

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 2809]  
June 22, 1944]

CONSUMER CREDIT

AMENDMENTS NOS. 12 AND 13 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 issued the following statement for the press for release on June 22, 1944.

The Board of Governors of the Federal Reserve System has adopted Amendments Nos. 12 and 13 to its Regulation W, relating to consumer credit. Amendment No. 12 becomes effective July 10, 1944 and Amendment No. 13 becomes effective June 22, 1944.

Amendment No. 12 is occasioned by the adoption of price ceilings for used automobiles by the Office of Price Administration and is made effective on the same date that the price ceilings become effective. Heretofore it has been required that credits for the purpose of purchasing used automobiles shall not exceed two-thirds of the cash price or two-thirds of the average retail value as published in an automobile appraisal guide, whichever is lower. After July 10, reference to appraisal guides will no longer be required. A provision already in the regulation limits instalment sale credits to no more than two-thirds of the ceiling price.

Amendment No. 13 clarifies the way in which mixed credits consisting in part of credit subject to the regulation and in part of credit not subject to the regulation shall be handled. Terms for the mixed credits must be such that the requirements of the regulation for the part subject to it are satisfied, but the part not subject may be treated in any way the creditor may choose.

The texts of the amendments are printed on the reverse side. Additional copies may be obtained upon request.

ALLAN SPROUL,  
*President.*

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AMENDMENT NO. 12 TO REGULATION W

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Regulation W is hereby amended in the following respects, effective July 10, 1944:

1. By amending section 13(c) entitled "Down Payment on Automobiles and Motorcycles" so that it will read as follows:

(c) **Down Payment on Automobiles and Motorcycles.**—For a new or used automobile or a new or used motorcycle, the down payment (which may be in cash or in the form of a trade-in or in both forms) shall be one-third of the cash price.

2. By amending section 13(e) entitled "Maximum Amount of Loan" so that the last paragraph will read as follows:

A loan to purchase a new or used automobile or a new or used motorcycle shall not exceed two-thirds of the cash price.

AMENDMENT NO. 13 TO REGULATION W

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Regulation W is hereby amended effective June 22, 1944, by striking out subsection (b) of section 12 and substituting the following:

(b) **Extension of Credit for Mixed Purposes.**—In case an extension of credit is partly subject to one section of this regulation and partly subject to another section, the amount and terms of such extension of credit shall be such as would result if the credit were divided into two or more parts and each part were treated as if it stood alone. In case an extension of credit is partly subject to this regulation and partly not subject to the regulation, the amount and terms of such extension of credit shall be such as would result if the credit were divided and the part subject to the regulation were treated according to the applicable provisions of the regulation; the part not subject to the regulation may be treated as if the regulation did not exist.