



American Revolution Bicentennial

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 76-52
April 6, 1976

REGULATION B--EQUAL CREDIT OPPORTUNITY ACT

Interpretation Permitting Modification of the Equal Credit Opportunity Notice Pursuant to State Law

TO ALL MEMBER BANKS
AND OTHERS CONCERNED IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

On March 23, 1976, the Board of Governors of the Federal Reserve System published an interpretation of its Regulation B under the Equal Credit Opportunity Act.

The interpretation, which is printed on the reverse of this circular, permits creditors to modify a prescribed general notice of rights under the Act with a reference to a similar State law and the name and address of the relevant State enforcement agency. The interpretation includes an example of the form the modified notice might take.

Ohio and Utah currently have laws prohibiting discrimination in credit transactions similar to the Federal statute, and other states intend to adopt such equal credit opportunity laws.

Any questions regarding Regulation B or the Equal Credit Opportunity Act should be directed to Richard West of our Regulations Department at (214) 651-6169.

Additional copies of Regulation B or this interpretation will be furnished upon request to the Secretary's Office of this Bank.

Sincerely,
T. W. Plant
First Vice President

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

EQUAL CREDIT OPPORTUNITY

INTERPRETATION OF REGULATION B

Section 202.4(d) of Regulation B requires creditors to print an Equal Credit Opportunity Act notice on their application forms or to provide this notice on a separate sheet of paper mailed or delivered to applicants. The purpose of this requirement is to alert the public to the existence of the Act.

The Board has been asked whether section 202.4(d) may be interpreted to permit creditors to alter or add to the notice required by Regulation B in order to comply with requirements imposed under State Equal Credit laws. The Board believes that combining the notices required by State and Federal Equal Credit laws is a practical and economical approach. The Board does not believe that combining these notices will affect the educational value of the notice required by Regulation B. The interpretation states that where State law or regulation requires creditors in those States to refer to a State Equal Credit law and/or a State enforcement agency, creditors may modify and/or add to the notice which appears in section 202.4(d)(1) of Regulation B for the purpose of complying with State requirements.

202.001 MODIFICATION OF EQUAL CREDIT OPPORTUNITY ACT NOTICE PURSUANT TO STATE LAW.

(a) Section 202.4(d)(1) requires creditors to provide applicants with a notice explaining the Act's general rule prohibiting discrimination in credit on the basis of sex or marital status. This

notice contains a specific reference to the "Federal Equal Credit Opportunity Act" and to the "Federal agency" responsible for enforcing the Act.

(b) Certain States have adopted, or intend to adopt, statutes prohibiting discrimination in credit that are similar to the Federal law. In some cases, State law or regulation requires that creditors provide applicants with a notice regarding a State Equal Credit law. The Board has been asked whether the statement prescribed by section 202.4(d)(1) may be modified to include a reference to a State law and enforcement agency immediately following the reference to the Federal law an agency.

(c) In these circumstances, a creditor may add to or modify the notice prescribed in section 202.4(d)(1) to refer to the relevant State law and/or to provide the name and address of the appropriate State enforcement agency. This modification may take the following form:

The Federal Equal Credit Opportunity Act and the (insert the name of the State law) prohibit creditors from discriminating against credit applicants on the basis of sex or marital status. The Federal agency which administers compliance with the Federal Act concerning this (insert appropriate description — bank, store, etc.) is (name and address of the appropriate Federal agency). The State agency which administers compliance with the State law is (insert name of the State agency).