

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 2279]
[September 20, 1941]

CONSUMER CREDIT

AMENDMENT NO. 1 TO REGULATION W OF THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM

*To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has adopted, effective September 20, 1941, the following amendment to Regulation W.

Amendment No. 1 to Regulation W

Effective September 20, 1941, Part 3(a) of the Supplement to Regulation W is hereby amended to read as follows:

(a) The maximum credit value of a new automobile shall be $66\frac{2}{3}$ per cent of the *bona fide* cash purchase price of the automobile and accessories (including any sales taxes thereon and any *bona fide* delivery charges) but such maximum credit value shall in no event exceed $66\frac{2}{3}$ per cent of the sum of the following items:

(1) The manufacturer's retail quotation at factory, or the equivalent of such quotation. (For the purposes of this regulation, this means the retail delivered price of the automobile with standard equipment at the factory, as advertised, or as suggested or recommended to dealers, by the manufacturer; or, in the case of a 1942 model for which such a price has not been so advertised or suggested or recommended, it means the price last so advertised or suggested or recommended for the corresponding 1941 model, increased or decreased by the percentage by which the manufacturer's wholesale price of the 1942 model is increased or decreased from the manufacturer's wholesale price of such 1941 model.)

(2) Transportation charges from factory to point of delivery as suggested or recommended by the manufacturer for inclusion in the retail delivered price at that point, or in the absence of any such suggestion or recommendation then an amount substantially equal to the freight by rail from factory to that point;

(3) Any Federal, State, or local taxes not included in the foregoing; and

(4) Any *bona fide* charges for delivery or accessories not included in the foregoing items.

In case the automobile is sold for delivery at the factory, by a dealer in a given place to a resident of such place or its vicinity who actually intends to bring the automobile to such place or vicinity and use it there, an amount equal to the freight from the factory to such place may be included.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.