

FEDERAL RESERVE BANK
OF NEW YORK

AT CR No 8352
May 22, 1978

AMENDMENT TO REGULATION Z
Retention of All Records of Credit Transactions

To All Member Banks in the
Second Federal Reserve District:

Following is the text of a statement issued today by the Board of Governors of the Federal Reserve System amending its Regulation Z to require the retention of all records of credit transactions:

The Board of Governors of the Federal Reserve System today amended its Regulation Z—Truth in Lending—to require certain lenders to retain for more than two years all records of credit transactions in their possession.

The amendment is effective immediately. It applies to all creditors—and lessors—under the supervision of the Federal Reserve Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board and the National Credit Union Administration.

These agencies jointly proposed, last October, a uniform statement of enforcement policy that, as proposed, calls for reimbursement to consumers for certain violations of Regulation Z. Such reimbursement may extend to violations that occurred more than two years before discovery. Before adoption of the new amendment, for which Consumer's Union petitioned the Board, Regulation Z called for retention of credit transaction records for no more than two years.

The Board's action is intended to avoid possible destruction, under the two-year record retention rule, of records that might show violations subject to reimbursement.

The amendment requires that creditors and lessors subject to the five Federal regulators retain credit transaction records until:

- (1) the agencies have taken final action on the uniform statement of enforcement policy they have proposed, and
- (2) completed one examination under those guidelines.

Interested persons are invited to review this rule and submit relevant views by July 14, 1978.

The text of the amendment to Regulation Z will be sent to you shortly.

PAUL A. VOLCKER,
President.