

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 8825
May 9, 1980

ELECTRONIC FUND TRANSFERS
Amendment to Regulation E

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The following statement was issued yesterday by the Board of Governors
of the Federal Reserve System:

The Federal Reserve Board today amended its Regulation E (Electronic Fund Transfers), making it unnecessary for receipts given at the point of sale in electronic transfers to identify the type of account being charged. Rules regarding the use of debit cards at automatic tellers are not affected.

Debit cards can be used to make purchases at department stores or elsewhere through electronic terminals that debit (charge) the customer's account at the financial institution that issued the card.

Regulation E would have required, effective May 10, that the receipt furnished to a consumer who uses a debit card to make a point-of-sale transaction identify the type of account (for instance, checking or savings account) that is being charged.

It has come to the Board's attention that compliance with this requirement would be impracticable, as debit cards contain no indication of the type of account to be charged. Further, the identification of the type of account would be of little value to the cardholder, because the cardholder agrees with the financial institution issuing the card that one and only one account will be charged when point-of-sale transactions are made.

The Board consequently amended Regulation E to remove this requirement.

This statement is being sent to you now so that you may have prompt notice of the Board's action. A copy of the amendment to Regulation E will be sent to you as soon as it becomes available.

Questions regarding the amendment should be directed to our Regulations Division (Tel. No. 212-791-5919).

ANTHONY M. SOLOMON,
President.