

AT-10789(a)
June 30, 1995

To the Addressee:

The Board of Governors of the Federal Reserve System has issued a correction to the recent amendments to its Regulation Z, "Truth in Lending," regarding reverse mortgage transactions sent to you with our Circular No. 10781, dated May 5, 1995. Enclosed is the text of a notice issued by the Board of Governors on June 7, 1995 correcting two errors that appeared on page 15472 of its earlier *Federal Register* notice (60 FR 15463).

Questions regarding this matter may be directed to our Compliance Examinations Department (Tel. No. 212-720-5914).

Circulars Division
FEDERAL RESERVE BANK OF NEW YORK

**REGULATION Z
TRUTH IN LENDING**

home loans bearing rates or fees above a certain percentage or amount and on reverse mortgage transactions.

EFFECTIVE DATE: June 7, 1995.

FOR FURTHER INFORMATION CONTACT: Jane Ahrens, Senior Attorney, or Kyung Cho-Miller, Sheilah Goodman, or Kurt Schumacher, Staff Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667 or 452-2412; for the hearing impaired *only*, Dorothea Thompson, Telecommunications Device for the Deaf, at (202) 452-3544.

SUPPLEMENTARY INFORMATION:

Background

The regulation that is the subject of the corrections is Regulation Z (12 CFR part 226), which implements the Truth in Lending Act (15 U.S.C. 1601-1666j). The act (TILA) requires creditors to disclose credit terms for consumer transactions. The final rule implemented the Home Ownership and Equity Protection Act of 1994 (HOEPA), contained in the Riegle Community Development and Regulatory Improvement Act of 1994 (Pub. L. 103-325, 108 Stat. 2160). Section 152 of the HOEPA adds a new section 129 to the TILA dealing with certain mortgages bearing rates or fees above a certain percentage or amount.

Need for Correction

As published, the final rule implementing new TILA section 129 contains errors which could be confusing and should be clarified.

Correction of Publication

Accordingly, the publication on March 24, 1995, of the final regulation (Docket No. R-0858), which was the subject of FR Doc. 95-7231, is corrected as follows:

§ 226.31 [Corrected]

On page 15472, in the first column, in § 226.31, in paragraph (g), in the third line, the phrase "annual percentage yield" is corrected to read "annual percentage rate".

§ 226.32 [Corrected]

On page 15472, in the second column, in § 226.32, in paragraph (b)(1)(iii), in the first and second lines, the phrase "required to be disclosed under" is corrected to read "listed in".

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board, June 1, 1995.

William W. Wiles,

Secretary of the Board.

[FR Doc. 95-13863 Filed 6-6-95; 8:45 am]

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Corrections to the Amendments Issued
Effective March 22, 1995
Compliance Optional Until October 1, 1995)

12 CFR Part 226

[Regulation Z; Docket No. R-0858]

Truth in Lending; Mortgage Disclosures; Correction

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Corrections to final regulation.

SUMMARY: This document contains corrections to the final rule (Docket No. R-0858) which was published Friday, March 24, 1995 (60 FR 15463). The amendments to Regulation Z concerned new disclosure requirements on certain

[Ref. Cir. No. 10781]

Z-143/95