



FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT
AND CHIEF OPERATING OFFICER

June 11, 1990

DALLAS, TEXAS 75222

Circular 90-37

TO: The Chief Executive Officer of all
member banks and others concerned in
the Eleventh Federal Reserve District

SUBJECT

Comments on Proposed Revisions to
List of Permissible Activities in Regulation Y

DETAILS

The Federal Reserve Board has issued for public comment a proposal to add non-full payout leasing to the list of permissible activities in Regulation Y. Comment is requested by July 16, 1990.

The proposed amendment would raise the maximum estimated residual value of leased personal property on which bank holding companies may rely for their compensation in leasing transactions to up to 100 percent of the acquisition cost of the leased property. Also, the Office of the Comptroller of the Currency has issued a proposed regulation that would allow national banks to rely on residual values up to 100 percent of the acquisition cost of the leased property. The Competitive Equality Banking Act of 1987 had amended the National Bank Act to expand the leasing authority of national banks.

These higher residual value leasing transactions would be subject to certain volume limitations, and would also remain subject to the prudential limitations currently set forth in Regulation Y.

The proposed rules will be published shortly in the Federal Register; however, copies of the Board's notice may also be obtained by contacting the Public Affairs Department at (214) 651-6289.

MORE INFORMATION

For more information, please contact Gayle Teague at (214) 744-7312. For additional copies of this circular, please contact the Public Affairs Department at (214) 651-6289.

Sincerely yours,