

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 7805 ]  
January 27, 1976

**BANK HOLDING COMPANIES**  
**Hearing on Automobile Leasing Activities**

*To All Bank Holding Companies, and Others Concerned,  
in the Second Federal Reserve District:*

Following is the text of a statement issued January 20 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today scheduled a hearing for March 23 to consider whether automobile leasing should continue to be a permissible activity for bank holding companies.

The hearing will be held at the Board's offices, 20th Street and Constitution Avenue, N.W., in Washington, D. C., beginning at 10:00 a.m.

Persons desiring to make an oral presentation should notify the Board's Secretary by February 20.

Printed below is the text of the Board's Order in this matter. As indicated in that Order, written comments thereon may be submitted by April 23; such written comments may be sent to our Domestic Banking Applications Department.

**PAUL A. VOLCKER,**  
*President.*

**BANK HOLDING COMPANIES**

**Order Scheduling Oral Presentation In Proceeding  
To Consider Whether Automobile Leasing Should Continue  
To Be A Permissible Activity For Bank Holding Companies**

On November 11, 1975, the Board issued a notice of proposed rulemaking to consider whether and under what conditions bank holding companies should be permitted to continue to engage in automobile leasing activities under the provisions of Section 225.4(a)(6)(a) of the Board's Regulation Y, 12 C.F.R. 225.4(a)(6)(a). The Board invited and has received comments from interested parties. In response to requests made by several interested parties for an opportunity to present their views orally, and in response to other requests for a delay in the proceeding, the Board has adopted the following procedures:

(1) The Board will accept and consider all statements, position papers and written submissions from any participant that has commented or requested additional time to comment on the rulemaking provided that such statements are submitted to the Office of the Secretary by March 15, 1976.

(2) Those participants who notify the Secretary by February 20, 1976, and those who have already notified the Secretary will be scheduled to make an oral presentation before available Board members on Tuesday,

March 23, 1976, at the Board's offices, 20th & Constitution Avenue, N.W., Washington, D. C. The hearing will be open to the public.

(3) Those participants who wish to make an oral presentation should submit the names and identities of their witnesses by February 20, 1976, and they should indicate the amount of time (normally not to exceed one hour) they request for oral presentation. A schedule will be provided by March 1, 1976. Parties to the oral hearing should provide the Board and all other parties with a statement or summary of their oral testimony by March 15, 1976.

(4) Following the oral presentation, the Board will accept from any party additional material related to issues raised at the oral presentation, provided that such material is submitted to the Office of the Secretary by April 23, 1976.

(5) A preliminary list of parties who will make an oral presentation includes representatives of the National Automobile Dealers Association, Southern California Rental and Leasing Association, Car and Truck Renting

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and Leasing Association, Southwest Leasing Corporation, Beverly Hills, California (on behalf of 17 leasing companies), Consumer Bankers Association and Orbanco, Inc., Portland, Oregon.

The Board believes the procedures outlined herein will provide all interested parties with a full opportunity to express their views and to submit relevant evidence concerning the proposed rulemaking. The Board further believes that the issues to be considered in this proceeding will involve legislative rather than adjudicative facts.

For this reason and because the Bank Holding Company Act does not require a formal trial-type hearing in rulemaking proceedings under section 4(c)(8), 12 U.S.C. 1843(c)(8), the Board declines to conduct a formal hearing, as requested by the National Automobile Dealers Association.

The Board also declines to postpone the hearing in this proceeding pending final Congressional action on the Consumer Leasing Act (H.R. 8835 and S. 1691) as requested by several parties.