

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEMINTERPRETATION OF LAW OR REGULATION

September 15, 1941

W-62. The Board has received the following inquiries:

"Does the term 'automobile' in Group A of Supplement, Regulation W include automobile engines purchased separately for installation in a used car chassis?

"Does term 'mechanical refrigerator', Item 1, Group C, Supplement, include motor unit replacement, if purchased separately?"

These inquiries raise a general question with respect to the treatment of replacement or repair parts for listed articles. It is to be noted that certain parts are mentioned specifically in the list, as for example, motors for power driven boats, heating units for furnaces, and certain items that are included in Group D-4 and Group E. The regulation however does not treat replacement or repair parts as being included in the list merely by reason of the listing of the complete article, with the consequence that an automobile engine purchased separately would not by inference be classified as a listed article on the ground that automobiles are listed. On the other hand, if the Registrant knows or has reason to know that any purchase is part of a scheme to acquire a complete listed article by purchasing separate pieces, the Registrant is required to treat the credit extended as if the piece purchased were a listed article.