

S-398
Reg. W

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

INTERPRETATION OF LAW OR REGULATION

December 4, 1941

W-113. Under section 4(e) of Regulation W, as amended effective December 1, 1941, a seller may disregard the down-payment requirement in connection with the sale of any listed article on which the requirement would be \$2 or less.

It is to be noted that section 4(e) applies only in case the entire down-payment otherwise required on the particular sale would be \$2 or less; it does not permit a seller to reduce a down-payment which would be more than \$2. For example, if the required down-payment would be \$38, the provision does not authorize this to be reduced to \$36.

If several separate articles are sold to a customer, section 4(e) permits each to be treated separately for the purpose of determining whether the down-payment requirement may be disregarded. This would be true even though all the articles were covered by a single invoice or bill. On the other hand, where the sale consists of a group of closely related items sold as a unit, such as a suite of furniture, the entire group should be considered as a unit in determining whether the sale is exempted from the down-payment requirement, and this would be true regardless of how the sale was invoiced or billed.