office of this Bank.

Sincerely yours,  
T. W. Plant  
First Vice President