

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 8076]
March 25, 1977]

Federal Enforcement Agencies Under Consumer Credit Regulations

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

Following is the text of a statement issued March 22 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System noted today that two consumer credit protection laws go into effect Wednesday, March 23, together with regulations written by the Board to carry them out.

The new laws are the amended and expanded Equal Credit Opportunity Act and the Consumer Leasing Act.

Congress broadened the Equal Credit Opportunity Act in 1976, effective March 23, 1977, to include prohibitions against discrimination in any aspect of a credit transaction on the basis of race, color, religion, national origin, age, receipt of income from public assistance programs and good faith exercise of rights under the Consumer Protection Act of 1968 (which includes the Truth in Lending, Fair Credit Billing, Equal Credit Opportunity, Fair Credit Reporting and Consumer Leasing Acts).

The Equal Credit Opportunity Act, in its original form, forbade discrimination in credit transactions on the basis of sex and marital status. In its revised form the Act retains these prohibitions.

To carry out the Act's original intent the Board wrote a new Regulation B, effective October 28, 1975.

Last December 30, the Board issued a revised and broadened Regulation B, to implement the revised and broadened Act, effective tomorrow. The Board's rules on equal credit opportunity are enforced by 12 Federal agencies, listed at the end of this release, together with the types of agencies they supervise.

To assist consumers and creditors the Board has published five model application forms that, when properly used, comply with the provisions of the revised Act and Regulation B. The forms are accompanied by instructions for their use.

The Consumer Leasing Act is a new title under the Truth in Lending Act. It requires disclosure of terms under which personal property, such as automobiles and furniture, is leased. The implementing regulation is, consequently, a new section of the Truth in Lending Regulation Z. The leasing section of Regulation Z was adopted by the Board October 13, 1976, and becomes effective tomorrow. Enforcement agencies are named below.¹

On February 18, 1977, the Board issued sample disclosure forms, and instructions for their use, to strengthen compliance with the Act and Regulation Z (leasing). The forms cover open- and closed-end vehicle leasing and furniture leasing. They are disclosure forms, not leasing contracts and are meant — as are the Act and regulation — to provide consumers with full information as to the terms of their leases of personal property.

The Board has established a Compliance Section in its Division of Consumer Affairs to assist in the education of creditors and bank examiners with respect to consumer credit laws and regulations, to receive and investigate consumer complaints; and to enforce compliance. A separate unit of the Division is concerned with consumer education, and has begun issuing pamphlets explaining the new consumer credit regulations.

¹ Enforcement agencies are: Comptroller of the Currency, Board of Directors of the Federal Deposit Insurance Corporation, Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Corporation), Administrator of the National Credit Union Administration, Civil Aeronautics Board, Secretary of Agriculture, Farm Credit Administration, Board of Governors of the Federal Reserve System and the Federal Trade Commission.

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The Board has published its precedures for handling consumer complaints alleging unfair or deceptive practices by banks in the form of a new Regulation AA. Announcement of adoption of the new regulation on September 28, 1976 emphasized that any consumer having a complaint alleging an unfair or deceptive act by a bank, or a violation of law or regulation, can have the complaint investigated by submitting it, preferably in writing, to the Director of the Division of Consumer Affairs, Board of Governors, Federal Reserve System, Washington, D.C. 20551. Complaints may also be registered at the Federal Reserve Bank for the District in which the bank is located.

Printed below is the list of Federal enforcement agencies under the Board of Governors' Regulation B, "Equal Credit Opportunity."

Questions on this matter may be directed to our Bank Regulations Department.

PAUL A. VOLCKER,
President.

FEDERAL ENFORCEMENT AGENCIES

The following list indicates which Federal agency enforces Regulation B for particular classes of creditors. Any questions concerning a particular creditor should be directed to its enforcement agency.

National Banks

Comptroller of the Currency
Consumer Affairs Division
Washington, D.C. 20219

Creditors Subject to Interstate Commerce Commission

Office of Proceedings
Interstate Commerce Commission
Washington, D.C. 20523

State Member Banks

Federal Reserve Bank serving the area in which the State member bank is located.

Creditors Subject to Packers and Stockyards Act

Nearest Packers and Stockyards Administration area supervisor.

Nonmember Insured Banks

Federal Deposit Insurance Corporation Regional Director for the Region in which the nonmember insured bank is located.

Small Business Investment Companies

U.S. Small Business Administration
1441 L Street, NW
Washington, D.C. 20416

Savings Institutions Insured by the FSLIC and Members of the FHLB System (except for savings banks insured by FDIC)

The FHLBB's Supervisory Agent in the Federal Home Loan Bank District in which the institution is located.

Brokers and Dealers

Securities and Exchange Commission
Washington, D.C. 20549

Federal Credit Unions

Regional Office of the National Credit Union Administration serving the area in which the Federal Credit Union is located.

Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks and Production Credit Associations

Farm Credit Administration
490 L'Enfant Plaza, SW
Washington, D.C. 20578

Creditors Subject to Civil Aeronautics Board

Director, Bureau of Enforcement
Civil Aeronautics Board
1825 Connecticut Avenue, NW
Washington, D.C. 20428

Retail, Department Stores, Consumer Finance Companies, All Other Creditors, and All Nonbank Credit Card Issuers (Lenders operating on a local or regional basis should use the address of the F.T.C. Regional Office in which they operate)

Federal Trade Commission
Equal Credit Opportunity
Washington, D.C. 20580