

**FEDERAL RESERVE BANK  
OF NEW YORK**

[Circular No. 3706]  
May 16, 1951]

**CONSUMER CREDIT**

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**Amendment No. 3 to Regulation W of the Board of Governors  
of the Federal Reserve System, Effective May 15, 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. 3 to Regulation W, effective May 15, 1951. Following is the text of the statement issued by the Board of Governors relating to the amendment, and released for publication May 15, 1951:

The Board of Governors of the Federal Reserve System today amended its Regulation W—Consumer Credit—to provide certain technical changes in the exemption provisions of the regulation. One change relates to the method to be used by a Federal Reserve Bank in designating disaster areas under the regulation and the other change, dealing with rental agreements, permits the continuation of certain rental arrangements in effect during the year 1950.

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 May 15, 1951:

1. By amending subsection (*j*) of section 7 to read as follows:

“(j) **Disaster Credits.**—Any credit of a kind designated by a Federal Reserve Bank under this subsection as a result of a flood or other similar disaster which the Federal Reserve Bank determines has created within its district an emergency affecting the credit needs of a substantial number of the inhabitants of the stricken area. This exemption shall apply only within such areas and during such periods, and shall be subject to such other conditions, as the Federal Reserve Bank may prescribe.”

2. By amending subsection (*l*) of section 7 to read as follows:

“(l) **Certain Rentals.**—Any rental, leasing or bailment contract or arrangement (1) for a specified period of not more than 3 months if (i) the transaction is to be terminated, and the article returned to the Registrant, on or before the expiration of the specified period, and (ii) 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; or (2) existing during 1950 between the Registrant and the obligor, or any *bona fide* continuation or modification thereafter of such existing contract or arrangement, which (i) does not expand the number of articles outstanding between the Registrant and the obligor beyond the maximum number outstanding between them at any one time during 1950, and (ii) does not otherwise alter the essential nature of the original contract or arrangement.”

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**FEDERAL RESERVE BANK  
OF NEW YORK**

May 17, 1951.

*To all Banking Institutions in the  
Second Federal Reserve District:*

We are pleased to announce that The Broadalbin Bank, Broadalbin, New York, has become a member of the Federal Reserve System effective May 17, 1951.

**ALLAN SPROUL,**  
*President.*