POLICY DEVELOPMENTS

ACH
General Information

In keeping with the San Francisco Reserve Bank’s objective to ensure that all depository institutions are fully aware of Federal Reserve services available to them directly, we have issued a summary of Automated Clearing House (ACH) services. The summary includes recent and anticipated changes (such as electronic receipt and delivery of ACH transactions via personal computer and installation of an efficient, new software, hardware and data communications program), current prices, and deposit and delivery schedules.

For more information, or a copy of the Bank’s notice, please contact the Financial Services Officer at the Reserve Bank branch serving your territory.

Seasonal Credit
Program

The Federal Reserve Board has modified the seasonal lending program to help agricultural banks meet temporary liquidity needs. The amount of credit available to smaller institutions qualifying under the existing seasonal program has been increased. In addition, the Board adopted a temporary simplified program to help small agricultural banks meet increased loan demand during the forthcoming planting and production cycle.

For copies of the Board’s March 8, 1985 press release, please contact Corporate Services at (415) 974-2752. For further information about the seasonal credit program, please call Donald Lieb in Credit at (415) 974-3021.

FOR PUBLIC COMMENT

Regulation B — Equal Credit Opportunity

The Federal Reserve Board has requested public comment by June 14, 1985 on revisions to Regulation B that would simplify the regulation and update some of its provisions. In addition, the revisions would bring data collection requirements for dwelling-related loans into greater uniformity with the rules imposed by other regulators. The major portions of the existing regulatory provisions remain virtually unchanged.

In addition to simplifying the regulation, the proposed revisions would:

• Include guarantors in the definition of a credit applicant
• Require creditors to collect information on the race, national origin, and sex of the applicant for dwelling-related loans, including home improvement and mobile home loans
• Provide additional sample forms to creditors for informing applicants of the reasons for denying them credit

To help creditors comply with the revisions, the Board is also issuing a proposed staff commentary. The complete text of the Board’s notice is available from Corporate Services at (415) 974-2752. For further information, please contact David Vandre in Consumer Affairs at (415) 974-2965.

Regulation G — Securities Credit Other Than Banks, Brokers, Dealers

The Federal Reserve Board has requested public comment by April 19, 1985 on a proposed amendment to Regulation G that would give savings and loan associations and other lenders the same authority as banks to extend credit to employee stock ownership plans.

In addition, the Board adopted a technical amendment to its margin regulations to exclude face-amount certificates from the definition of margin security and to allow broker-dealers to sell these instruments without being considered in violation of the credit-arranging provision of Regulation T.

For further information, please contact David Vandre in Consumer Affairs at (415) 974-2965.
FOR PUBLIC COMMENT (Continued)

Regulation Z — Truth In Lending

The Board has published for comment by May 16, 1985 a proposed determination as to whether Section 6-621A.2 of Arizona’s Small Loans Act is inconsistent with the Truth in Lending Act, and therefore preempted. A determination that the provisions are preempted would trigger the prohibition against those provisions with an effective date of October 1, 1986, although affected creditors would have the option of complying from the date of the Board’s determination.

For further information, please contact David Vandre in Consumer Affairs at (415) 974-2965 or Robert Mulford in our Law Department at (415) 974-2256.

REGULATIONS AND OPERATIONS UPDATE

Collection of Cash Items

A revised Circular 1, describing the San Francisco Reserve Bank’s procedures for “Collection of Cash Items,” was issued March 8, 1985. The circular supersedes the previous version dated August 1, 1983. Substantive changes were made only in Payment for Cash Letters, Misrouted Items, Food Coupons, and New Credit Availability Schedules for each of our branches.

For a copy of the circular, please contact Corporate Services at (415) 974-2752. For further information about our checks services, please contact the Check Officer at your local Reserve Bank Office.

Currency and Coin

Circular 9, describing the San Francisco Reserve Bank’s “Currency and Coin” services, has been substantially revised and reorganized. The most significant changes include the following:

- Effective January 2, 1985, the Twelfth District implemented revised currency packaging standards to conform with the Board of Governors’ policy for Uniform Standards for FRB Cash Services
- Clarification of accounting procedures for credits and debits for cash shipments
- Clarification of FRB responsibility for differences reported by depository institutions on cash shipments
- Rationale for FRB procedures and time frames for reporting differences in cash shipments
- Description of revised procedures for reporting differences in new currency to the Bureau of Engraving and Printing

Copies of the circular are available from Corporate Services at (415) 974-2752. For further information about Reserve Bank cash services, please contact the Cash Services officer at your local Federal Reserve Office.

NATIONAL CONSUMERS WEEK AND CONFERENCE

April 22nd is the kick-off for National Consumers Week 1985. This year’s slogan is “Consumers Should Know,” which focuses on the consumer’s right to fair treatment in the marketplace and the responsibility of consumers to educate themselves.

The Federal Reserve Bank of San Francisco is urging financial institutions to use National Consumers Week to help further consumer education and to promote public understanding of consumer regulations. Copies of consumer affairs publications, such as Consumer Handbook to ARMs and Give Yourself Credit, are available through our Public Information Department at (415) 974-2163. For general information about National Consumers Week, please contact our Consumer Affairs Unit at (415) 974-7970.

On May 16, the San Francisco Reserve Bank will host a one-day conference entitled “Consumer Compliance: Current Developments and Emerging Issues” at the San Francisco headquarters building. The Conference will focus on the Equal Credit Opportunity Act, effective approaches to compliance, and other emerging topics, such as funds availability. Speakers representing the Board of Governors of the Federal Reserve System, Bankers for Compliance, the California State Banking Department, and other organizations will be featured together with executives from financial institutions that have implemented effective compliance programs. If you would like to attend this conference, or want further information, please call Consumer Affairs at (415) 974-2762.