



FEDERAL RESERVE BANK
OF DALLAS

ROBERT D. McTEER, JR.
PRESIDENT
AND CHIEF EXECUTIVE OFFICER

July 13, 1992

DALLAS, TEXAS 75222

Notice 92-58

TO: The Chief Executive Officer of
each financial institution in the
Eleventh Federal Reserve District

SUBJECT

Amendments and Corrections to
Regulation Z
(Truth in Lending)

DETAILS

The Board of Governors of the Federal Reserve System has published amendments and corrections in slip-sheet form to Regulation Z, effective May 1992. The new slip sheet should be inserted in your Regulations binder.

ENCLOSURE

The new slip sheet is enclosed.

MORE INFORMATION

For more information, please contact Eugene Coy at (214) 744-7480. For additional copies of this Bank's notice and the slip sheet, please contact the Public Affairs Department at (214) 922-5254.

Sincerely yours,

Robert D. McTeer, Jr.

For additional copies, bankers and others are encouraged to use one of the following toll-free numbers in contacting the Federal Reserve Bank of Dallas: Dallas Office (800) 333-4460; El Paso Branch *Intrastate* (800) 592-1631, *Interstate* (800) 351-1012; Houston Branch *Intrastate* (800) 392-4162, *Interstate* (800) 221-0363; San Antonio Branch *Intrastate* (800) 292-5810.

Amendments and Corrections to Regulation Z Truth in Lending May 1992*

1. Section 226.5a(a)(3) is corrected by adding the words "of the type" before the words "subject to the requirements of section 226.5b".

2. Section 226.5a(g)(2) is corrected by deleting "and is figured in the same way as the first balance" from the last sentences of subparagraphs (i) and (ii).

3. Effective September 19, 1990, section 226.5b(f)(3) is amended by deleting subparagraph (vi)(G) and revising subparagraph (i) to read as follows:

(i) Provide in the initial agreement that it may prohibit additional extensions of credit or reduce the credit limit during any period in which the maximum annual percentage rate is reached. A creditor also may provide in the initial agreement that specified changes will occur if a specified event takes place (for example, that the annual percentage rate will increase a specified amount if the consumer leaves the creditor's employment).

4. Effective September 19, 1990, section 226.9(c)(3) is amended to read as follows:

(3) *Notice for home-equity plans.* If a creditor prohibits additional extensions of credit or reduces the credit limit applicable to a home-equity plan pursuant to section 226.5b(f)(3)(i) or 226.5b(f)(3)(vi), the creditor shall mail or deliver written notice of the action to each consumer who will be affected. The notice must be provided not later than three business days after the ac-

tion is taken and shall contain specific reasons for the action. If the creditor requires the consumer to request reinstatement of credit privileges, the notice also shall state that fact.

5. Section 226.9(e)(1) and (f)(1) are corrected by adding the words "of the type" before the words "subject to section 226.5a".

6. Effective September 19, 1990, appendix G-14C is removed.

7. Appendix I is amended, effective October 8, 1991, and May 13, 1992, by revising the introductory paragraph and the first four entries to read as follows:

APPENDIX I—Federal Enforcement Agencies

The following list indicates which federal agency enforces Regulation Z for particular classes of businesses. Any questions concerning compliance by a particular business should be directed to the appropriate enforcement agency. Terms that are not defined in the Federal Deposit Insurance Act (12 USC 1813(s)) shall have the meaning given to them in the International Banking Act of 1978 (12 USC 3101).

National banks and federal branches and federal agencies of foreign banks

District office of the Office of the Comptroller of the Currency for the district in which the institution is located.

State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act

* A complete Regulation Z, as amended and corrected effective May 13, 1992, consists of—

• the pamphlet dated July 1989 (see inside cover) and
• this slip sheet.

Federal Reserve Bank serving the District in which the institution is located.

Nonmember insured banks and insured state branches of foreign banks

Federal Deposit Insurance Corporation regional director for the region in which the institution is located.

Savings institutions insured under the Savings Association Insurance Fund of the FDIC and federally chartered savings banks insured under the Bank Insurance Fund of the FDIC (but not including state-chartered savings banks insured under the Bank Insurance Fund).

Office of Thrift Supervision regional director for the region in which the institution is located.

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TRUTH IN LENDING ACT

8. *Effective December 19, 1991, section 108(a)(1), (2), and (4) of the Truth in Lending Act is amended to read as follows:*

SECTION 108—Administrative Enforcement

(a) Compliance with the requirements imposed under this title shall be enforced under

(1) section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act, by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation.

(2) section 8 of the Federal Deposit Insurance Act, by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation.

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(4) the Federal Aviation Act of 1958, by the Civil Aeronautics Board with respect to any air carrier or foreign air carrier subject to that Act.