

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 3119]
August 14, 1946]

CONSUMER CREDIT

AMENDMENT NO. 21 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:*

For your information we quote below from a statement for the press issued by the Board of Governors of the Federal Reserve System for release on August 13, 1946.

The Board of Governors of the Federal Reserve System took action today to amend Regulation W relating to consumer credit in two respects. The first enlarges the scope of the regulation by making it applicable to all consumer credits up to \$2,000 instead of only those up to \$1,500. The second reduces the maximum maturity from 18 months to 15 months for instalment loans that are not connected with the purchase of consumers' durable or semi-durable goods. Instalment credits for the purchase of such goods remain subject to a maximum maturity of 12 months, or 15 months in the case of automobiles.

The text of Amendment No. 21 to Regulation W is printed on the reverse side. Additional copies may be obtained upon request.

ALLAN SPROUL,
President.

CONSUMER CREDIT
AMENDMENT NO. 21 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 3, 1946:

1. Section 1, 2(*e*), 2(*h*), 2(*i*), 6(*a*), 6(*b*), 7(*a*), 7(*b*), and 7(*c*) are amended by striking out "\$1,500" and inserting in lieu thereof "\$2,000".

2. Sections 6(*b*) and 10(*b*) are amended by striking out "18 months" and inserting in lieu thereof "15 months".

3. Footnote 5 attached to section 7(*c*) is amended so that it will read as follows:

⁵ The maximum maturity is 6, 12, or 15 months from the date of the original loan as determined by its purpose, except that 18 months from the date of the renewal or extension is permissible with a Statement of Necessity pursuant to section 10(*d*).

4. The last sentence of footnote 7 attached to section 10(*a*) is amended so that it will read as follows:

Whenever the regulation is amended to increase or decrease the maximum maturity for any class of transactions, the terms of repayment "permitted in the first instance" in so far as they relate to the maximum maturity for such class of transactions shall be deemed to be the terms applicable under the provisions of the amendment.

5. Section 10(*d*) is amended by inserting after the words "except that" the words "it may have a maturity of not more than 18 months and".