

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 3659]
February 23, 1951]

CONSUMER CREDIT

**Amendment No. 2 to Regulation W of the Board of Governors of the
Federal Reserve System, Effective February 26, 1951**

*To all Persons Concerned with Regulation W
in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has adopted Amendment No. 2 to Regulation W, effective February 26, 1951. Following is the text of the statement issued by the Board of Governors relating to the amendment:

For immediate release

February 21, 1951.

The Board of Governors of the Federal Reserve System has today adopted Amendment No. 2 to Regulation W—Consumer Credit, effective Monday, February 26, 1951. The amendment exempts from the down payment and monthly payment requirements of Regulation W certain short-term, non-renewable leases which neither extend beyond three months nor involve a delivery in connection with subsequent leasing or sale arrangements.

Regulation W, as reissued by the Board of Governors effective September 18, 1950, prescribes down payment and monthly payment requirements for leasing arrangements, instalment sales, and other instalment financing of automobiles, household electrical appliances, furniture, major consumer durable goods, and consumer instalment loans in general. The amendment serves to relax the regulation with respect to certain seasonal and other specialized short-term leases.

A printed copy of Amendment No. 2 to Regulation W is enclosed; additional copies may be obtained upon request.

ALLAN SPROUL,
President.

AMENDMENT NO. 2 TO REGULATION W

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective February 26, 1951, section 7 of Regulation W is hereby amended by adding, at the end thereof after the present subsection (*k*), a new subsection (*l*) reading as follows:

(l) Certain Temporary Rentals.—Any contract or similar arrangement for the rental, leasing or bailment of a listed article for a specified period of not more than 3 months if (1) the transaction is to be terminated, and the article returned to the Registrant, on or before the expiration of the specified period, and (2) the transaction is not renewable and does not directly or indirectly relate to or involve any subsequent lease, use of, or other interest in, the article or any similar article.

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