

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 3422]
March 3, 1949]

CONSUMER INSTALMENT CREDIT CONTROL

**Amendment No. 3 to Regulation W of the Board of Governors of the
Federal Reserve System**

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

The Board of Governors of the Federal Reserve System has adopted Amendment No. 3 to Regulation W, effective March 7, 1949. For your information we quote below from a press statement issued by the Board of Governors relating to this amendment, and released for publication on March 3, 1949:

The Board of Governors announced today modification of Regulation W, effective next Monday, March 7, making the maximum maturity uniformly 21 months, instead of 15 to 18 months, on all extensions of consumer instalment credit, and reducing down payments on furniture, appliances, etc., from 20 per cent to 15 per cent, while retaining the 33½ down payment on automobiles.

This modification is based on continuous study of the operations of the regulation since it was reinstated last September, and on the experience of Federal Reserve Banks and their branches in its administration in the field.

In recommending last summer that Congress authorize reinstatement of the regulation, the Board stated that the authority would be used flexibly and that the Board would be ready at all times to tighten or relax the terms in accordance with the objectives of the authority and with a view to sound credit conditions. The amendment also contains two minor modifications of a technical nature.

Paragraphs numbered 1 and 4 of the amendment set forth the two modifications referred to in the last sentence of the Board's statement.

A printed copy of Amendment No. 3 to Regulation W is enclosed; additional copies may be obtained upon request.

ALLAN SPROUL,
President.

AMENDMENT NO. 3 TO REGULATION W

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Regulation W is hereby amended in the following respects, effective March 7, 1949:

1. By inserting the following immediately after the words "structure or" and immediately before the number "(2)" in section 7(g) of the regulation:

"other entire unit designed for residential occupancy, or"

2. By changing "20 per cent" and "80 per cent" in Part 1, Group B of the Supplement to read, respectively, "15 per cent" and "85 per cent".

3. By changing Part 2 of the Supplement to read as follows:

"Part 2. Maturities.—The maximum maturity for all listed articles and for unclassified instalment loans is 21 months."

4. By changing the figure "20" to "24" in Part 3 of the Supplement.