

FEDERAL RESERVE BANK  
OF NEW YORK

ATCIR No. 9854  
May 8, 1985

BOARD OF GOVERNORS' SEMIANNUAL REGULATORY AGENDA

APRIL 1, 1985 — OCTOBER 1, 1985

*To All Depository Institutions  
in the Second Federal Reserve District:*

Printed on the following pages is the text of the Board of Governors' Semi-annual Regulatory Agenda for the period April 1, 1985 through October 1, 1985, which has been reprinted from the *Federal Register* of April 29, 1985. The Agenda provides you with information on those regulatory matters that the Board now has under consideration or anticipates considering over the next six months. It is divided into three parts: (1) regulatory matters that have been proposed and are under Board consideration, and other regulatory matters that the Board may consider for public comment during the next six months; (2) major regulatory reviews in progress under the Board's Regulatory Improvement Project scheduled over the next 12 months; and (3) regulatory matters that the Board has completed or is not expected to consider further.

Comments or questions regarding any of the Agenda items may be submitted directly to the Board of Governors, or to the Regulations Division of this Bank (Tel. No. 212-791-5914).

E. GERALD CORRIGAN,  
*President.*

# FRASER Federal Reserve

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**Monday  
April 29, 1985**

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**Part LIII**

## **Federal Reserve System**

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**Semiannual Regulatory Agenda**



FRS

**FEDERAL RESERVE SYSTEM**

**12 CFR Ch. II**

**Semiannual Regulatory Flexibility Agenda**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Semiannual agenda.

**SUMMARY:** The Board is issuing this Agenda under the Regulatory Flexibility Act and the Board's Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period from April 1 through October 1, 1985. The next Semiannual Agenda will be published in October 1985.

**DATE:** Comments about the form or content of the Agenda may be submitted any time during the next six months.

**ADDRESS:** Comments should be addressed to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**FOR FURTHER INFORMATION CONTACT:** A staff contact for each item is indicated with the regulatory description below.

**SUPPLEMENTARY INFORMATION:** The Board is publishing its April 1985 Agenda as part of the April 1985 Unified Agenda of Federal Regulations, which is coordinated by the Office of Management and Budget under Executive Order 12291. Participation by the Board in the Unified Agenda is on a voluntary basis.

The Board's Agenda is divided into three sections. The first, Current and

Projected Rulemakings, reports on regulatory matters that have been proposed and are under Board consideration, and other regulatory matters (designated by a plus sign (+)) the Board may consider for public comment during the next six months. The second section, Existing Regulations Under Review, reports on any major regulatory reviews under the Board's Regulatory Improvement Project that are scheduled for the next 12 months. A third section, Completed Rulemaking, reports on regulatory matters the Board has completed or is not expected to consider further.

A dot (●) preceding an entry indicates a new matter that was not a part of the Board's previous Agenda, and which the Board has not completed.

Barbara R. Lowrey,  
Associate Secretary of the Board.

Current and Projected Rulemakings

| Se-<br>quence<br>Number | Title                                                                                                                                                                        | Regulation<br>Identifier<br>Number |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| 1                       | Regulation: B - Equal Credit Opportunity (Docket Number: R-0473).....                                                                                                        | 7100-AA28                          |
| 2                       | + Regulation: F - Securities of State Member Banks.....                                                                                                                      | 7100-AA32                          |
| 3                       | + Regulation: G - Securities Credit by Persons other than Banks, Brokers, or Dealers (Docket Number: R-0529) .....                                                           | 7100-AA54                          |
| 4                       | + Regulation: J - Collection of Checks and Other Items and Wire Transfers of Funds.....                                                                                      | 7100-AA55                          |
| 5                       | Regulation: K - International Banking Operations (Docket Number: R-0498).....                                                                                                | 7100-AA35                          |
| 6                       | Regulation: K - International Banking Operations (Docket Number: R-0520).....                                                                                                | 7100-AA44                          |
| 7                       | Regulation: Q - Interest on Deposits (Docket Number: R-0514).....                                                                                                            | 7100-AA36                          |
| 8                       | + Regulation: Q - Interest on Deposits.....                                                                                                                                  | 7100-AA56                          |
| 9                       | Regulation: T - Credit by Brokers and Dealers (Docket Number: R-0538) .....                                                                                                  | 7100-AA53                          |
| 10                      | + Regulation: U - Credit by Banks For The Purpose of Purchasing or Carrying Margin Stocks (Docket Number: R-0510).....                                                       | 7100-AA38                          |
| 11                      | Regulation: Y - Bank Holding Companies and Change in Bank Control (Docket Number: R-0511) .....                                                                              | 7100-AA17                          |
| 12                      | Regulation: Y - Bank Holding Companies and Change in Bank Control (Docket Number: R-0491) .....                                                                              | 7100-AA40                          |
| 13                      | + Regulation: Y - Bank Holding Companies and Change in Bank Control.....                                                                                                     | 7100-AA41                          |
| 14                      | Regulation: Y - Bank Holding Companies and Change in Bank Control (Docket Number: R-0537) .....                                                                              | 7100-AA52                          |
| 15                      | Regulation: Y - Bank Holding Companies and Change in Bank Control (Docket Number: R-0536) .....                                                                              | 7100-AA51                          |
| 16                      | Regulations: Y - Bank Holding Companies and Change in Bank Control; Regulation: H - "State Bank Membership"; and Rules of Practice for Hearings (Docket Number: R-0526)..... | 7100-AA45                          |
| 17                      | + Regulation: Z - Truth in Lending.....                                                                                                                                      | 7100-AA50                          |
| 18                      | Regulation: AA - Unfair or Deceptive Acts or Practices (Docket Number: R-0006) .....                                                                                         | 7100-AA42                          |
| 19                      | + Regulation: AA - Unfair or Deceptive Acts or Practices .....                                                                                                               | 7100-AA49                          |
| 20                      | Regulation: Equal Employment Opportunity (Docket Number: R-0527).....                                                                                                        | 7100-AA46                          |
| 21                      | Proposals to Reduce Risk on Large Dollar Transfer Systems (Docket Number: R-0515).....                                                                                       | 7100-AA47                          |

+ Indicates regulatory matter the Board may consider for public comment.

Existing Regulations Under Review

| Se-<br>quence<br>Number | Title                               | Regulation<br>Identifier<br>Number |
|-------------------------|-------------------------------------|------------------------------------|
| 22                      | Regulatory Improvement Project..... | 7100-AA14                          |

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Completed Actions

| Se-<br>quence<br>Number | Title                                                                                                                    | Regulation<br>Identifier<br>Number |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| 23                      | Regulation: E - Electronic Fund Transfers (Docket Number: R-0502).....                                                   | 7100-AA34                          |
| 24                      | Regulation: J - Collection of Checks and Other Items and Wire Transfers of Funds (Docket Number: R-0357 and R-0522)..... | 7100-AA43                          |
| 25                      | Regulation: Y - Bank Holding Companies and Change in Bank Control.....                                                   | 7100-AA26                          |
| 26                      | Regulation: Z - Truth in Lending (Docket Number: R-0501).....                                                            | 7100-AA37                          |

FEDERAL RESERVE SYSTEM (FRS)

Current and Projected Rulemakings

**1. REGULATION: B - EQUAL CREDIT OPPORTUNITY (DOCKET NUMBER: R-0473)**

**Legal Authority:** 15 USC 1691b Equal Credit Opportunity Act

**CFR Citation:** 12 CFR 202

**Abstract:** In March 1985, the Board published for comment proposed revisions to Regulation B (cite not yet available). The proposal stems from the Board's commitment to review its regulations every five years. The review of Regulation B focussed on how the regulation could be clarified, and whether any burdens on creditors could be reduced without diminishing consumer protections.

The proposal contains some technical changes, including a streamlined procedure dealing with incomplete applications and a broader selection of sample forms for informing applicants of the reasons for a credit denial. The proposal also would change the data notation requirements applicable to residential mortgage transactions and revise the definition of "applicant" to give a guarantor (who already has certain protections under Regulation B) legal standing in the courts when there is an alleged violation of the regulation. The Board is also publishing for comment an official staff commentary that would replace existing staff and Board Interpretations.

The proposal would apply to all creditors equally. Small (cont)

**Timetable:**

| Action                                 | Date     | FR Cite     |
|----------------------------------------|----------|-------------|
| ANPRM                                  | 06/21/83 | 48 FR 28285 |
| Propose specific revisions for comment | 03/01/85 |             |

**Small Entity:** No

**Additional Information:** ABSTRACT CONT:creditors will incur some additional burden in complying with the expanded monitoring data requirements, but the shortening of the regulation and the clarification and streamlining of other rules such as treatment of incomplete applications, should reduce some burdens and the addition of a staff commentary and sample notice forms should make compliance easier for small creditors.

**Agency Contact:** Lucy Griffin or John Wood, Senior Attorneys, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-2412

**RIN:** 7100-AA28

**2. + REGULATION: F - SECURITIES OF STATE MEMBER BANKS**

**Legal Authority:** 15 USC 78(l) Securities Exchange Act of 1934

**CFR Citation:** 12 CFR 206

**Abstract:** The Board will consider issuing for comment a proposal to amend Regulation F to conform that regulation with a series of recent changes in the securities disclosure regulations of the Securities and Exchange Commission. Pursuant to section 12(i) of the Securities Exchange Act of 1934, the Board is required to periodically update its securities disclosure regulations to make them substantially identical to comparable regulations of the Securities and Exchange Commission or to publish reasons why they should not be so revised.

Adoption of the proposal is not expected to have a significant economic impact on a substantial number of small member banks, since only a few banks are subject to the Board's regulation and the revisions of the

disclosure requirements are not likely to be severe.

**Timetable:**

| Action                                                                      | Date     | FR Cite |
|-----------------------------------------------------------------------------|----------|---------|
| Board will consider issuing for comment a proposal to amend Regulation F by | 10/00/85 |         |

**Small Entity:** No

**Additional Information:** ADDITIONAL AGENCY CONTACT: J. Virgil Mattingly, Associate General Counsel, Legal Division, (202) 452-3430.

**Agency Contact:** Walter McEwen, Attorney, Federal Reserve System, Legal Division, 202 452-3321

**RIN:** 7100-AA32

**3. ● + REGULATION: G - SECURITIES CREDIT BY PERSONS OTHER THAN BANKS, BROKERS, OR DEALERS (DOCKET NUMBER: R-0529)**

**Legal Authority:** 15 USC 78g Securities Exchange Act of 1934, as amended; 15 USC 78h Securities Exchange Act of 1934, as amended; 15 USC 78w Securities Exchange Act of 1934, as amended

**CFR Citation:** 12 CFR 207

**Abstract:** The Board will consider proposing for public comment an amendment to Regulation G that would provide an exemption for lenders subject to that regulation who make loans to qualified employee stock option plans (ESOPs). If adopted by the Board, the exemption would parallel one already provided to lenders subject to Regulation U (Credit by Bankers for the Purpose of Purchasing or Carrying Margin Stocks). Currently, Regulation G

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lenders must comply with the margin requirements if they make loans to ESOPs and secure that loan by margin stock. It is not anticipated that the proposal would have a substantial impact on a significant number of small firms.

**Timetable:**

| Action                                                     | Date     | FR Cite |
|------------------------------------------------------------|----------|---------|
| Board will consider issuing proposal for public comment by | 04/00/85 |         |

**Small Entity:** No

**Additional Information:** ADDITIONAL AGENCY CONTACT: Robert Lord, Attorney, Division of Banking Supervision and Regulation, (202) 452-2781.

**Agency Contact:** Laura Homer, Securities Credit Officer, Federal Reserve System, Div of Banking Supervision and Regulation, 202 452-2781

**RIN:** 7100-AA54

#### 4. ● + REGULATION: J - COLLECTION OF CHECKS AND OTHER ITEMS AND WIRE TRANSFERS OF FUNDS

**Legal Authority:** 12 USC 342 Federal Reserve Act; 12 USC 248(o) Federal Reserve Act; 12 USC 360 Federal Reserve Act; 12 USC 248(i) Federal Reserve Act

**CFR Citation:** 12 CFR 210

**Abstract:** The Board will consider issuing for public comment proposed amendments to Regulation J intended to clarify certain issues that have arisen regarding Federal Reserve payments mechanism activities. The amendments would include (1) permitting the owner or other subsequent holder injured by a Reserve Bank's alleged failure to exercise ordinary care in handling a check to bring suit against the Reserve Bank; (2) establishing a two-year limitation for actions against a Reserve Bank for alleged mishandling of the collection checks or processing wire transfers and for actions against payor institutions for failure to follow the notification of nonpayment requirement; (3) permitting Reserve Banks to require any prior endorser to defend a suit even if the Reserve Bank has not been sued directly; (4) authorizing depository institutions to deposit with Reserve Banks for collection checks drawn on

institutions in foreign countries where Reserve Banks have made arrangements for their collection; (5) clarifying that Reserve Banks are not liable for consequential damages in handling wire transfers; (6) adding the northern Mariana Islands to the Twelfth District for (cont)

**Timetable:**

| Action                                                                      | Date     | FR Cite |
|-----------------------------------------------------------------------------|----------|---------|
| Board will consider issuing for comment a proposal to amend Regulation J by | 04/00/85 |         |

**Small Entity:** No

**Additional Information:** ABSTRACT CONT: check collection purposes; and (7) clarifying the definitions in subpart A by incorporating by reference definitions in the uniform commercial code.

It is not expected that the proposals will have a significant economic impact on a substantial number of small entities.

**Agency Contact:** Joseph R. Alexander, Attorney, Federal Reserve System, Legal Division, 202 452-2489

**RIN:** 7100-AA55

#### 5. REGULATION: K - INTERNATIONAL BANKING OPERATIONS (DOCKET NUMBER: R-0498)

**Legal Authority:** 12 USC 3901 et seq International Lending Supervision Act, 1983

**CFR Citation:** 12 CFR 211

**Abstract:** In February and March 1984, the Board adopted regulations implementing the International Lending Supervision Act of 1983 (Title IX, Pub. L. 98-181) with respect to maintenance of reserves against certain international assets, disclosure of information on international assets, and accounting rules for fees on certain international loans. In publishing these regulations the Board requested comment on whether and to what extent the Act should apply to U.S. branches, agencies, and commercial lending company subsidiaries of foreign banks. By action of February 13, 1984 (49 FR 5587, 5591), the Board left open the comment period on this issue in order to allow for further public comment.

If the Board determines to propose regulations affecting foreign banks under the Act, such regulations would not have a significant economic impact on a substantial number of small businesses since the rules would affect only international banks.

**Timetable:**

| Action                                                                                   | Date     | FR Cite     |
|------------------------------------------------------------------------------------------|----------|-------------|
| Board adopted regulations implementing the International Lending Supervision Act of 1983 | 02/13/84 | 49 FR 5591  |
| Board adopted additional regulations                                                     | 03/29/84 | 49 FR 12192 |
| Board may propose further regulations by                                                 | 12/00/85 |             |

**Small Entity:** No

**Additional Information:** ADDITIONAL AGENCY CONTACT: Kathleen O'Day, Senior Counsel, Legal Division, (202) 452-3786.

**Agency Contact:** Michael G. Martinson, Projects Manager-International Activities, Federal Reserve System, Div of Banking Supervision and Regulation, 202 452-3621

**RIN:** 7100-AA35

#### 6. REGULATION: K - INTERNATIONAL BANKING OPERATIONS (DOCKET NUMBER: R-0520)

**Legal Authority:** 12 USC 601 to 604a; 12 USC 611 et seq; 12 USC 1841 et seq

**CFR Citation:** 12 CFR 211

**Abstract:** In June 1984, the Board proposed for comment revisions to its Regulation K governing the international operations of U.S. banking organizations (49 FR 26002, June 25, 1984). The review and proposed revision of the regulation were undertaken pursuant to a provision of the International Banking Act of 1978 which requires a review every five years of the rules governing Edge Corporations.

The proposed regulation presents several alternatives designed to enable Edge Corporations to provide a broader range of banking services than is currently permitted in order to improve the competitive position of Edge Corporations. This rule incorporates,

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with several modifications, a previous proposal that was published for comment in February 1979 (44 FR 10509, February 21, 1979). Other major provisions include an increase in the Edge Corporation lending limit; a change in the capitalization requirement to conform to the Board's Capital Adequacy Guidelines; relaxation of the limits on investments in other organizations; establishment of procedures governing a change in control of an Edge Corporation; and several (cont).

**Timetable:**

| Action                                                        | Date     | FR Cite     |
|---------------------------------------------------------------|----------|-------------|
| Proposal to improve competitive position of Edge Corporations | 02/21/79 | 44 FR 10509 |
| Earlier proposal included in revised Regulation K             | 06/25/84 | 49 FR 26002 |
| Comment period extended until                                 | 10/12/84 | 49 FR 33895 |
| Further Board action by                                       | 04/00/85 |             |

**Small Entity: No**

**Additional Information:** ABSTRACT CONT: provisions governing U.S. operations of foreign banks.

It is not expected that the revisions would have a significant economic impact on a substantial number of small businesses. The Board will review the public comments and is expected to take further action within the near future.

**ADDITIONAL AGENCY CONTACT:** James S. Keller, Manager, International Banking Applications, Division of Banking Supervision and Regulation, (202) 452-2523.

**Agency Contact:** Kathleen O'Day, Senior Counsel, Federal Reserve System, Legal Division, 202 452-3786

**RIN:** 7100-AA44

### 7. REGULATION: Q - INTEREST ON DEPOSITS (DOCKET NUMBER: R-0514)

**Legal Authority:** 12 USC 371b

**CFR Citation:** 12 CFR 217

**Abstract:** In March 1984, the Board proposed amendments to its rules concerning advertising interest on deposits to incorporate a policy

statement concerning advertisements for split rate time deposits and for deposits used as Individual Retirement Account (IRA) investments (49 FR 11642, March 27, 1984). Under the proposal, in the case of a split rate account where a schedule of fixed rates to be paid is established in advance and the first rate to be paid is higher than subsequent rates, the Board would regard any advertisement of a rate as misleading unless the advertisement includes each rate to be paid in equal size type together with a conspicuous statement as to how long each rate will be in effect and a conspicuous statement of the average effective annual yield. In addition, advertisements should refer to IRAs as "tax deferred" and not as "tax exempt" or "tax free." The proposal would not adversely affect small businesses because no additional reporting or recordkeeping requirements are imposed.

The Board will review the public comments and is expected to take further action during the next six months.

**Timetable:**

| Action                    | Date     | FR Cite     |
|---------------------------|----------|-------------|
| Board proposed amendments | 03/27/84 | 49 FR 11642 |
| Next Board action by      | 10/00/85 |             |

**Small Entity: No**

**Agency Contact:** Daniel L. Rhoads, Attorney, Federal Reserve System, Legal Division, 202 452-3711

**RIN:** 7100-AA36

### 8. ● + REGULATION: Q - INTEREST ON DEPOSITS

**Legal Authority:** 12 USC 371b

**CFR Citation:** 12 CFR 217

**Abstract:** In March 1984, the Board proposed amendments to its rules concerning advertising interest on deposits to incorporate a policy statement regarding advertisements for split-rate time deposits and for deposits used as Individual Retirement Account investments. (See entry RIN: 7100-AA36). In response to comments received in that proceeding, the Board may consider whether to propose amending Regulation Q further in order to update and incorporate all the Board's existing requirements governing advertisement of interest on deposits.

The Board might also request comment on whether additional requirements are necessary to provide depositors with accurate and adequate information in advertisements or at the time of opening an account. It has been suggested by some that such new requirements should be imposed to enable depositors to evaluate the many deposit options now available as a result of deregulation of interest rates. If the Board proposes any new rules, they are not likely to be severe nor to require reporting or recordkeeping. Therefore, it is expected that any such proposals would not have a significant adverse effect on small entities.

**Timetable:**

| Action                                                                      | Date     | FR Cite |
|-----------------------------------------------------------------------------|----------|---------|
| Board will consider issuing for comment a proposal to amend Regulation Q by | 10/00/85 |         |

**Small Entity: No**

**Agency Contact:** John Harry Jorgenson, Senior Attorney, Federal Reserve System, Legal Division, 202 452-3778

**RIN:** 7100-AA56

### 9. ● REGULATION: T - CREDIT BY BROKERS AND DEALERS (DOCKET NUMBER: R-0538)

**Legal Authority:** 15 USC 78g Securities Exchange Act of 1934, as amended; 15 USC 78w Securities Exchange Act of 1934, as amended

**CFR Citation:** 12 CFR 220

**Abstract:** In February 1985, the Board proposed for comment an amendment to Regulation T that would set the initial margin requirement for the writing of options on equity securities at the same level as the maintenance margin that is required by the national securities exchange or association and that has been approved by the Securities and Exchange Commission. (50 FR 5766, February 12, 1985). Currently, the margin requirement for these instruments is set at 30 percent of the value of the underlying securities plus any unrealized loss or minus any unrealized gain. If adopted, the margin for writing options on equity securities will be similar to that of the writing of other options, that is, the initial margin will be identical to that of the

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Securities and Exchange Commission approved maintenance margin. It is not anticipated that this proposal would have a significant impact on a substantial number of small firms. The Board will review the comments and is expected to take further action within the next six months.

**Timetable:**

| Action                  | Date     | FR Cite    |
|-------------------------|----------|------------|
| Board requested comment | 02/12/85 | 50 FR 5766 |
| Further Board action by | 10/00/85 |            |

**Small Entity:** No

**Additional Information:** ADDITIONAL AGENCY CONTACT: Carolyn Davis, Economist, Division of Research and Statistics, (202) 452-3633.

**Agency Contact:** Laura Homer, Securities Credit Officer, Federal Reserve System, Div. of Banking Supervision and Regulation, 202 452-2781

**RIN:** 7100-AA53

**10. + REGULATION: U - CREDIT BY BANKS FOR THE PURPOSE OF PURCHASING OR CARRYING MARGIN STOCKS (DOCKET NUMBER: R-0510)**

**Legal Authority:** 15 USC 78g Securities Exchange Act of 1934, as amended; 15 USC 78h Securities Exchange Act of 1934, as amended; 15 USC 78w Securities Exchange Act of 1934, as amended

**CFR Citation:** 12 CFR 221

**Abstract:** In 1985, the Board may review a proposal submitted on behalf of a banking institution calling for an amendment to Regulation U that would permit banks to extend credit for options transactions in the same manner that broker-dealers may do so under Regulation T (Credit by Brokers and Dealers). In particular, the petitioner has requested the Board to change, if necessary, what is perceived to be a regulatory disparity between the treatment of banks and broker-dealers with respect to the financing of options transactions.

It is not anticipated that this proposal would affect a significant portion of the overall lending activities of a substantial number of small firms.

**Timetable:**

| Action                                               | Date     | FR Cite |
|------------------------------------------------------|----------|---------|
| Board may review a proposal to amend Regulation U by | 12/00/85 |         |

**Small Entity:** No

**Additional Information:** ADDITIONAL AGENCY CONTACTS: Robert Lord, Attorney; and Susan S. Meyers, Securities Regulation Analyst, Division of Banking Supervision and Regulation, (202) 452-2781.

**Agency Contact:** Laura Homer, Securities Credit Officer, Federal Reserve System, Div. of Banking Supervision and Regulation, 202 452-2781

**RIN:** 7100-AA38

**11. REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0511)**

**Legal Authority:** 12 USC 1843(c)(8) Bank Holding Company Act

**CFR Citation:** 12 CFR 225

**Abstract:** In March 1984, the Board proposed for public comment an amendment to Regulation Y that would list certain additional nonbanking activities as generally permissible for bank holding companies under section 4(c)(8) of the Bank Holding Company Act and that may be applied for under the procedures of that section (49 FR 9215, March 12, 1984). The activities proposed to be included in Regulation Y for the first time include: 1. commodity trading advisory services; 2. check guaranty services; 3. consumer financial counseling; 4. armored car services; 5. tax planning and tax preparation; and 6. operating a credit agency and credit bureau.

Consumer financial counseling and check guaranty services have been permitted previously by Board order on individual applications.

In addition the Board has proposed to expand the activities of property appraisal and providing advice in connection with future commission merchant activities. These activities have been included previously in the list of permissible activities (cont)

**Timetable:**

| Action                  | Date     | FR Cite    |
|-------------------------|----------|------------|
| Board requested comment | 03/12/84 | 49 FR 9215 |
| Further Board action by | 06/00/85 |            |

**Small Entity:** No

**Additional Information:** ABSTRACT CONT: in Regulation Y, although in a more restricted manner.

The Board has proposed to define and clarify the insurance agency and underwriting activities generally permissible for bank holding companies so as to conform the regulation to Title VI of the Garn-St. Germain Depository Institutions Act, which was adopted in October 1982.

Adoption of the proposal would enable bank holding companies to engage in additional activities and would impose no additional burden on any bank holding company.

The Board will review the comments and is expected to take further action within the next three months.

**Agency Contact:** James Scott, Attorney, Federal Reserve System, Legal Division, 202 452-3779

**RIN:** 7100-AA17

**12. REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0491)**

**Legal Authority:** 12 USC 1843(c)(8) Bank Holding Company Act

**CFR Citation:** 12 CFR 225

**Abstract:** In November 1983, the Board published for comment a proposal to eliminate the requirement in Regulation Y that bank holding companies engaging in credit life and credit accident and health insurance underwriting provide rate reductions or increased policy benefits in order to engage in this activity (48 FR 53125, November 25, 1983.) The Board took this action as a result of the suggestions of several commenters to the Board's recent revision of Regulation Y, who advocated elimination of the rate reduction requirement from the regulation. These commenters stated that in their view the requirement puts bank holding companies at a competitive disadvantage with respect to other providers of this service, and that they knew of no significant



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evidence that the performance of this activity has resulted in the adverse effects on the public considered by the Board in its 1972 decision approving this activity. It is expected that adoption of this proposal would lead to a relaxation of the regulatory burden on bank holding companies which engage in this activity.

The Board will review the public comments and is expected to take further action within the next three months.

**Timetable:**

| Action                  | Date     | FR Cite     |
|-------------------------|----------|-------------|
| Board requested comment | 11/25/83 | 48 FR 53125 |
| Further Board action by | 06/00/85 |             |

**Small Entity: No**

**Additional Information:** ADDITIONAL AGENCY CONTACT: Michael J. O'Rourke, Attorney, Legal Division, (202) 452-3288.

**Agency Contact:** J. Virgil Mattingly, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3430

RIN: 7100-AA40

### 13. + REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

**Legal Authority:** 12 USC 1843 Bank Holding Company Act; 12 USC 1844(b) Bank Holding Company Act

**CFR Citation:** 12 CFR 225

**Abstract:** A provision of Regulation Y permits a state bank subsidiary of a bank holding company to engage through a nonbank subsidiary in any activity that is permissible under state law for the bank subsidiary itself, subject to the same limits as if the bank engages in the activity directly. (A similar rule applies to national bank subsidiaries regarding activities permissible for such banks under federal law.) The Board received comments on this provision in connection with its general request for comments in May 1983 regarding the proposed revision of Regulation Y. Some of the commenters challenged the Board's authority to issue this provision, although it has been part of Regulation Y since 1971. In taking final action on the revision of Regulation Y, the Board deferred consideration of the

comments on this provision and allowed the existing rule to remain in effect in the interim (49 FR 794, January 5, 1984).

The Board plans to review this provision of the regulation in the near future. A determination to reverse the rule could have an adverse impact on many small banks that are subsidiaries of holding companies because they might be required to (cont)

**Timetable:**

| Action                                         | Date     | FR Cite     |
|------------------------------------------------|----------|-------------|
| Board requested comments                       | 05/25/83 | 48 FR 23520 |
| Board allows existing rule to remain in effect | 01/05/84 | 49 FR 794   |
| Board will review further by                   | 10/00/85 |             |

**Small Entity: Yes**

**Additional Information:** ABSTRACT CONT: restructure their nonbanking activities or to take other action.

**Agency Contact:** J. Virgil Mattingly, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3430

RIN: 7100-AA41

### 14. ● REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0537)

**Legal Authority:** 12 USC 1841 Bank Holding Company Act; 12 USC 221 Federal Reserve Act; 12 USC 3901 International Lending Supervision Act of 1983

**CFR Citation:** 12 CFR 225

**Abstract:** In January 1985, the Board requested public comment regarding whether, and to what extent, the Board should exercise its authority under the Bank Holding Company Act, the Federal Reserve Act, and the International Lending Supervision Act to authorize or limit the conduct of real estate investment activities by bank holding companies and their nonbank subsidiaries (50 FR 4519, January 31, 1985). The Board has not proposed a specific regulation at this time, and has only requested comment on the general question of whether, and in what direction Board regulation in this area is appropriate. In the event the Board determines to propose a regulation in this area, the public will be invited to comment on the regulation. Comment in

this area was requested in response to enactment of a number of state laws that have recently authorized state banks to conduct a broad array of nonbanking activities that previously were not authorized for state banks or bank holding companies, including real estate investment activities. Until the Board reviews the public comments on this activity, it is unclear whether the Board will act in this area or (cont)

**Timetable:**

| Action                        | Date                 | FR Cite    |
|-------------------------------|----------------------|------------|
| ANPRM Further Board action by | 01/31/85<br>10/00/85 | 50 FR 4519 |

**Small Entity: Yes**

**Additional Information:** ABSTRACT CONT: what specific action the Board may take. Therefore, the effect on small entities cannot be accurately predicted. However, if the Board should take restrictive measures, bank holding companies of all sizes and their subsidiaries participating in this activity would be affected.

**Agency Contact:** J. Virgil Mattingly, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3430

RIN: 7100-AA52

### 15. ● REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0536)

**Legal Authority:** 12 USC 1841 et seq Bank Holding Company Act

**CFR Citation:** 12 CFR 225

**Abstract:** In January 1985, the Board requested public comment as to whether the Board should permit bank holding companies that own nonbank banks to provide internal administrative services to, and establish management interlocks with, those nonbank banks (50 FR 2057, January 15, 1985). ("Nonbank banks" are institutions that are chartered as banks but which either do not accept demand deposits or do not make commercial loans.) The Board took this action to resolve a number of questions that had been raised regarding the appropriate scope of relationships between nonbank banks and their affiliates. It is likely that any action the Board might take would primarily affect larger bank holding systems and would relax a requirement or prohibition.

Therefore, it is expected that Board action would not have a significant economic impact on a substantial number of small entities. The Board will review the public comments and take further action within the near future.

**Timetable:**

| Action                  | Date     | FR Cite    |
|-------------------------|----------|------------|
| Board requested comment | 01/15/85 | 50 FR 2057 |
| Further Board action by | 04/00/85 |            |

**Small Entity:** No

**Agency Contact:** Carl Howard, Senior Counsel, Federal Reserve System, Legal Division, 202 452-3786

**RIN:** 7100-AA51

**16. REGULATIONS: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL; REGULATION: H - "STATE BANK MEMBERSHIP"; AND RULES OF PRACTICE FOR HEARINGS (DOCKET NUMBER: R-0526)**

**Legal Authority:** 12 USC 3907 International Lending Supervision Act of 1983; 12 USC 3903 International Lending Supervision Act of 1983; 12 USC 1844(b) Bank Holding Company Act; 12 USC 1818 Financial Institutions Supervisory Act of 1966; 12 USC 248 Federal Reserve Act; 12 USC 324 Federal Reserve Act; 12 USC 329 Federal Reserve Act

**CFR Citation:** 12 CFR 208, Appendix A; 12 CFR 225, Appendix A; 12 CFR 263

**Abstract:** In July 1984, the Board proposed for comment amended Capital Adequacy Guidelines for bank holding companies and State member banks as well as a regulation embodying procedures to enforce these Guidelines (49 FR 30317, July 30, 1984). This proposal is designed to implement the requirement in the International Lending Supervision Act of 1983 that the Board "cause banking institutions to achieve and maintain adequate capital." The proposal seeks to establish uniform minimum capital levels for all federally regulated banks (in conjunction with the Federal Deposit Insurance Corporation and the Comptroller of the Currency). The proposal would also raise the minimum capital requirements for larger regional and multinational state member banks and bank holding companies, and would establish a uniform minimum capital level for large and small banks and bank holding companies. The impact on small institutions would be a

slight easing of minimum primary capital requirements.

The Board will review the comments and is expected to take further action within the near future.

**Timetable:**

| Action                  | Date     | FR Cite     |
|-------------------------|----------|-------------|
| Board requested comment | 07/30/84 | 49 FR 30317 |
| Further Board action by | 03/00/85 |             |

**Small Entity:** No

**Additional Information:** ADDITIONAL AGENCY CONTACT: Richard Spillenkothen, Assistant Director, Division of Banking Supervision and Regulation, (202) 452-2594.

**Agency Contact:** James E. Scott, Senior Attorney, Federal Reserve System, Legal Division, 202 452-3513

**RIN:** 7100-AA45

**17. ● + REGULATION: Z - TRUTH IN LENDING**

**Legal Authority:** 15 USC 1604, as amended Truth in Lending Act

**CFR Citation:** 12 CFR 226

**Abstract:** Regulation Z currently requires that creditors provide information to consumers regarding variable rate features in credit transactions. In the last several years, adjustable rate mortgages have become increasingly common and complex, and concern has been expressed in Congress and elsewhere as to whether Truth in Lending disclosures adequately convey to consumers the terms and potential costs of these mortgages. The Board, as the agency charged with implementing the Truth in Lending Act, is considering whether to propose more extensive disclosure of the variable rate feature in order to provide consumers with the information needed for informed credit decisions, in keeping with the purpose of Truth in Lending. It is likely that any proposed amendment would involve an expansion of section 226.18(f) of the regulation, which outlines the required variable rate information, and that such an amendment might be limited to mortgage transactions. The Board is also concerned about the creditor burdens associated with compliance with the variable rate regulations of several federal agencies and will

consider what actions could be taken to minimize (cont)

**Timetable:**

| Action                                   | Date     | FR Cite |
|------------------------------------------|----------|---------|
| Board to determine appropriate action by | 10/00/85 |         |

**Small Entity:** Yes

**Additional Information:** ABSTRACT CONT: the burdens of overlapping regulation in this area.

If the Board adopts revisions, mortgage creditors, including small business engaged in mortgage lending, could incur some costs in implementing the revised disclosure by revising and reprinting forms and changing certain procedures to comply with the requirement. Before any final action, the Board would consider appropriate actions to minimize the burdens and costs of compliance.

**Agency Contact:** Margaret Stewart or Susan Werthan, Senior Attorneys, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-2412

**RIN:** 7100-AA50

**18. REGULATION: AA - UNFAIR OR DECEPTIVE ACTS OR PRACTICES (DOCKET NUMBER: R-0006)**

**Legal Authority:** 15 USC 57a Federal Trade Commission Act

**CFR Citation:** 12 CFR 227

**Abstract:** The Federal Trade Commission (FTC) Act requires that whenever the FTC enacts a rule covering unfair or deceptive acts or practices, the Federal Reserve Board must, within 60 days of the rule's effective date, promulgate a substantially similar rule governing banks. The Board may decline to issue such a rule only if the Board determines that such acts or practices of banks are not unfair or deceptive or that implementation of the rule with respect to banks would seriously conflict with essential monetary and payment systems policies of the Board.

In March 1984, the FTC published a trade regulations rule known as the Credit Practices Rule (49 FR 7740, March 1, 1984), which will prohibit certain provisions that sometimes appear in consumer credit contracts to aid in the collection of unpaid debts. It

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will also impose certain specific disclosure and contractual requirements on creditors. The rule will go into effect on March 1, 1985 and will apply only to non-financial institution creditors.

When the FTC first published the proposed Credit Practices Rule in 1975, the Board published a substantially similar (cont)

**Timetable:**

| Action                              | Date     | FR Cite     |
|-------------------------------------|----------|-------------|
| FTC proposed Credit Practices Rule  | 04/00/75 | 40 FR 16347 |
| Similar proposal published by Board | 04/00/75 | 40 FR 19495 |
| FTC adopted Credit Practices Rule   | 03/01/84 | 49 FR 7740  |
| Board published similar proposal    | 11/30/84 | 49 FR 47041 |
| Board to determine action by        | 05/00/85 |             |

**Small Entity:** Yes

**Additional Information:** ABSTRACT CONT: proposal (40 FR 19495). The Board received public comments and made them available to the FTC. In November 1984, the Board published for comment a proposal substantially similar to the FTC's final Credit Practices Rule (49 FR 47041, November 30, 1984), and requested comment on whether the FTC's rule should apply to banks. The Board will review the public comments and is expected to take further action within the near future.

**Agency Contact:** Steven Zeisel or Richard Garabedian, Staff Attorneys, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-3867

**RIN:** 7100-AA42

**19. ● + REGULATION: AA - UNFAIR OR DECEPTIVE ACTS OR PRACTICES**

**Legal Authority:** 15 USC 57a Federal Trade Commission Act

**CFR Citation:** 12 CFR 227

**Abstract:** In November 1984, the Federal Trade Commission (FTC) published a final trade regulation rule on the sale of used motor vehicles, known as the "Used Car Rule," (49 FR 45692 November 29, 1984), effective May 9, 1985. In adopting the Used Car Rule, the FTC specifically excluded banks and other financial institutions

from the rule's "dealer" definition. This conclusion was based upon the determination that banks do not engage in the sale of used motor vehicles in a retail sales environment, and, absent such an environment, the risk of the deceptive practices found to be characteristic of used car sales presentations was substantially diminished.

The FTC Act, generally, requires the Federal Reserve Board to issue a substantially similar rule to prohibit substantially similar acts or practices of banks within 60 days of the effective date of an FTC rule covering unfair or deceptive acts or practices. The Act provides that the Board may decline to issue a rule if the Board determines that such acts or practices of banks are not unfair or deceptive or that (cont)

**Timetable:**

| Action                                   | Date     | FR Cite     |
|------------------------------------------|----------|-------------|
| FTC adopted the "Use Car Rule"           | 11/29/84 | 49 FR 45692 |
| Board to determine appropriate action by | 04/00/85 |             |

**Small Entity:** No

**Additional Information:** ABSTRACT CONT: implementation of the rule with respect to banks would seriously conflict with essential monetary and payment systems policies of the Board.

The Board is currently examining the rule, the FTC's conclusion, and its responsibilities under the FTC Act to determine whether any action by the Board would be necessary or appropriate. To the extent that the Board takes any action, it is unlikely that the action would have a significant impact on a substantial number of small entities.

**Agency Contact:** Gerald Hurst, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-3667

**RIN:** 7100-AA49

**20. REGULATION: EQUAL EMPLOYMENT OPPORTUNITY (DOCKET NUMBER: R-0527)**

**Legal Authority:** 12 USC 248(l) Federal Reserve Act, Sec 11(l)

**CFR Citation:** 12 CFR 268

**Abstract:** In August 1984, the Board issued for public comment proposals to revise and expand its Equal Employment Opportunity regulation for the following purposes: (1.) to conform the regulation in so far as possible to existing regulations of the Equal Employment Opportunity Commission governing the substantive rights of employees and applicants for employment with Federal agencies; (2.) to designate clear responsibility for equal employment opportunity functions in light of changes in the Board's organizational structure; and (3.) to prohibit discrimination against the handicapped in programs and activities conducted by the Board.

It is not expected that this proposal would have a significant economic impact on a substantial number of small entities as it focuses primarily on Board personnel and management policies and practices.

The Board will review the public comments and is expected to take further action during the next six months.

**Timetable:**

| Action                  | Date     | FR Cite     |
|-------------------------|----------|-------------|
| Board requested comment | 08/24/84 | 49 FR 33822 |
| Further Board action by | 10/00/85 |             |

**Small Entity:** No

**Additional Information:** ADDITIONAL AGENCY CONTACT: Stephen L. Siciliano, Senior Counsel, Legal Division, (202) 452-3920.

**Agency Contact:** Portia Thompson, EEO Programs Officer, Federal Reserve System, Office of Staff Director for Management, 202 452-3549

**RIN:** 7100-AA46

**21. PROPOSALS TO REDUCE RISK ON LARGE DOLLAR TRANSFER SYSTEMS (DOCKET NUMBER: R-0515)**

**Legal Authority:** 12 USC 221 et seq

**Abstract:** In April 1984, the Board requested public comment on several proposals to reduce risks on large-dollar wire transfer systems (49 FR 13186, April 3, 1984). The Board took this action in response to its concern that developments that might arise in connection with such networks could destabilize financial markets and the economy. The proposals, if adopted,

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would likely apply only to financial institutions, although customers of such institutions may be affected indirectly. Because large-dollar funds transfer systems are typically used frequently only by the largest financial institutions, it is not anticipated that these proposals, if adopted, would have a significant economic impact on a substantial number of small entities.

The Board will review the public comments and is expected to take further action within the next three months.

**Timetable:**

| Action                              | Date     | FR Cite     |
|-------------------------------------|----------|-------------|
| Board requested comment             | 04/03/84 | 49 FR 13186 |
| Board extended comment period until | 10/29/84 | 49 FR 24595 |

| Action                  | Date     | FR Cite |
|-------------------------|----------|---------|
| Further Board action by | 06/00/85 |         |

Small Entity: No

Agency Contact: Edward C. Ettin, Deputy Director, Federal Reserve System, Division of Research and Statistics, 202 452-3368

RIN: 7100-AA47

FEDERAL RESERVE SYSTEM (FRS)

Existing Regulations Under Review

**22. REGULATORY IMPROVEMENT PROJECT**

**Legal Authority:** 12 USC 3501 Financial Regulation Simplification Act of 1980; 5 USC 605 Regulatory Flexibility Act

**Abstract:** The Board's Regulatory Improvement Project involves, among other things, a substantive, zero-based review of all Federal Reserve regulations that affect the public to determine: (1) the fundamental objectives of the regulation and the extent to which it is meeting current policy goals, (2) nonregulatory alternatives that would accomplish the objectives, (3) costs and benefits of the regulation, (4) unnecessary burdens imposed by the regulation, and (5) the clarity of the regulation. The Project also participates in the development of proposals listed in this agenda to ensure that the objectives of the Project are met.

Since publication of the last semiannual Agenda, specific revision of Regulation B ("Equal Credit Opportunity") has been proposed. (See Entry RIN 7100-

AA28). In addition, comments on a proposed revision of Regulation K ("International Banking Operations") are being reviewed. (See Entry RIN 7100-AA44). It is expected that both of these reviews will be completed during the next twelve months. Consideration will be given to commencing within the next twelve months the zero-based (cont)

**Timetable:**

| Action                                                                   | Date     | FR Cite     |
|--------------------------------------------------------------------------|----------|-------------|
| ANPRM Regulation B                                                       | 06/21/83 | 48 FR 28285 |
| Revision of Regulation K proposed for comment                            | 06/25/84 | 49 FR 26002 |
| Revision of Equal Employment Opportunity Regulation proposed for comment | 08/24/84 | 49 FR 33822 |
| Revision of Regulation B proposed for comment                            | 03/01/85 |             |

Small Entity: No

**Additional Information:** ABSTRACT CONT: review of the following regulation: P--"Minimum Security Devices and Procedures" (12 CFR 216); Q--"Interest on Deposits" (12 CFR 217); R--"Relations with Dealers in Securities under Section 32, Banking Act of 1933" (12 CFR 218); and AA--"Unfair or Deceptive Acts or Practices" (12 CFR 227). Consideration will also be given to beginning major reviews of the Board's "Rules of Procedure" (12 CFR 262) and the "Rules Regarding Availability of Information" (12 CFR 261), and to developing a simplified draft of the Board's "Equal Employment Opportunity" regulation (12 CFR 268).

Commenters are invited to submit any suggestions they may have for possible changes in this regulatory agenda for the next twelve months.

Agency Contact: Barbara R. Lowrey, Associate Secretary, Federal Reserve System, Office of the Secretary, 202 452-3742

RIN: 7100-AA14

FEDERAL RESERVE SYSTEM (FRS)

Completed Actions

**COMPLETED RULEMAKINGS**

**23. REGULATION: E - ELECTRONIC FUND TRANSFERS (DOCKET NUMBER: R-0502)**

**Legal Authority:** 15 USC 1693b Electronic Fund Transfer Act

**CFR Citation:** 12 CFR 205

**Abstract:** In January 1984, the Board published for comment two proposed amendments to Regulation E (49 FR 2204, January 18, 1984). The first proposal would bring within the definition of an electronic fund transfer,

and thus within the coverage of the Electronic Fund Transfer Act and the regulation, transfers resulting from point-of-sale debit card transactions that are processed electronically but do not involve an electronic terminal at the point of sale. In addition, it would provide additional time in these cases for error resolution.

The second proposal would give financial institutions the option to disclose charges for electronic fund transfers -- on periodic statements -- either on a transaction-by-transaction

basis, or as a total sum. After considering the public comments the Board, in October 1984, adopted the second proposal as proposed and the first proposal with some changes (49 FR 40794, October 18, 1984). As adopted, the first proposal brings within the definition of an electronic fund transfer all transfers resulting from debit card transactions; extends the time periods for error resolution for all point-of-sale transactions; (cont)

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## Completed Actions

**Timetable:**

| Action                                                              | Date     | FR Cite     |
|---------------------------------------------------------------------|----------|-------------|
| Board published for comment two proposed amendments to Regulation E | 01/18/84 | 49 FR 2204  |
| Board adopted amendments                                            | 10/18/84 | 49 FR 40794 |

**Small Entity:** No

**Additional Information:** ABSTRACT CONT: and provides an exemption from the debit card requirement that an account be provisionally recredited with the amount of an unresolved error within 10 or 20 business days, if the account is subject to the Board's Regulation T.

The amendments are not expected to have a significant economic impact on a substantial number of small entities since the compliance requirements are unlikely to be very burdensome and in some cases such as the longer error resolution times, compliance burdens are being reduced.

**Agency Contact:** Gerald Hurst, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-3667

**RIN:** 7100-AA34

#### 24. REGULATION: J - COLLECTION OF CHECKS AND OTHER ITEMS AND WIRE TRANSFERS OF FUNDS (DOCKET NUMBER: R-0357 AND R-0522)

**Legal Authority:** 12 USC 342 Federal Reserve Act; 12 USC 248(o) Federal Reserve Act; 12 USC 360 Federal Reserve Act; 12 USC 248(i) Federal Reserve Act

**CFR Citation:** 12 CFR 210

**Abstract:** In February 1985, the Board adopted a proposal to improve the process by which checks are returned. The Board has amended Subpart A of Regulation J to require the paying bank to provide timely notice to the depository institution at which the check was originally deposited that the check is being returned unpaid (50 FR 5734, February 12, 1985). The Federal Reserve Banks will enhance the notification service they currently provide to assist paying banks in meeting this requirement, and also will make an enhanced notification service available to depository institutions for checks collected outside the Federal Reserve. The proposal that was

adopted is a change in an earlier Board proposal issued in May 1981 and adopted in part by the Board in August 1981 (46 FR 42059, August 19, 1981). At that time the Board deferred action on three proposals: two have been incorporated in the proposal that was adopted and the other (an amendment incorporating provisions for collecting coupons and other securities similar to provisions regarding the payment and return of cash items) has been deferred pending further study. The Board has concluded that the proposal that was (cont)

**Timetable:**

| Action                                                   | Date     | FR Cite     |
|----------------------------------------------------------|----------|-------------|
| Board solicited comment on proposals to amend Subpart A  | 05/01/81 | 46 FR 24576 |
| Board adopted one proposal and deferred action on others | 08/19/81 | 46 FR 42059 |
| Board requested comment on revised proposals             | 06/28/84 | 49 FR 26597 |
| Board adopted revised proposal                           | 02/12/85 | 50 FR 5734  |

**Small Entity:** No

**Additional Information:** ABSTRACT CONT: adopted should not have a significant economic impact upon a substantial number of small entities.

**Agency Contact:** Robert G. Ballen, Attorney, Federal Reserve System, Legal Division, 202 452-3265

**RIN:** 7100-AA43

#### 25. REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

**Legal Authority:** 12 USC 1861 Bank Service Corporation Act

**CFR Citation:** 12 CFR 225

**Abstract:** The October 1984 Agenda referred to a possible proposal to amend Regulation Y by adding authority for member banks to invest individually or jointly in bank service corporations under an amendment to the Bank Service Corporation Act made by section 709 of the Garn-St Germain Depository Institutions Act of 1982. The Board's staff has been processing applications under this Act by adapting

existing procedures to these applications and believes that the Board may adequately continue to do so without need for further regulation. Therefore, an amendment to Regulation Y is no longer being considered.

**Timetable:**

| Action                    | Date     | FR Cite |
|---------------------------|----------|---------|
| Board action not expected | 02/27/85 |         |

**Small Entity:** No

**Agency Contact:** J. Virgil Mattingly, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3430

**RIN:** 7100-AA26

#### 26. REGULATION: Z - TRUTH IN LENDING (DOCKET NUMBER: R-0501)

**Legal Authority:** 15 USC 1604, as amended Truth in Lending Act

**CFR Citation:** 12 CFR 226

**Abstract:** In January 1984, the Board published for comment a proposed amendment to Regulation Z, which would clarify that all credit cards issued for use in transactions that are generally exempt from Regulation Z are still subject to the Regulation Z provisions that prohibit the unsolicited issuance of credit cards and that limit the cardholder's liability for unauthorized use to a maximum of \$50 (49 FR 2210, January 18, 1984). Following review of public comments, the Board in November 1984 adopted the proposal in substantially the form proposed (49 FR 46989, November 30, 1984).

The vast majority of the credit cards that are affected by this amendment are telephone credit cards; therefore, the entities most affected will be in the telecommunications industry. However, cards issued for use with other types of exempt transactions (such as those issued for use with fixed credit lines over \$25,000 that are not secured by real estate or a dwelling) are also subject to the provisions on issuance and liability for unauthorized use. The amendment should not (cont)

**Timetable:**

| Action                  | Date     | FR Cite     |
|-------------------------|----------|-------------|
| Board requested comment | 01/18/84 | 49 FR 2210  |
| Board adopted amendment | 11/30/84 | 49 FR 46989 |

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**Small Entity:** No**Additional Information:** ABSTRACT  
CONT: have a significant adverse  
impact on small entities. To facilitate  
compliance, the Board set a delayed  
effective date of January 29, 1985 forcomplying with the unsolicited issuance  
prohibition.**Agency Contact:** Ruth R. Amberg,  
Senior Attorney, Federal Reserve  
System, Division of Consumer and  
Community Affairs, 202 452-3667**RIN:** 7100-AA37

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