

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6572]
July 13, 1970]

REGULATION Z—AMENDMENT TO SUPPLEMENT III
Exemption of Certain Credit Transactions in Massachusetts

*To All State Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

Following is the text of a statement issued June 18 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System announced today it has granted the State of Massachusetts an exemption under the Federal Truth in Lending Act, effective July 1, 1970. Massachusetts law, which is substantially similar to the Federal statute, will apply to all classes of credit transactions within that State, except those in which a federally chartered institution—such as a Federal credit union, Federal savings and loan association, or national bank—is a creditor.

Section 123 of the Truth in Lending Act provides that the Board shall exempt from the disclosure and rescission requirements of the Act any class of transactions within a State if the State law provides requirements substantially similar to those imposed by the Federal law, and there is adequate provision for enforcement.

In making its determination, the Board noted that the Massachusetts law is at least as strict—and in some respects more strict—than the Federal Truth in Lending statute, and that there is adequate provision for enforcement.

Enclosed is a copy of an amendment to Supplement III to Regulation Z, reflecting the Massachusetts exemption, effective July 1, 1970. Additional copies will be furnished upon request.

ALFRED HAYES,
President.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

TRUTH IN LENDING

AMENDMENT TO SUPPLEMENT III TO REGULATION Z

Effective July 1, 1970, Supplement III to Regulation Z (Section 226.12—Supplement) is amended by adding paragraph (d) as follows:

SECTION 226.12—SUPPLEMENT

* * *

(d) Massachusetts. Except as provided in § 226.12(e), the following classes of credit transactions within the State of Massachusetts except for those transactions in which a federally chartered institution is a creditor are hereby granted an exemption from the requirements of Chapter 2 of the Truth in Lending Act effective July 1, 1970:

(1) Transactions under open end consumer credit plans which are subject to the requirements of section 127 of the Truth in Lending Act;

(2) Consumer credit sales transactions not under open end credit plans which are subject to the requirements of section 128 of the Act;

(3) Consumer loan transactions not under open end credit plans which are subject to the requirements of section 129 of the Act.