

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7953]
September 13, 1976]

FURNISHING OF CREDIT INFORMATION UNDER REGULATION B

—Termination of Proposed Amendments

—Extension of Effective Date

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

Following is the text of a statement issued September 2 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today announced that it would retain the existing requirement in its Regulation B—Equal Credit Opportunity—for creditors to report credit histories in the names of both husband and wife when the account is shared.

At the same time, the Board postponed the effective date of the requirement from November 1, 1976, to June 1, 1977.

The provision of the Regulation concerned (Section 202.6) requires creditors to furnish credit information “in the name of each spouse.” The Board asked on May 25, 1976, for public comment on a possible change of this language to permit creditors to report credit information relating to a shared account of a married couple “in a manner reflecting the participation of both spouses.”

In view of generally unfavorable comment, the Board decided to retain the existing language which in effect calls for credit reporting agencies to maintain two separate files for married couples sharing an account, but to extend the effective date in order to give creditors more time for revision of their files and record keeping systems.

In submitting the notice for publication in the *Federal Register*, the Board of Governors made the following additional statement:

The purpose of this notice is to announce that the Board of Governors is terminating consideration of the amendments to §202.6 of its Regulation B (Docket No. R-0038), which were published in the *Federal Register* on June 4, 1976 (41 FR 22592). In addition, the Board is extending the effective date of §202.6 to June 1, 1977.

The existing language of §202.6 (which the Board has decided to retain) requires a creditor to determine whether a particular account is one which both spouses will use or for which both will be contractually liable. The creditor must then designate the account accordingly. Section 202.6(a)(2)(i) now provides that when the creditor reports information concerning the account to a consumer reporting agency, it must report the information “in a manner which will enable the agencies to provide access to information about the account in the name of each spouse.”

The Board’s proposed amendment to §202.6 would have substituted the phrase “in a way which reflects the participation of each spouse” for “in the name of each spouse.”

Upon review of the comments received in response to the publication of the proposed amendments, the Board has determined that the most appropriate mechanism for regulating the designation and reporting by creditors of credit information relating to joint accounts held by married persons is contained in the present version of §202.6. Therefore, the Board has decided not to adopt the proposed amendments.

The Board recognizes, however, that, because of the uncertainty that has existed until now about the reporting requirements of §202.6, many creditors and the credit reporting industry are not prepared to comply with the provisions of the section by November 1, 1976. Therefore, the Board has decided to extend the effective date of the designation and reporting requirements of §202.6 to June 1, 1977. The Board’s proposed revision of Regulation B, which was published in the *Federal Register* on July 20, 1976 (41 FR 29870), will be amended to incorporate this change.

Enclosed is a copy of the amendment to Regulation B reflecting the extension, to June 1, 1977, of the effective date of Section 202.6. Questions regarding this matter may be directed to our Bank Regulations Department.

Additional copies of the enclosure will be furnished upon request.

PAUL A. VOLCKER,
President.

Board of Governors of the Federal Reserve System

EQUAL CREDIT OPPORTUNITY

AMENDMENT TO REGULATION B

Effective October 6, 1976, Section 202.6 is amended as follows:

(1) The date "June 1, 1977" is substituted for the date "November 1, 1976" wherever the latter appears in §202.6; (2) the date "October 1, 1977" is substituted for the date "February 1, 1977" where the latter appears twice in §202.6(b)(1)(ii); and (3) the phrase "June 1977" is substituted for the phrase "November 1976" where the latter appears in §202.6(b)(1)(ii).

For this Regulation to be complete, retain:

- 1) Regulation B pamphlet, effective October 28, 1975.
- 2) Amendments effective May 13, 1976, June 30, 1976, and July 30, 1976.
- 3) This slip sheet.

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