

FEDERAL RESERVE BANK
OF NEW YORK

{ Circular No. 2678 }
August 30, 1943 }

CONSUMER CREDIT

AMENDMENT NO. 10 TO REGULATION W OF THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM

*To Registrants under Regulation W and Others
Concerned in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has adopted, effective September 1, 1943, the following amendment to Regulation W dealing with consumer credit.

AMENDMENT NO. 10 TO REGULATION W
ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Regulation W is hereby amended in the following respects, effective September 1, 1943:

1. By striking out the figure \$5.00 in section 5(*f*) and inserting in lieu thereof the figure \$10.00 so that section 5(*f*) will read as follows:

(*f*) "Authorization" of Small Items.—In case a Registrant makes a charge sale of a listed article the cash price of which is \$10.00 or less, he shall not be deemed to have violated section 5(*b*) if the person authorizing such sale on behalf of the Registrant acts in good faith without knowledge that the customer's charge account is in default, provided the Registrant, promptly upon discovery that such charge account is in default and in any event within 15 days from the date of sale, makes a request of the customer that he either return the article or else pay for it in full immediately.

2. By adding at the end of the first paragraph of section 12(*m*) entitled "Cycle Billing" the following sentence:

Such provisions shall be applicable also to any Registrant who shall have established such a system after having received from the Federal Reserve Bank of his district a notification which is still in force stating that the Federal Reserve Bank is satisfied (1) that the system is intended to effectuate operating economies with respect to manpower or office machinery and (2) that its adoption is not for the purpose of circumventing this regulation.

Additional copies of this circular may be obtained upon request.

ALLAN SPROUL,
President.