

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

October 30, 1941

W-107. In response to several inquiries regarding W-47, the Board said that an ordinary bank loan evidenced by a promissory note repayable in full at maturity is not subject to Regulation W, even though the bank may anticipate that at the maturity of the note it may accept a partial payment and a renewal note for the balance; provided the bank makes no commitment to do so and the transaction is entered into in good faith and not as a means of avoiding or evading the Regulation.

October 31, 1941

W-108. Amendment No. 2 to Regulation W will affect certain interpretations previously issued by the Board, and the following comments will be pertinent to the interpretations indicated:

- W-15 See sec. 9(f) as amended relating to "Farmer Plans".
- W-16 Even if not instalment sale credit, transaction would involve a "purpose loan" under sec. 5(a) as amended.
- W-19, W-28, W-49 and W-65 Note postponement of effective date of secs. 8(a) through 8(d) as amended; note the provisions of amended sec. 8(b) relating to add-ons; and note provisions relating to the statement of necessity now contained exclusively in sec. 8(d) as amended. Otherwise the principle stated in W-19, W-28, W-49 and W-65 will not be affected.
- W-25, W-26, W-27, W-30 and W-48 Not affected, but note that sec. 6(a) has been amended and broadened.
- W-33 Note amendment of sec. 5(a) as to "purpose loans"; and note amended sec. 4(e) relating to down payments.
- W-45 Note that the figure in sec. 5(b) as amended is \$1,500.
- W-92 Note that sec. 6(a) has been amended and broadened, and note change to \$1,500 in sec. 5(b), as amended.
- W-24, W-36, W-37 and W-53 will be obsolete after November 30.
- W-35 will be obsolete after December 31. See sec. 5(d) as amended.