

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-75
April 15, 1980

TO INSTITUTIONS SUBJECT TO NEW SPECIAL
DEPOSIT REQUIREMENTS ON CONSUMER CREDIT:

On March 21, 1980, you were sent Circular No. 80-58 containing forms and instructions for your use in complying with the Consumer Credit Restraint Program. We have not yet received the completed forms from your institution.

Any institution with \$2 million or less in covered consumer credit outstanding should so indicate on line 3b of Form FR 2061a.

Institutions with greater than \$2 million in outstanding covered consumer credit should complete Form FR 2061a (Revised) indicating the choice of a constant base as of March 14, 1980 or a new alternative variable base period for calculation of the 15 percent special deposit requirement designed to prevent an undue burden for creditors that face large seasonal increases in their business in the months ahead.

Forms and instructions for your use are enclosed. They should be returned to the Statistical Department of the Federal Reserve Bank of Dallas in the enclosed envelope. Revised monthly forms and instructions will be distributed subsequently. For additional information or assistance, please contact:

Dallas Bill Green, Manager, Statistical Department, Ext. 6394

El Paso Larry Wilson, Manager, Accounting Department
(915) 544-4730, Ext. 210

Houston Rodney Franklin, Manager, Accounting Department
(713) 659-4433, Ext. 50

San Antonio Leonard Briggs, Manager, Accounting Department
(512) 224-2141, Ext. 20

Sincerely yours,

Robert H. Boykin

First Vice President

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

Base Report of Outstanding Covered Consumer Credit

This report is required by law (12 U.S.C. §§ 1901-1909, as implemented by Executive Order 12201).

The information provided by each respondent is regarded as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

PLEASE READ INSTRUCTIONS PRIOR TO COMPLETION OF THIS REPORT

Section 1: Name and Address of Respondent Company

Name	Address

Section 2: To be Completed by Institutions Whose Covered Credit is Included in the Base Report Filed by Another Office.

If the amount of your covered consumer credit outstanding during the base period is included in a report submitted by or on behalf of your parent company, you should not complete SECTIONS 3, 4, and 5 of this report. Rather, please check this box, complete Items 2a and 2b below, sign this report, and return it to the institution designated at the end of this form.

2a. Name and address of parent company

Name	Address

2b. Name and address of the reporting office filing the combined report (if same as Item 2a, enter "same")

Name	Address

Section 3: To be Completed by Institutions Whose Covered Credit is Not Included in the Base Report Filed by Another Office

3a. Is your institution filing this report on behalf of other offices? Yes No

If yes, please provide the name and address of the parent company (if same as the name and address shown in SECTION 1 above, enter "same").

Name	Address

3b. If the amount of your covered consumer credit outstanding during the base period was less than \$2 million, you should not complete Item 3c. Rather, please check this box, sign this report, and return it to the institution designated at the end of this form.

Otherwise, please complete Item 3c and *either* Section 4 *or* Section 5.

3c. Type of institution—Please check below the type of entity on whose behalf the report is submitted.

- | | |
|---|---|
| <input type="checkbox"/> 01 Foreign bank family
<input type="checkbox"/> 02 Registered bank holding company
<input type="checkbox"/> 03 Commercial bank that is a member of the Federal Reserve System
<input type="checkbox"/> 04 Commercial bank that is not a member of the Federal Reserve System
<input type="checkbox"/> 05 Mutual savings bank
<input type="checkbox"/> 06 Credit union
<input type="checkbox"/> 07 Savings and loan association or cooperative bank | <input type="checkbox"/> 08 Finance company
<input type="checkbox"/> 09 Credit card company
<input type="checkbox"/> 10 Department store
<input type="checkbox"/> 11 Other retail credit issuer
<input type="checkbox"/> 12 Oil company
<input type="checkbox"/> 13 Airline
<input type="checkbox"/> 14 Conglomerate
<input type="checkbox"/> 15 Other (please specify _____) |
|---|---|

Section 4: To be Completed by Creditors That Elect a Constant Base

4a. Amount of covered consumer credit outstanding during the base period

Bils.	Mils.	Thous.

4b. Date or period for which base data are submitted _____

NOTE: For creditors that elect a constant base, the base for the special deposit requirement is either (1) the amount shown in Item 4a above or (2) \$2 million, whichever is larger.

Section 5: To be Completed by Creditors That Elect a Variable Base

Subsection A

Line 1: Amount of covered consumer credit outstanding on March 14, 1980¹

Line 2: Amount of covered consumer credit outstanding one year prior to the date or period used for Line 1

Line 3: Line 1 divided by Line 2 (calculate to four decimal places rounded)

Line 4: Line 3 minus 1.0000 (if negative, enter negative amount)

Line 5: Date or period for which base data (Lines 1 and 2 above) are submitted : Line 1: _____

Line 2: _____

1. For a creditor that has daily credit data available, report the data as of March 14, 1980, or the last day immediately before March 14, 1980 for which such data are available. For a creditor that does not have daily credit data available, report data as of the period immediately before March 14, 1980 for which credit data are available.

Subsection B

Month	Average Amount of Covered Consumer Credit Outstanding		
	Bils.	Mils.	Thous.
1. April 1979			
2. May 1979			
3. June 1979			
4. July 1979			
5. August 1979			
6. September 1979			
7. October 1979			
8. November 1979			
9. December 1979			
10. January 1980			
11. February 1980			
12. March 1980			

PENALTIES. For each willful violation of 12 C.F.R. 229 Subpart A, the Board may assess against any creditor, or officer, director or employee thereof who willfully participates in the violation, a maximum civil penalty of \$1,000. In addition, a maximum criminal penalty of \$1,000 and imprisonment of up to one year may be imposed for willfull violation of this subpart.

Subsection C

1 Ratio: enter on each line the ratio computed above in Subsection A, Line 4; if negative, enter negative amount.	2 Adjustment $(\frac{12-n}{12})^1$	3 Col. 1 x Col. 2 (if negative, enter negative amount)	4 Constant	5 Algebraic sum of Col. 3 + Col. 4 (result will always be positive)	6 Amount of covered consumer credit outstanding during the corresponding period one year ago			7 Base Col. 5 x Col. 6				
					Enter the amount from Subsection B:	Bils.	Mils.	Thous.	Computation Month	Base ²		
										Bils.	Mils.	Thous.
.	0.91667	. . . . .	1.0000	. . . . .	Line 1				April 1980 ³			
.	0.83333	. . . . .	1.0000	. . . . .	Line 2				May 1980			
.	0.75000	. . . . .	1.0000	. . . . .	Line 3				June 1980			
.	0.66667	. . . . .	1.0000	. . . . .	Line 4				July 1980			
.	0.58333	. . . . .	1.0000	. . . . .	Line 5				August 1980			
.	0.50000	. . . . .	1.0000	. . . . .	Line 6				September 1980			
.	0.41667	. . . . .	1.0000	. . . . .	Line 7				October 1980			
.	0.33333	. . . . .	1.0000	. . . . .	Line 8				November 1980			
.	0.25000	. . . . .	1.0000	. . . . .	Line 9				December 1980			
.	0.16667	. . . . .	1.0000	. . . . .	Line 10				January 1981			
.	0.08333	. . . . .	1.0000	. . . . .	Line 11				February 1981			
.	0.00000	0 . 0 | 0 | 0 | 0	1.0000	1 . 0 | 0 | 0 | 0	Line 12				March 1981			

1. The letter "n" equals the number of months after March; for example, in calculating the base for May 1980, "n" would be 2.

2. For creditors that elect a variable base, the base for the special deposit requirement for each computation month is either (1) the amount shown in Column 7 above for the respective computation month or (2) \$2 million, whichever is larger.

3. The first computation period covers March 15, 1980 through April 30, 1980. Thereafter, each computation period begins on the first day of each month and ends on the last day of that month.

I certify that the information shown on this report is correct.

Authorized Signature

Title

Area Code and Telephone Number

This report must be filed no later than April 29 with the institution designated below.

All savings and loan associations and cooperative banks should return this report to the Federal Home Loan Bank.

All credit unions should return this report to the Central Liquidity Facility of the National Credit Union Administration.

All other creditors should return this report to the Federal Reserve Bank in whose district the respondent company is located.

INSTRUCTIONS

Who Must Report

A base report is required from each covered creditor with covered consumer credit outstanding of \$2 million or more as of the base date. A base report may also be required of certain other creditors. For purposes of filing the base report and monthly reports required thereafter, a creditor must choose on the base report either a constant base or a variable base and may not vary that choice thereafter.

For covered creditors with less than \$2 million in covered consumer credit outstanding as of the base date, a base report will be required subsequently (1) if such creditors have covered consumer credit outstanding of more than \$2 million on an average basis during any month after the base date and (2) if at that time such creditors select the variable base (if such creditors select the constant base, their base would be \$2 million).

The terms "covered creditor," "consumer credit," "covered credit," "base date," and "base" (both constant and variable) are defined below under the section entitled General Definitions.

Coverage

For purposes of reporting and determining whether the creditor's outstanding covered credit is \$2 million or more, the covered credit of all U.S. offices of the same company and all direct and indirect U.S. subsidiaries of the same parent company shall be combined, and only one report shall be filed for the combined organization. Any office may be designated as the reporting office for the combined organization. (However, once a reporting office is designated, it should not be changed without prior notification to the institution receiving the report.)

For example, if a company has 100 offices throughout the U.S., it should combine the required information from each office, and one designated reporting office should file one combined base report for the entire company.

The covered credit of all U.S. offices (such as the branches, agencies, and subsidiaries, including banks) of the same foreign parent company and all U.S. offices of that foreign parent's non-U.S. subsidiaries shall be combined, and one office selected as the reporting office for such offices. A subsidiary is a company that is more than 50 percent owned, directly or indirectly, by another.

Purpose of the Report

In accordance with the Credit Control Act (12 U.S.C. §§ 1901-1909) as implemented by Executive Order 12201, the Board of Governors of the Federal Reserve System has adopted provisions requiring certain creditors that extend certain types of consumer credit to maintain a special noninterest-bearing deposit with the Federal Reserve against increases in the amount of those types of credit outstanding.

The base for the special deposit requirement calculation for each creditor will be determined from this report. The base is either (1) a constant amount, which is the larger of \$2 million or the amount of covered credit outstanding as of the close of business on the base date; or (2) a variable amount, which is the larger of \$2 million or a seasonally projected amount determined by application of a factor each month to the amount of covered credit outstanding in the same month in the preceding year. (A more detailed definition of "base" is provided below.)

Any covered creditor with covered credit outstanding of over \$2 million on an average basis during a calendar month is required to maintain a special noninterest-bearing deposit with the appropriate institution designated below. The special deposit requirement is 15 percent of the amount by which the amount of covered consumer credit on an average basis during the computation period exceeds the reported base or \$2 million, whichever is greater. The first computation period shall cover the period beginning March 15, 1980, and ending April 30, 1980. Thereafter, each computation period, or reporting month, shall begin on the first day of each month and end on the last day of that month. Thus, for example, the computation period for May will begin on May 1 and end on May 31. Each monthly report shall be filed by no later than the second Monday of the calendar month that follows the reporting month.

The special deposit requirement must be maintained during the period beginning on the fourth Thursday of the calendar month following the computation period (or reporting month) and ending on the Wednesday before the fourth Thursday of the next month. For example, the special deposit required for the first computation period (March 15 through April 30) shall be held beginning Thursday, May 22, 1980 and continue through Wednesday, June 25, 1980. A new special deposit amount based on the May report will then be required beginning Thursday, June 26, and will continue through Wednesday, July 23. The amount of the special deposit may not vary during each maintenance period.

Creditors that keep records on an other-than-calendar month basis-- e.g., those whose books are kept on the basis of a four-week month, followed by a five-week month, followed by a four-week month, and so forth--may compile data and report according to whatever type of "month" they customarily employ. However, creditors must still file reports by the second Monday of the calendar month following their reporting "month" and maintain the special deposit beginning on the fourth Thursday of the calendar month following their reporting "month."

The special deposit shall be maintained in collected funds in the form of U.S. dollars.

All savings and loan associations and cooperative banks shall maintain the special deposit with the Federal Home Loan Banks. All credit unions, whether or not members of the National Credit Union Administration's Central Liquidity Facility, shall maintain the special deposit with the Central Liquidity Facility. Deposits maintained with the Federal Home Loan Banks and the Central Liquidity Facility shall be passed through by those entities

to the Federal Reserve Banks. All other covered creditors, including commercial banks, mutual savings banks, U.S. branches and agencies of foreign banks, retailers, other credit card issuers, and finance companies, shall maintain the special deposit with the Federal Reserve Bank in whose District the reporting office is located.

Where and When to Report

The base report shall be filed by April 29, 1980. Covered creditors that have already filed the earlier version of the base report, which allowed a constant base only, may still select the variable base alternative and file the new base report. Covered creditors that have already filed the earlier version of the base report and that do not wish to select the variable base alternative need not submit a new base report; for such creditors, the constant amount base reported earlier will be used as the base.

All savings and loan associations and cooperative banks should file their reports with the Federal Home Loan Bank where the deposit will be maintained.

All credit unions should file their reports with the Central Liquidity Facility of the National Credit Union Administration.

All other creditors should file their reports with the Federal Reserve Bank in whose District the reporting office is located.

How to Report

All amounts should be reported to the nearest thousand dollars.

Amounts of covered consumer credit outstanding denominated in foreign currencies should be valued in U.S. dollars at the prevailing exchange rate at the time the transaction originally is entered into.

General Definitions

Base: Either

(1) a constant amount, which is the larger of \$2 million or the amount of covered credit outstanding as of the close of business on the base date; or

(2) a variable amount, which is the larger of \$2 million or a seasonally projected amount determined by application of a factor each month to the amount of covered credit outstanding in the same month in the preceding year. This factor is based on a comparison of the covered credit outstanding on the base date and the covered credit outstanding in the same date in March 1979, expressed as a ratio, which is progressively diminished by one-twelfth each month. The base for each month after March 14, 1980 equals the factor described above, multiplied by the amount of covered credit outstanding in the corresponding month in the year before. The formula for the base in any month "i" is:

$$\text{Base for any month "i", 1980} = \left[\left(\frac{\text{Credit outstanding on base date}}{\text{Credit outstanding on same date, 1979}} - 1 \right) \times \left(\frac{12-n}{12} \right) + 1 \right] \times \text{Credit outstanding in same month "i", 1979}$$

where "n" is a variable representing the number of months after March, 1980. (Therefore, "n" equals one in April, "n" equals two in May, and it increases progressively in each succeeding month up to 12 in March, 1981.)

For purposes of filing base and monthly reports, a creditor must choose either the constant amount base or the variable amount base and may not vary that choice.

A more detailed explanation of the variable base formula is provided below under the section entitled Instructions.

Base date: For a creditor that has daily credit data available, March 14, 1980, or the last day immediately before March 14, 1980 for which such data are available; for a creditor that does not have daily credit data available, the period immediately before March 14, 1980 for which credit data are available.

Board: The Board of Governors of the Federal Reserve System.

Closed-end credit: All consumer credit except open-end credit.

Consumer credit: Credit extended in the U.S. primarily for personal, family, or household purposes. Credit extended for business or agricultural purposes is excluded.

Covered credit: Consumer credit that is (1) open-end credit and (2) closed-end credit which is unsecured or in which the proceeds of the credit are not being used to purchase the collateral. Covered credit that is sold or otherwise transferred after March 14, 1980 to any office located outside the U.S. of the same or another entity shall remain the covered credit of the transferor until such credit is repaid. Covered credit that is sold or otherwise transferred on a recourse basis to any U.S. office of the same or another entity shall remain the covered credit of the transferor; covered credit that is transferred on a nonrecourse basis to any U.S. office of the same or another entity shall be treated as covered credit of the transferee.

Covered credit does not include insurance company policy loans; credit extended by federal, state, or local governments, or by providers of utility, health, or educational services; state or federal government guaranteed loans; or loans secured by savings deposits 1/ held at the lending institution.

Covered creditor: Any creditor which extends covered credit. For purposes of determining the amount of a creditor's outstanding covered credit, the covered credit of all U.S. offices of (1) the same company, (2) U.S.

1/ As defined in § 217.1(e) of Regulation Q.

subsidiaries of the same parent company, and (3) non-U.S. subsidiaries of the same parent company shall be combined. A subsidiary is a company that is more than 50 percent owned, directly or indirectly, by another company.

Credit: The right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

Credit transaction: See "Extension of credit."

Creditor: Any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

Extension of credit (or "credit transaction"): Loans, credit sales, or other supplying of funds.

Loan: Any type of credit, including credit extended in connection with a credit sale.

Open-end credit: Consumer credit extended on an account pursuant to a plan under which (1) the creditor may permit the customer to make purchases or obtain loans, from time to time, directly from the creditor or indirectly by use of a credit card, check, or other device, as the plan may provide; (2) the customer has the privilege of paying the balance in full or in instalments; and (3) a finance charge may be computed by the creditor from time to time on an outstanding unpaid balance.

Subsidiary: Any company in which more than 50 percent of the outstanding voting stock is owned directly or indirectly by another.

U.S.: The 50 states of the United States and the District of Columbia.

Non-U.S.: Any geographic area located outside the 50 states of the United States and the District of Columbia. Thus, for purposes of this report, non-U.S. includes Puerto Rico and U.S. territories and possessions.

Examples

As noted above under "General Definitions," covered credit consists of (1) all open-end consumer credit, whether secured or unsecured, and (2) closed-end consumer credit that is either unsecured or secured by collateral that is not being purchased with the proceeds of the credit.

Examples of open-end credit that is covered are:

- Credit card plans, such as cards issued by financial institutions, retailers, and oil companies.
- Overdraft and special check-type plans offered by financial institutions.
- Other revolving credit plans.

Examples of closed-end consumer credit that is covered are:

- Unsecured personal loans.
- Loans for which the collateral provided is already owned by the borrower.
- Open account and 30-day credit without regard to whether a finance charge is imposed, such as travel and entertainment card plans and retail merchant credit.
- Credit secured by financial assets, other than savings deposits, when the collateral is not purchased with the loan proceeds.

Credit extended through the use of credit cards will be presumed to be consumer--that is, non-business--credit unless the creditor establishes otherwise.

A creditor will also be required to treat as covered consumer credit any such credit that is sold or otherwise transferred to any non-U.S. office of the same or another entity and any such credit that is sold or otherwise transferred with recourse to another entity, wherever located.

Examples of consumer credit that is not covered are:

- Secured credit where the collateral is purchased with the proceeds of the loan, such as automobile, mobile home, and other chattel-secured loans (see Uniform Commercial Code § 9-107, including Official Comments 1 and 2).
- Credit secured by financial assets when the collateral is purchased with the proceeds.
- Credit secured by savings deposits held at the lending institution.
- Mortgage loans where the proceeds are used to purchase the collateral or for home improvements or "bridge" loans.
- Insurance company policy loans.
- Credit extended by providers of utility, health, and educational services.
- Credit extended under state or federal government guaranteed consumer loan programs, such as student loans.

Instructions

Include all covered consumer credit that is on the creditor's books that is not actually written off, even if during the reporting period the credit is past due and collection is doubtful. Also, report the aggregate book value of covered credit net of unearned income and before deduction of allowance for loan losses. Depository institutions should report covered credit outstanding net of deposits accumulated for the payment of personal loans (hypothecated deposits).

Each creditor should include the amount of its share of participation loans, including participations in pools of loans, if such loans meet the definition of covered credit. Participation loans are loans made in cooperation with other financial institutions. The creditor should report only the dollar amount outstanding of its share of the participation loans even if it is the "lead" institution in the participation arrangement.

Participations in pools of loans are described as follows: (1) A "pass-through" participation, when issued by a bank or other private institutions, represents a pro-rata share in the pooled loans. In this case, the terms of the participation (e.g., maturity, interest rate, etc.) are identical to the terms of the underlying loans. Consequently, the issuing institution incurs no obligation other than to pass on proportional shares of whatever payments of principal and interest are collected from the obligors of the underlying assets in the pool. The creditor purchasing such a participation should report the underlying loans as covered consumer credit. (2) In other types of participations (i.e., those other than "pass-through" participations), the instrument of participation bears terms (e.g., maturity, interest rate, etc.) that differ from the terms of the loans comprising the pool. Consequently, the institution issuing the participation does incur an obligation on the instrument of participation itself. A creditor issuing these participations should report the underlying loans as covered consumer credit.

Variable Base

For creditors that select a variable amount base, the base report shall contain the creditor's monthly data on outstanding covered credit for the twelve months prior to April 1980, as well as the amount of covered credit outstanding on the base date and on the same date or period in March 1979. In addition, the base report shall state the base for each month from April 1980 through March 1981, calculated according to the formula shown above under General Definitions for "Base."

The following is a step-by-step explanation of how the variable base formula works for the month of May, 1980. First the amount of covered credit outstanding on the base date (March 14, 1980 or other period in March, 1980) and the amount of covered credit outstanding for the same date or period in March 1979 are determined. Second, the fractional increase (or decrease) in covered credit outstanding is computed by subtracting the number one from a ratio with the March 1980 figure as the numerator and the March 1979 figure as the denominator. Third, this increase is multiplied

by another fraction in which the numerator is twelve less the number of months from March, 1980--in this case two, since May is the second month after March--and in which the denominator is twelve. The number one is then added to the product computed in the third step, and the resulting figure is multiplied by the total amount of covered credit outstanding in May, 1979.

A sample of the variable base section (Section 5) of the base report has been completed using hypothetical data and is provided as an appendix.

Entity Type

The entity types listed under Section 3, Item 3c, are defined below. The entity type applies to the company on whose behalf the report is submitted, regardless of the reporting office.

1. Foreign bank family

A foreign bank family is defined as all U.S. offices (such as the branches, agencies, and subsidiaries, including banks) of the same foreign parent company and all U.S. offices of that foreign parent's non-U.S. subsidiaries. Except as noted below, all reports submitted on behalf of a foreign bank family should be classified under this entity type.

Exception: A foreign bank family that consists solely of a U.S. bank subsidiary should be classified as a commercial bank (entity 3 or 4).

2. Registered bank holding company

This entity type covers all reports filed on behalf of a registered bank holding company, as defined in the Bank Holding Company Act of 1956, as amended.

3. Commercial bank that is a member of the Federal Reserve System

This entity type covers any bank that is a member of the Federal Reserve System whose covered credit is not included in the report of a parent company, such as a bank holding company.

4. Commercial bank that is not a member of the Federal Reserve System

This entity type covers any bank that is not a member of the Federal Reserve System whose covered credit is not included in the report of a parent company, such as a bank holding company.

5. Mutual savings bank

This entity type covers all mutual savings banks, whether organized under Federal or state charter.

6. Credit union

This entity type covers all credit unions, whether organized under Federal or state charter.

7. Savings and loan association or cooperative bank

This entity type covers all savings and loan associations and cooperative banks, whether organized under Federal or state charter.

8. Finance company

This entity type includes consumer finance companies, personal finance companies, small loan companies, sales finance companies, and automobile and mobile home finance companies. This entity type also includes Morris Plan companies and industrial loan companies not engaged in deposit banking.

9. Credit card company

This entity type covers those companies (1) whose principal business activity is issuing credit cards and (2) that maintain customer accounts and bill customers directly. Exclude from this category companies that utilize bank-related credit cards; retail merchants and oil companies that issue their own credit cards; and any credit card company whose covered credit is included in the report of a parent company that is classified under another entity type, such as "conglomerate."

10. Department store

This entity type covers any establishment normally employing 25 people or more that is engaged in selling each of the following lines of merchandise: (1) furniture, home furnishings, appliances, radio and television sets; (2) a general line of apparel for the family; and (3) household linens and dry goods. Sales of each of the lines must be less than 80 percent of total sales, with sales of apparel and softgoods amounting to 20 percent or more of total sales. An establishment with total sales of \$5 million or more is classified as a department store even if sales of one of the merchandise lines listed above exceeds the maximum percent of total sales, provided that the combined sales of the other two groups are \$500,000 or more. Discount stores meeting the criteria described above are included as department stores.

11. Other retail credit issuer

This entity type covers companies selling the same lines of merchandise as a department store, as defined above, but employing less than 25 people. This entity type also includes hardware and building materials dealers, apparel and accessory stores, furniture stores, and other miscellaneous retail stores, including providers of services.

12. Oil company

This entity type covers any company that is engaged in the retail sale and/or financing of retail sales of gasoline and other petroleum products and that provides credit to customers through credit card plans or other forms of credit.

13. Airline

This entity type covers airline companies that operate in the U.S. and that are primarily engaged in the transportation of passengers.

14. Conglomerate

Except as noted below, this entity type covers a parent company that owns two or more of the 13 entities listed above that extend covered consumer credit. For example, a company that owns both a department store and a finance company would be classified as a conglomerate.

Exceptions:

(A) If the parent company meets the criteria defined above for "registered bank holding company" (entity type 2), it should be classified as such rather than as a conglomerate.

(B) If a parent company has two or more lines of business and one such line accounts for 60 percent or more of that company's covered credit, the parent company should be classified under the entity type for that line of business, rather than as a conglomerate. On the other hand, if no single line accounts for 60 percent or more of a company's covered credit, the company should be classified as a conglomerate.

For example, if a company owns a department store and a finance company, with the department store accounting for 75 percent of the company's covered credit and the finance company accounting for 25 percent, the company should be classified as entity type 10, "department store." If, however, the department store accounts for 55 percent of the company's covered credit and the finance company 45 percent, the company should be classified as entity type 14, "conglomerate."

15. Other

This entity type covers any company that cannot be classified under types 1 through 14 above.

APPENDIX
(SAMPLE)

Section 5: To be Completed by Creditors That Elect a Variable Base

Subsection A

	Bils.	Mils.	Thous.
Line 1: Amount of covered consumer credit outstanding on March 14, 1980 ¹		55	650
Line 2: Amount of covered consumer credit outstanding one year prior to the date or period used for Line 1		48	725
Line 3: Line 1 divided by Line 2 (calculate to four decimal places rounded)		1.1421	
Line 4: Line 3 minus 1.0000 (if negative, enter negative amount) .....		.1421	
Line 5: Date or period for which base data (Lines 1 and 2 above) are submitted	Line 1: <u>March 14, 1980</u>		
	Line 2: <u>March 14, 1979</u>		

1. For a creditor that has daily credit data available, report the data as of March 14, 1980, or the last day immediately before March 14, 1980 for which such data are available. For a creditor that does not have daily credit data available, report data as of the period immediately before March 14, 1980 for which credit data are available.

Subsection B

Month	Average Amount of Covered Consumer Credit Outstanding		
	Bils.	Mils.	Thous.
1. April 1979		48	532
2. May 1979		49	500
3. June 1979		50	185
4. July 1979		50	770
5. August 1979		51	459
6. September 1979		52	488
7. October 1979		52	934
8. November 1979		54	668
9. December 1979		59	925
10. January 1980		57	381
11. February 1980		56	124
12. March 1980		55	485

PENALTIES. For each willful violation of 12 C.F.R. 229 Subpart A, the Board may assess against any creditor, or officer, director or employee thereof who willfully participates in the violation, a maximum civil penalty of \$1,000. In addition, a maximum criminal penalty of \$1,000 and imprisonment of up to one year may be imposed for willful violation of this subpart.

Subsection C

Ratio: enter on each line the ratio computed above in Subsection A, Line 4; if negative, enter negative amount.	Adjustment (12-n) ¹	Col. 1 x Col. 2 (if negative, enter negative amount)	Constant	Algebraic sum of Col. 3 + Col. 4 (result will always be positive)	6			7			
					Amount of covered consumer credit outstanding during the corresponding period one year ago			Base			
					Enter the amount from Subsection B:	Blk.	Mth.	Thous.	Col. 5 x Col. 6		
									Base 2		
									Mth.	Thous.	
1,4,2,1	0.91667	1,303	10000	1,13,0,3	Line 1		48	532	April 1980	54	856
1,4,2,1	0.83333	1,184	10000	1,1,1,8,4	Line 2		49	500	May 1980	55	361
1,4,2,1	0.75000	1,066	10000	1,1,0,6,6	Line 3		50	185	June 1980	55	535
1,4,2,1	0.66667	0,947	10000	1,0,9,4,7	Line 4		50	770	July 1980	55	578
1,4,2,1	0.58333	0,829	10000	1,0,8,2,9	Line 5		51	459	August 1980	55	725
1,4,2,1	0.50000	0,711	10000	1,0,7,1,1	Line 6		52	488	September 1980	56	220
1,4,2,1	0.41667	0,592	10000	1,0,5,9,2	Line 7		52	934	October 1980	56	068
1,4,2,1	0.33333	0,474	10000	1,0,4,7,4	Line 8		54	668	November 1980	57	259
1,4,2,1	0.25000	0,355	10000	1,0,3,5,5	Line 9		59	925	December 1980	62	052
1,4,2,1	0.16667	0,237	10000	1,0,2,3,7	Line 10		57	381	January 1981	58	741
1,4,2,1	0.08333	0,118	10000	1,0,1,1,8	Line 11		56	124	February 1981	56	786
1,4,2,1	0.00000	0,010	10000	1,0,0,1,0	Line 12		55	485	March 1981	55	485

1. The letter "n" equals the number of months after March; for example, in calculating the base for May 1980, "n" would be 2.

2. For creditors that elect a variable base, the base for the special deposit requirement for each computation month is either (1) the amount shown in Column 7 above for the respective computation month or (2) \$2 million, whichever is larger.

3. The first computation period covers March 15, 1980 through April 30, 1980. Thereafter, each computation period begins on the first day of each month and ends on the last day of that month.

I certify that the information shown on this report is correct.

Authorized Signature

This report must be filed no later than April 29 with the institution designated below.

All credit unions should return this report to the Central Liquidity Facility of the National Credit Union Administration.

Title

All savings and loan associations and cooperative banks should return this report to the Federal Home Loan Bank.

All other creditors should return this report to the Federal Reserve Bank in whose district the respondent company is located.

Area Code and Telephone Number

APPENDIX
(SAMPLE)