

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6627]
[October 28, 1970]

AMENDMENT TO REGULATION Z
Open End Credit Accounts

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

The Board of Governors of the Federal Reserve System has amended, effective October 23, 1970, its Truth in Lending Regulation Z to permit creditors to reduce the periodic rate or rates applicable to open end credit accounts without the necessity of giving prior notice to the customer. The new provision will apply only when such reductions are the only changes being made in the terms of the accounts.

Enclosed is a copy of the amendment; additional copies will be furnished upon request.

ALFRED HAYES,
President.

Board of Governors of the Federal Reserve System

TRUTH IN LENDING

AMENDMENT TO REGULATION Z

Effective October 23, 1970, § 226.7(e) is amended to read as follows:

SECTION 226.7 — OPEN END CREDIT ACCOUNTS — SPECIFIC DISCLOSURES

* * *

(e) **Change in terms.** If any change is to be made in terms of an open end credit account plan previously disclosed to the customer, the creditor shall mail or deliver to the customer written disclosure of such proposed change not less than 30 days prior to the effective date of such change or 30 days prior to the beginning of the billing cycle within which such change will become effective, whichever is the earlier date. No notice is necessary if the only change is a reduction in the periodic rate or rates applicable to the account.

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