(i) *Poultry.* Chickens, ducks, geese, swans, turkeys, pigeons, doves, guinea fowl, and pea fowl, of all ages.

(j) *Sentinel bird.* A specific pathogen-free chicken which has not been infected with, exposed to, or immunized with any strain of Newcastle disease virus and is therefore susceptible to exotic Newcastle disease.

(k) *State inspector.* An inspector employed in livestock or poultry health work of the State of California, or a political subdivision thereof, who is authorized by such State or political subdivision and designated by the Administrator as a collaborator, to perform specific functions under the regulations in this part.

§ 90.3 Requirement of sentinel birds.

The owner of each commercial flock of poultry kept on any premises within any area quarantined in § 82.3 of this chapter shall accept into and maintain in such flock, such sentinel bird or birds as shall be provided by a Federal or State inspector to enable identification of any poultry and other birds on such premises that are or have been affected with or exposed to exotic Newcastle disease. This requirement shall also apply to any flock of poultry other than a commercial flock and to any flock of other birds, when the inspector has specific reason to believe that poultry or other birds that are or have been affected with or exposed to said disease may exist in such flock, and so notifies the owner of such flock. The owner of any such flock shall provide feed, water, and shelter adequate for the maintenance of such birds and allow them to associate freely with all other poultry in the flock in which they are placed by such inspector.

Sentinel birds shall not be moved, without authorization of a Federal or State inspector, from the premises or flock where they are placed by such an inspector, and no person shall vaccinate or otherwise administer any immunizing agent to, or kill any sentinel bird or do any other act which would have an adverse effect upon any such bird, or prevent the examination, or removal from the flock or premises, of any such bird, by such an inspector.

§ 90.4 Inspections and seizures.

(a) Federal or State inspectors designated by the Administrator, and identified by an official identification card shall have authority to enter, with a warrant obtained under section 5 of the act (21 U.S.C. 134d), upon any premises in any area quarantined in § 82.3 of this chapter or elsewhere in California, for the purpose of making inspections and seizures necessary under the act or the regulations in this part. Such inspectors may enter upon any premises without a warrant if the person in possession of the premises voluntarily consents to their entry.

§ 90.5 Disposal of birds, products and articles.

(a) Whenever the Administrator finds that any poultry or other birds upon any premises in any area quarantined in § 82.3 of this chapter or elsewhere in California are, or have been affected with, or exposed to, exotic Newcastle disease, or that any eggs, carcasses, or other products or articles were so related to such poultry or other birds as to be likely to be a means of disseminating the disease, he will order the owner thereof, or his agent in possession thereof, to maintain them in quarantine for such period and dispose of them within such time, and in such manner, as he shall prescribe in accordance with section 2 of the act (21 U.S.C. 134a). The order shall be served upon the owner of the birds, products or articles, or his agent, in person by a Federal or State inspector. If the owner or his agent does not comply with such order, after such notice thereof, the Administrator may seize, quarantine, and dispose of the birds, products, or articles as provided in said section 2.

(b) When any poultry, other birds, or products or articles are ordered to be quarantined on any premises under paragraph (a), they shall not be moved from such premises unless authorized by the Administrator.

§ 90.6 Cleaning and disinfecting requirements.

All pens, coops, and other facilities found by a Federal inspector to have been used in the handling of any poultry or other birds, or related products or articles, subject to an order under § 90.5, shall be cleaned and disinfected in accordance with the provisions in §§ 71.7(c), 71.10, and 71.11 of this subchapter, unless other disposal is ordered under § 90.5.

Effective date. The foregoing determinations and regulations shall become effective upon issuance. They do not affect in any way the interstate regulations in 9 CFR, Part 82.

The foregoing determinations and regulations impose certain restrictions necessary to prevent the spread of exotic Newcastle disease, a dangerous, communicable disease of poultry, and must be made effective immediately to accomplish their purpose in the public interest.

Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to these actions are impracticable, unnecessary, and contrary to the public interest, and good cause is found for making them effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 10th day of November 1972.

RICHARD E. LYNG,
Acting Secretary of Agriculture.

[FR Doc.72-19702 Filed 11-15-72;8:48 am]

Title 43—PUBLIC LANDS: INTERIOR

Chapter II—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 5263]

[Arizona 6451]

ARIZONA

Withdrawal of Lands for Protection of Recreation and Public Values

Correction

In F.R. Doc. 72-17006 appearing at page 20942 of the issue of Thursday, October 5, 1972, the third line from the bottom of the description, now reading, "T. 41 N., R. 14 W.,", should read, "T. 42 N., R. 14 W.,".

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. Z]

PART 226—TRUTH IN LENDING

Open End Credit; Credit Cards; Issuance and Liability

1. Effective June 1, 1973, §§ 226.5(a)(3), 226.7(a)(4), 226.7(b) (5) and (6), and 226.7(c) of Regulation Z are amended to read as set forth below, and §§ 226.702 and 226.704 are revoked; and

2. Effective December 15, 1972, §§ 206.13(a)(4), (b), and (c) are amended to read as set forth below:

§ 226.5 Determination of annual percentage rate.

(a) *General rule—open end credit accounts.* * * *

(3) Where the finance charge imposed during the billing cycle is or includes:

(i) Any minimum, fixed, or other charge not due to the application of a periodic rate, other than a charge with respect to any specific transaction during the billing cycle, by dividing the total finance charge for the billing cycle by the amount of the balance(s) to which applicable and multiplying the quotient (expressed as a percentage) by the number of billing cycles in a year; or

(ii) Any charge with respect to any specific transaction during the billing cycle (even if the total finance charge also includes any other minimum, fixed or other charge not due to the application of a periodic rate), by dividing the total finance charge imposed during the billing cycle by the total of all balances and other amounts on which any finance charge was imposed during the billing cycle without duplication and multiplying the quotient (expressed as a percentage) by the number of billing cycles in a year,[5a] except that the annual percentage rate shall not be less than the largest rate determined by multiplying each periodic rate imposed during the billing cycle by the number of periods in a year; or

(iii) Any minimum, fixed, or other charge not due to the application of a periodic rate and the total finance charge imposed during the billing cycle does not exceed 50 cents for a monthly or longer billing cycle, or the pro rata part of 50 cents for a billing cycle shorter than monthly, at the creditor's option, by multiplying each applicable periodic rate by the number of periods in a year, notwithstanding the provisions of subdivisions (i) and (ii) of this subparagraph.

§ 226.7 Open end credit accounts—specific disclosures.

(a) *Opening new account.* * * *

(4) Where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and the corresponding annual percentage rate determined by multiplying the periodic rate by the number of periods in a year.[6a]

* * * * *

(b) *Periodic statements required.* * * *

(5) Each periodic rate, using the term "periodic rate" (or "rates"), that may be used to compute the finance charge (whether or not applied during the billing cycle), the range of balances to which it is applicable, and the corresponding annual percentage rate determined by multiplying the periodic rate by the number of periods in a year. The words "corresponding annual percentage rate," "corresponding nominal annual percentage rate," "nominal annual percentage rate" or "annual percentage rate" (or "rates") may be used to describe the corresponding annual percentage rate. The requirements of § 226.6(a) with respect to disclosing the term "annual percentage rate" more conspicuously than other required terminology shall not be applicable to the disclosure made under this subparagraph, although such term (or words incorporating such term) may, at the creditor's option, be shown as conspicuously as the terminology required under subparagraph 6 of this paragraph. Where a minimum charge may be applicable to the account, the amount of such minimum charge shall be disclosed.[9a]

(6) When a finance charge is imposed during the billing cycle, the annual percentage rate or rates determined under § 226.5(a) using the term "annual percentage rate" (or "rates").

* * * * *

(c) *Location of disclosures.* The disclosures required by paragraph (b) of this section shall be made on the face of the periodic statement, except that, at the creditor's option:

(1) Itemization of the amount and date of each extension of credit (or the date such extension of credit was debited to the account) required to be disclosed under paragraph (b)(2) of this section and itemization of the amount of the "credits" disclosed under paragraph (b)(3) of this section, and of the amount of any finance charge required to be disclosed under paragraph (b)(4) of this section, may be made on the reverse side of the periodic statement or on a separate accompanying statement(s), provided that the totals of such respective amounts are disclosed on the face of the periodic statement; and

(2) The disclosures required under paragraph (b) (5) and (8) of this section, except the balance on which the finance charge was computed, may be made on the reverse side of the periodic statement or on the face of a single supplemental statement which shall accompany the periodic statement.

(3) If the creditor exercises any of the options provided under this paragraph, the face of the periodic statement shall contain one of the following notices, as applicable: "NOTICE: See reverse side for important information" or "NOTICE: See accompanying statement(s) for important information" or "NOTICE: See reverse side and accompanying statement(s) for important information," and the disclosures shall not be separated so as to confuse or mislead the customer or obscure or detract attention from the information required to be disclosed.

§ 226.13 Credit cards—issuance and liability.

(a) *Supplemental definitions applicable to this section.* * * *

(4) *"Cardholder"* means any person to whom a credit card is issued for personal, family, household, agricultural, business, or commercial purposes, or any person who has agreed with the card issuer to pay obligations arising from the issuance

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[5a] In determining the denominator of the fraction under § 226.5(a)(3)(ii) no amount will be used more than once when adding the sum of the balances to which periodic rates apply to the sum of the amounts financed to which specific transaction charges apply. In every case the full amount of transactions to which specific transaction charges apply shall be included in the denominator. Other balances or parts of balances shall be included according to the manner of determining the balance to which a periodic rate is applied, as illustrated in the following examples of accounts on monthly billing cycles:

1. Previous balance—none.

A specific transaction of $100 occurs on first day of the billing cycle. The average daily balance is $100. A specific transaction of 3 percent is applicable to the specific transactions. The periodic rate is $1\frac{1}{2}$ percent applicable to the average daily balance. The numerator is the amount of the finance charge, which is $4.50. The denominator is the amount of the transaction (which is $100), plus the amount by which the balance to which the periodic rate applies exceeds the amount of specific transactions (such excess in this case is 0), totaling $100.

The annual percentage rate is the quotient (which is 4.5 percent) multiplied by 12 (the number of months in a year), i.e., 54 percent.

2. Previous balance—$100.

A specific transaction of $100 occurs at midpoint of the billing cycle. The average daily balance is $150. A specific transaction charge of 3 percent is applicable to the specific transaction. The periodic rate is $1\frac{1}{2}$ percent applicable to the average daily balance. The numerator is the amount of finance charge which is $5.25. The denominator is the amount of the transaction (which is $100), plus the amount by which the balance to which the periodic rate applies exceeds the amounts of specific transactions (such excess in this case is $50), totaling $150.

As explained in example 1, the annual percentage rate is 3.5 percent × 12=42 percent.

3. If, in example 2, the periodic rate applies only to the previous balance, the numerator is $4.50 and the denominator is $200 (the amount of the transaction, $100, plus the balance to which only the periodic rate is applicable, the $100 previous balance). As explained in example 1, the annual percentage rate is 2.25 percent × 12=27 percent.

4. If, in example 2, the periodic rate applies only to an adjusted balance (previous balance less payments and credits) and the customer made a payment of $50 at midpoint of billing cycle, the numerator is $3.75 and the denominator is $150 (the amount of the transaction, $100, plus the balance to which only the periodic rate is applicable, the $50 adjusted balance). As explained in example 1, the annual percentage rate is 2.5 percent × 12=30 percent.

5. Previous balance—$100.

A specific transaction (check) of $100 occurs at the midpoint of the billing cycle. The average daily balance is $150. The specific transaction charge is 25 cents per check. The periodic rate is $1\frac{1}{2}$ percent applied to the average daily balance. The numerator is the amount of the finance charge, which is $2.50 and includes the 25-cents check charge and the $2.25 resulting from the application of the periodic rate. The denominator is the full amount of the specific transaction (which is $100) plus the amount by which the average daily balance exceeds the amount of the specific transaction (which in this case is $50), totaling $150. As explained in example 1, the annual percentage rate would be $1\frac{2}{3}$ percent × 12=20 percent.

[6a] A creditor imposing minimum charges is not required to adjust the disclosure of the range of balances to which each periodic rate would apply in order to reflect the range of the balances below which the minimum charge applies. If a creditor does not impose a finance charge when the outstanding balance is less than a certain amount, the creditor is not required to disclose that fact or the balance below which no such charge will be imposed.

[9a] A creditor imposing minimum charges is not required to adjust the disclosure of the range of balances to which each periodic rate would apply in order to reflect the range of the balances below which the minimum charge applies. If a creditor does not impose a finance charge when the outstanding balance is less than a certain amount, the creditor is not required to disclose that fact or the balance below which no such charge will be imposed.

of a credit card to another person for such purposes.

* * * * *

(b) *Issuance of credit cards.* Regardless of whether a credit card is to be used for personal, family, household, agricultural, business, or commercial purposes, no credit card shall be issued to any person except:

(1) In response to a request or application therefor, or

(2) As a renewal of, or in substitution for, an accepted credit card whether such card is issued by the same or a successor card issuer.

(c) *Conditions of liability of cardholder.* A cardholder shall be liable for unauthorized use of each credit card issued only if, * * *

§ 226.702 [Revoked]

§ 226.704 [Revoked]

3. These amendments are promulgated pursuant to section 105 of the Truth in Lending Act (15 U.S.C. 1604). Notice of proposed rule making was published on July 6, 1972 (37 F.R. 13270) and August 12, 1972 (37 F.R. 16407). After consideration of all relevant matter submitted by interested parties, technical changes were made to §§ 226.5(a) (3) (ii), 226.5(a) (3) (iii), 226.7(c) (1), 226.13(a) (4), 226.13(b) and 226.13(c). Footnote 6a was added to § 226.7(a) (4).

4. The amendment to § 226.5(a) (3) relocates the formula for computing annual percentage rates in the case of finance charges imposed with respect to specific transactions during the billing cycle—for example, one-time fees on cash advances—to the section dealing with annual percentage rate computation. The formula was previously contained in § 226.7(b) (6) and Board interpretation § 226.704. The interpretation is hereby revoked as of the effective date of the amendment. This amendment also clarifies the fact that the regulation does not require computation of the annual percentage rate by the quotient method when the total finance charge, including charges with respect to specific transactions, does not exceed $0.50.

5. The amendment adds a requirement to § 226.7(b) (5) that the corresponding annual percentage rate for each periodic rate applicable to the account be shown on each periodic statement, whether or not a finance charge is imposed during the billing cycle. Many creditors have previously made this disclosure, which was permissible, although not required, under Regulation Z. A variety of specified wording may be used to describe these rates. The permitted use of optional wording is to allow creditors maximum freedom to choose wording to distinguish between rates which were actually applied during the billing cycle (required to be disclosed under § 226.7(b) (6)) and the prospective nominal rates required to be disclosed by this subparagraph, where those rates differ. The optional wording will also minimize the need for reprinting periodic statements where nominal rate disclosures have previously been made by the creditor. Whatever wording is chosen may, though need not be, used to satisfy the terminology requirements for the initial disclosures under § 226.7(a) (4) and advertising under § 226.10(c) (4). Although the "more conspicuous" requirement of § 226.6(a) for the term "annual percentage rate" will not be applicable to disclosures under § 226.7(b) (5), it will continue to apply to the term annual percentage rate in opening disclosures under § 226.7(a) and in advertising under § 226.10(c), even if the creditor chooses to make disclosures under § 226.7(a) (4) and § 226.10(c) (4) using optional wording which simply incorporates this term—e.g., "corresponding ANNUAL PERCENTAGE RATE."

Many open end creditors will not be affected by the amendment. In many open end credit plans, the annual percentage rate under § 226.7(b) (6) and the prospective nominal rate under § 226.7 (b) (5) will always be identical. This situation will occur when a creditor imposes finance charges simply by the application of one or more periodic rates and does not use the "quotient" method of calculating an annual percentage rate under § 226.5(a) (1) (ii). In such cases, the requirements of both § 226.7(b) (5) and § 226.7(b) (6) could be satisfied by a single disclosure of such rates on the face of all billing statements using the term, which could be preprinted, "ANNUAL PERCENTAGE RATE" or "RATES."

The new provision also will require disclosure of minimum charges which may be imposed on accounts with balances below a certain amount. This new disclosure requirement does not compel creditors to disclose the range of balances to which the minimum charge may be applicable; creditors may continue to disclose ranges of balances to which periodic rates apply under § 226.7(a) (4) and § 226.7(b) (5) without specifically designating the portion of any such range to which the minimum charge, instead of the periodic rate, is applicable. For example, disclosure could be made that "a periodic rate of 1½ percent per month which is an annual percentage rate of 18 percent will be applied to balances from $0 to $500, with a minimum charge of $0.50."

6. The amendment to § 226.7(b) (6) consists of the addition of the opening phrase "when a finance charge is imposed during the billing cycle." In addition, the words "and, where there is more than one rate, the amount of the balance to which each rate is applicable" have been deleted since the applicable requirement is already contained in § 226.7(b) (5) which requires disclosure of the range of balances to which each rate is applicable. The amendment is primarily designed to clarify the fact that the annual percentage rate disclosures under this paragraph (as determined by § 226.5 (a)) are only required when finance charges are imposed during the billing cycle. Material relating to computation of the annual percentage rate where transaction charges are imposed during the billing cycle has been removed from the provision and incorporated into the new § 226.5(a) (3) (ii).

7. The amendment of § 226.7(c), which deals with the location of required disclosures on periodic statements, will simplify placement of the disclosures in a way which is expected to be more meaningful and useful to the customer and minimize confusion. The amendment incorporates Board interpretation § 226.702, which is hereby revoked as of the effective date of the amendment.

8. The purpose of the amendments to §§ 226.13(a), 226.13(b), and 226.13(c) is to make clear that each credit card, regardless of whether issued or used for personal, family, household, agricultural, business or commercial purposes, and regardless of whether issued to a natural person, corporation, or other business entity, is covered by the act's maximum liability limit on unauthorized use and, by the same token, may not be distributed without an initial request. The amendment to § 226.13(c) is to make it clear that the maximum liability limit applies to each credit card issued to a cardholder; for example, a corporation with many cards from the same issuer would have a maximum liability limit for each card. A technical change has been made in the language of §§ 226.13(a) (4) and 226.13(b) published for comment. In view of the § 226.2(r) definition of "person," which includes both natural persons and organizations, §§ 226.13(a) (4) and 226.13(b) were changed to refer to "person" instead of "natural person or organization." No substantive change was intended. The amendments to § 226.13 would not affect the application of the business exemption in § 226.3 to the disclosure, rescission, and advertising requirements of Regulation Z for which it was intended.

9. Although the amendments to §§ 226.5(a), 226.7(a), 226.7(b), and 226.7(c) shall not become effective until June 1, 1973, any creditor may comply with the amended provisions prior to the effective date.

By order of the Board of Governors, November 2, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary of the Board.

[FR Doc.72-19669 Filed 11-15-72;8:46 am]

[Reg. Z]

PART 226—TRUTH IN LENDING

Open End Credit—Variable Periodic Rates

§ 226.707 Disclosures—Variable Periodic Rates.

(a) Under the terms of some open end credit plans the periodic rates of finance charges and corresponding annual percentage rates are tied to a fluctuating base rate, for example, the "prime rate." Consequently, both the periodic rates and annual percentage rates may change from time to time with changes in the base rate. The question arises as to the proper disclosure, if any, which should