

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 81-245

December 29, 1981

TECHNICAL AMENDMENTS TO REGULATION Z

Truth in Lending

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

The Board of Governors of the Federal Reserve System is making technical amendments to its official staff commentary to Regulation Z and to Appendices E and G of its final rules on Regulation Z.

The Board's action is more fully explained in the material as submitted to the Federal Register for publication printed on the following pages.

Questions regarding the amendments should be directed to this Bank's Legal Department, Ext. 6171.

Additional copies of this circular will be furnished upon request to the Department of Communications, Financial and Community Affairs, Ext. 6289.

Sincerely yours,



William H. Wallace
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.

FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Reg. Z; Docket No. R-0288]

TRUTH IN LENDING

Revised Regulation Z; Technical Amendments.

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; technical amendments.

SUMMARY: The Board is making technical amendment to Appendices E and G of its final rules on Regulation Z (Truth in Lending) published at 46 FR 20848, April 7, 1981.

FOR FURTHER INFORMATION CONTACT: Ruth Amberg, Staff Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, (202) 452-3667.

SUPPLEMENTARY INFORMATION: The final rules contained in FR Doc. 81-10347 are amended as follows:

1. On page 20912, column 1, the last sentence of the paragraph entitled Section 226.11 in Appendix E is amended by changing "5 business days" to "7 business days."

2. On page 20917, the paragraph entitled "How to Cancel" of model form G-6 is amended by adding "If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time." immediately after ". . . (or midnight of the third business day following the latest of the three events listed above)."

Board of Governors of the Federal Reserve System, December 3, 1981.

(signed) William W. Wiles

William W. Wiles
Secretary of the Board

[SEAL]

FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Reg. Z; TIL-1]

TRUTH IN LENDING

Official Staff Commentary; Technical Amendments.

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Official staff interpretation; technical amendments.

SUMMARY: The staff is making technical amendments to its official staff commentary to Regulation Z (Truth in Lending) published at 46 FR 50288, October 9, 1981.

FOR FURTHER INFORMATION CONTACT: Ann Marie Bray, Staff Assistant, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, (202) 452-2412.

SUPPLEMENTARY INFORMATION: The final official staff interpretation contained in FR Doc. 81-29734 is amended as follows:

1. On page 50296, column 2, the fourth sentence of the second paragraph of 1981 changes is amended to read as follows:

"Other terms previously defined, such as 'customer' and 'organization,' are merged into new definitions."

2. On page 50299, column 1, the fourth sentence of the third bulleted paragraph in Comment 4(a)-4 is amended to read as follows:

"In addition, the agreement states that the creditor will pay 0% interest on the amount of the time deposit that corresponds to the amount of the credit extension(s)."

3. On page 50307, column 2, the following heading for and the first sentence of Comment 7(g)2 is added immediately after "1. Rate same as corresponding annual percentage rate. See Comment 7(d)-5":

"2. Multifeatured plans. In a multifeatured plan, the actual annual percentage rate that reflects the finance charge imposed during the cycle may be separately stated for each feature."

4. On page 50307, column 3, the last sentence of Comment 7(k)-2 is amended by adding "the" after "Both of the billing rights statements in Appendix G contain such a precautionary instruction, so that a creditor could, by including either of these statements with each periodic statement, ensure that" and before "required address is provided in a clear and conspicuous manner."

5. On page 50309, column 3, the punctuation of the first sentence of Comment 9(c)-1 is amended as follows:

"No notice of a change in terms need be given if the specific change is set forth initially, such as: rate increases under a properly disclosed variable rate plan, a rate increase that occurs when an employee has been under a preferential rate agreement and terminates employment, or an increase that occurs when the consumer has been under an agreement to maintain a certain balance in a savings account in order to keep a particular rate and the account balance falls below the specified minimum."

6. On page 50310, column 1, the last sentence of Comment 9(c)(1)-3 is amended as follows:

"But the consumer's general acceptance of the creditor's contract reservation of the right to change terms, or the consumer's use of the account (which might imply acceptance of its terms under state law), is not 'an agreement' between the consumer and the creditor for purposes of § 226.9(c)(1)."

7. On page 50311, column 3, the reference to § 226.10 appearing in the 1981 changes paragraph is amended to read "§ 226.11."

8. On page 50316, column 3, the reference in Comment 13(f)-2 is amended by changing "(See Comment 13(e)-1)" to "(See Commentary to §226.13(e).)"

9. On page 50317, column 3, the first sentence of Comment 14(a)-3 is amended by inserting "by" after "permitted" and before "§ 226.14(a)."

10. On page 50318, column 2, the title of Comment 14(d)-1 is amended by changing "Quotient Methods." to "Quotient Method."

11. On page 50336, column 3, Comment 23(a)-4 is amended by changing "creditor" to "consumer."

Board of Governors of the Federal Reserve System, December 3, 1981.

(signed) William W. Wiles
William W. Wiles
Secretary of the Board

[SEAL]