

2/18/81

I M P O R T A N T N O T I C E

ATTENTION ALL NONMEMBER BANKS,
SAVINGS & LOANS, AND CREDIT UNIONS:

The Federal Reserve Bank of Dallas is in the process of preparing new binders of Regulations of the Board of Governors of the Federal Reserve System and Bulletins of the Federal Reserve Bank of Dallas which will be forwarded to you in the future. In the interim, it is very important that you retain the enclosed material for the purpose of updating the binders. Upon receipt of your binders, all material should be inserted, making the binders current.

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 81-33
February 23, 1981

AMENDMENT TO REGULATION B

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

Enclosed is a copy of an amendment to Regulation B as amended effective May 21, 1979. The amendment is in slip sheet form and should be filed in your Regulations Binder.

In order for your Regulation to be complete, you should retain the printed Regulation pamphlet dated March 23, 1977, and the enclosed slip sheet. (Destroy slip sheets indicated in footnote).

Additional copies of the amendment will be furnished upon request to our Bank and Public Information Department, Ext. 6266.

Sincerely yours,

William H. Wallace

First Vice President

Enclosure

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

EQUAL CREDIT OPPORTUNITY

AMENDMENTS TO REGULATION B †

As amended effective May 21, 1979

1. Effective March 13, 1978, section 202.2(c) is amended to read as follows:

SECTION 202.2—DEFINITIONS AND RULES OF CONSTRUCTION

* * * * *

(c) Adverse action. (1) For the purpose of notification of action taken, statement of reasons for denial, and record retention, the term means:

(i) a refusal to grant credit in substantially the amount or on substantially the terms requested in an application unless the creditor offers to grant credit other than in substantially the amount or on substantially the terms requested by the applicant and the applicant uses or expressly accepts the credit offered; or

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(2) The term does not include:

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(iii) a refusal or failure to authorize an account transaction at a point of sale or loan, except when the refusal is a termination or an unfavorable change in the terms of an account that does not affect all or a substantial portion of a classification of the creditor's accounts or when the refusal is a denial of an application to increase the amount of credit available under the account; or

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(3) An action that falls within the definition of both subsections (c)(1) and (c)(2) shall be governed by the provisions of subsection (c)(2).

* * * * *

2. Effective April 21, 1978, section 202.1(d) is amended to read as follows:

SECTION 202.1—AUTHORITY, SCOPE, ENFORCEMENT, PENALTIES AND LIABILITIES, INTERPRETATIONS

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(d) Issuance of staff interpretations. (1) Unofficial staff interpretations will be issued at the staff's discretion where the protection of section 706(e) of the Act is neither requested nor required, or where a rapid response is necessary.

(2)(i) Official staff interpretations will be issued at the discretion of designated officials. No such interpretation will be issued approving creditors' forms or statements. Any request for an official staff interpretation of this Part must be in writing and addressed to the Director of the Division of Consumer Affairs,*Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The request must contain a complete statement of all relevant facts concerning the credit transaction or arrangement and must include copies of all pertinent documents.

(ii) Within 5 business days of receipt of the request, an acknowledgment will be sent to the person making the request. If, in the opinion of the designated officials, issuance of an official staff interpretation is appropriate, it will be published in the *Federal Register* to become effective 30 days after the publication date. If a request for public comment is received, the effective date will be suspended. The interpretation will then be published in the *Federal Register* and the public given an opportunity to comment. Any official staff interpretation issued after opportunity for public comment shall become effective upon publication in the *Federal Register*.

(3) Any request for public comment on an official staff interpretation of this Part must be in

*Division of Consumer and Community Affairs

† For this Regulation to be complete retain:

1) Printed Regulation pamphlet dated March 23, 1977.

2) This slip sheet. (Destroy slip sheets dated 3-13-78, 4-21-78, 5-21-79.)

writing and addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and postmarked or received by the Secretary's office within 30 days of the interpretation's publication in the *Federal Register*. The request must contain a statement setting forth the reasons why the person making the request believes that public comment would be appropriate.

(4) Pursuant to section 706(e) of the Act, the Board has designated the Director and other officials of the Division of Consumer Affairs* as officials "duly authorized" to issue, at their discretion, official staff interpretations of this Part.

3. Effective May 21, 1979, section 202.2(1) is amended to read as follows:

**SECTION 202.2—DEFINITIONS AND RULES
OF CONSTRUCTION**

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*Division of Consumer and Community
Affairs

(1) **Creditor** means a person who, in the ordinary course of business, regularly participates in the decision of whether or not to extend credit. The term includes a creditor's assignee, transferee, or subrogee who so participates. For purposes of §§ 202.4 and 202.5(a), the term also includes a person who, in the ordinary course of business, regularly refers applicants or prospective applicants to creditors, or selects or offers to select creditors to whom requests for credit may be made. A person is not a creditor regarding any violation of the Act or this Part committed by another creditor unless the person knew or had reasonable notice of the act, policy, or practice that constituted the violation before its involvement with the credit transaction. The term does not include a person whose only participation in a credit transaction involves honoring a credit card.

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