(5) The points of origin and destination of the movement;

(6) The names of the consignor and the consignee; and,

(7) Certification by the person issuing the certificate that the animal or animals identified on the certificate are not affected or exposed animals.

(e) *CEM.* Contagious Equine Metritis.

(f) *Exposed Animal.* An animal which has had sexual or other physical contact with an affected animal, or which has been in physical contact with objects or persons that at the time of such contact were contaminated by previous contact with an affected animal.

(g) *Permit.*[4] A completed VS Form 1-27 issued by a State or Veterinary Services inspector or by an accredited veterinarian for the interstate movement of affected or exposed animals for slaughter which in addition to the information required to be stated on the form shall state a description of each animal to be moved including the name, age, color, and distinctive markings, such as brands, tattoos, scars, or blemishes, if any.

(h) *State Inspector.* A veterinarian or livestock inspector regularly employed in animal health activities by a State or a political subdivision thereof, authorized by such State or political subdivision to perform the function involved under a cooperative agreement with the United States Department of Agriculture.

(i) *Veterinary Services Inspector.* A veterinarian or livestock inspector employed by Veterinary Services, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, in animal health activities, who is authorized to perform the function involved.

(j) *Weanling or Yearling.* Any horse not more than 731 days old on the date of interstate movement.

2. New §§ 75.6, 75.7, and 75.8 are added to read:

§ 75.6 General restrictions.

(a) Notice is hereby given that CEM, a communicable disease of horses, asses, mules, zebras, and other equidae exists in each area specified in § 75.7 of this part.

(b) Affected or exposed animals shall not be moved interstate except in accordance with the regulations in this part.

§ 75.7 Areas quarantined.

(a) Notice is hereby given that because of the existence of CEM in the breed of Thoroughbred horses in certain areas, and because of the nature and extent of such disease, the following areas are hereby quarantined:

(1) *Kentucky*—The entire Commonwealth.

§ 75.8 Restrictions on interstate movement.

(a) Except as provided in paragraph (b) of this section, no horse of the Thoroughbred breed shall be moved interstate from or through any quarantined area specified in § 75.7(a) of this part except in accordance with the following conditions:

(1) A gelding may be moved interstate without restriction;

(2) A weanling or yearling which is not an affected or exposed animal may move interstate if accompanied by a certificate;

(3) A mare or stallion which is not an affected or exposed animal and which has not been bred naturally in the quarantined area after August 30, 1977, may move interstate from the quarantined area for other than breeding purposes if accompanied by a certificate;

(4) A mare or stallion which is not an affected or exposed animal and which has not been bred in the quarantined area except by artificial insemination after August 30, 1977, may move interstate from the quarantined area for breeding purposes if such breeding will be performed only by artificial insemination in the presence of and certified to by a State or Veterinary Services Inspector, and if such horses are accompanied by a certificate; and

(5) A mare or stallion which is not an affected or exposed animal, which has not been on a premises since August 30, 1977, where any affected or exposed animal has been, and which has not been naturally bred in the quarantine area after August 30, 1977, or which has been bred only by artificial insemination in the quarantined area after August 30, 1977, may move interstate from the quarantine area for breeding purposes if accompanied by a certificate;

(6) A horse which is not an affected or exposed animal may move interstate through the quarantined area if accompanied by a certificate and if moved through such area without contact with other animals while in such area.

(b) *Movement of animals for immediate slaughter.* (1) No affected or exposed animal shall be moved interstate except for immediate slaughter directly to a federally inspected slaughtering establishment operated under the provisions of the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) or to a State-inspected slaughtering establishment which has inspection by a State inspector at the time of slaughter and only if accompanied by a permit.

(2) Animals other than affected or exposed animals may be moved interstate for immediate slaughter only if they comply with all of the provisions for movement of affected or exposed animals for slaughter in subparagraph (b)(1) of this section.

(c) *Cleaning and disinfection.* Any means of conveyance used to transport affected or exposed animals interstate shall be thoroughly cleaned and disinfected after such movement in accordance with the provisions of §§ 71.6, 71.7, 71.10, 71.11, and 71.12 of the regulations in this subchapter.

(Sections 4-7, 23 Stat. 32, as amended, sections 1 and 2, 32 Stat. 791-792, as amended, sections 1-4, 33 Stat. 1264, 1265, as amended (21 U.S.C. 111-113, 115, 117, 120, 121, 123-126), 37 FR 28464, 28477; 38 FR 19141.)

In view of the nature of the disease and circumstances under which it is disseminated and in order to prevent the interstate spread of the disease, it is necessary that this amended regulation be placed in effect immediately. Therefore, the amendment must be made effective immediately to accomplish its purpose in the public interest.

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

Done at Washington, D.C. this 25th day of May 1978.

NOTE.—The Animal and Plant Health Inspection Service has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

M. T. GOFF,
Acting Deputy Administrator,
Veterinary Services.

[FR Doc. 78-15110 Filed 5-26-78; 8:45 am]

[4]The person issuing each permit shall promptly forward copies of each permit issued to Animal Health officials indicated on the original and each copy of VS Form 1-27.

[6210-01]

Title 12—Banks and Banking

CHAPTER II—FEDERAL RESERVE SYSTEM

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. Z; Docket No. R-0156]

PART 226—TRUTH IN LENDING

Preservation of Evidence of Compliance

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Federal Reserve Board amends the record retention requirements as to those creditors and lessors under the jurisdiction of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Federal Reserve Board and the National Credit Union Administration. These agencies proposed uniform guidelines for enforcement of the truth in lending provisions in October, 1977. Creditors and lessors affected by the amendment must retain all evidence of compliance in their possession, dating from July 1, 1969, until the agencies adopt final guidelines and complete at least one examination thereunder, subject to a minimum 2-year retention period. The amendment will preserve records of transactions which might be subject to corrective action once the guidelines are adopted and which might otherwise have been destroyed. The amendment is in response to a petition for rulemaking. The Board believes it is necessary to preserve enforcement options.

DATES: Effective date: May 30, 1978. Comments due on or before July 14, 1978.

ADDRESS: Send comments to Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

FOR FURTHER INFORMATION CONTACT:

Anne Geary, Chief Staff Attorney, Division of Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, 202-452-2781.

SUPPLEMENTARY INFORMATION: (1) Prior to this action, § 226.6(i) permitted all creditors to dispose of records evidencing compliance with Regulation Z when more than 2 years had elapsed from the date disclosures were required to be made. Under the uniform statement of enforcement policy proposed by the Federal financial regulatory agencies (42 FR 55786), corrective action might be required for violations of Regulation Z occurring more than 2 years prior to the date of discovery of the violation by the enforcing agency. If the guidelines as finally adopted specify a correction period greater than 2 years, the record retention requirement for transactions prior to that time would have expired. Thus, evidence of violations which might otherwise be subject to corrective action once the guidelines are adopted may have been destroyed before the guidelines are placed in effect.

(2) Pursuant to 5 U.S.C. § 553(e), Consumers Union has asked the Board to revise § 226.6(i) to require creditors to retain records until the enforcing agency has published final guidelines, has conducted one examination for compliance with the regulation and has assured that any required corrective action has been taken. In a Petition for Emergency Rulemaking submitted on April 24, 1978, Consumers Union alleged that destruction of records pending adoption and application of the guidelines would cause irreparable injury to consumers whose transactions might otherwise have been subject to corrective action in the form of reimbursement.

(3) The Board has determined that a revision of § 226.6(i) is necessary to preserve enforcement options. In making this determination, the Board takes no position on whether the guidelines as finally adopted will require reimbursement as a form of corrective action or whether violations occurring more than 2 years prior to discovery will be subject to corrective action. Depending on the course of action chosen by the agencies, the amendment may later be revised. However, the Board believes that the potential benefit to consumers outweighs the added responsibility which this rule places upon creditors and lessors.

(4) The revised rule retains the minimum 2-year retention period for all creditors and lessors. Under the revision, however, creditors and lessors subject to paragraph (2) must retain all records currently in their possession, even those as to which the 2-year period has elapsed, until all 3 of the conditions set forth in that paragraph have been satisfied.

(5) The Board has determined that compliance with the provisions of 5 U.S.C. § 553 relating to notice, public participation and deferred effective date would be contrary to the public interest. Pending completion of the general procedures required by that section, a large number of additional records could be irretrievably lost, substantially reducing the utility of this amendment. In making this determination, the Board recognizes that this action could have been taken at an earlier time, which might have permitted compliance with normal procedural requirements. However, at the time the guidelines were first proposed, the participating agencies believed that final action woud be taken shortly thereafter. In the Board's judgment, the record retention problem has become more acute as the deliberation process on the guidelines continues, increasing the need for the amendment. In view of the potential harm to consumers resulting from continuing to permit disposal of records, the Board believes that further delay for compliance with normal procedural requirements would not serve the public interest. Therefore, pursuant to 5 U.S.C. § 553(b)(B) and 5 U.S.C. § 553(d)(3) the Board is publishing this rule without notice and prior opportunity for comment, to become effective on publication.

(6) Although immediate adoption of this rule is considered essential for the reasons stated above, the Board will consider further revision of the rule. Interested persons are invited to review the rule and to submit relevant data, views, or comments in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington. D.C. 20551. All material submitted should be received not later than July 14, 1978, and should include the docket number R-0156. Copies of any comments received will be made available for inspection and copying upon request, except as provided in § 261.6(a) of the Board's Rules Regarding Availability of Information (12 CFR Part 261.6(a)). Consideration will be given to any comments received and the Board will amend the rule as determined necessary or desirable.

(7) Pursuant to the authority granted in 15 U.S.C. § 1604 (1968), the Board hereby revises 12 CFR Part 226 as follows, effective May 30, 1978.

§ 226.6 General disclosure requirements

* * * * *

(i) *Preservation and inspection of evidence of compliance.* (1) Evidence of compliance with the requirements imposed under this Part, other than advertising requirements under § 226.10, shall be preserved by the creditor or lessor for a period of not less than 2 years after the date such disclosure is required to be made.

(2) With respect to a creditor or lessor subject to the administrative enforcement jurisdiction of the Comptroller of the Currency, Board of Directors of the Federal Deposit Insurance Corporation, Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), Administrator of the National Credit Union Administration or Board of Governors of the Federal Reserve System, all evidence of complience with the requirements imposed under this Part, dating from July 1, 1969, other than advertising requirements under § 226.10, shall be retained until:

(i) The administrative authority for that creditor or lessor completes one examination for compliance with the requirements imposed under this Part subsequent to adoption of a statement of enforcement policy,[a] and

(ii) A period of not less than 2 years has elapsed from the date that disclosure was required to be made.

[a] "Statement of enforcement policy" refers to a final statement based on the Joint Notice of Proposed Statement of Enforcement Policy published at 42 FR 55786 (1977).

(3) Each creditor or lessor shall, when directed by the appropriate administrative enforcement authority designated in section 108 of the Act, permit that authority or its duly authorized representative to inspect its relevant records and evidence of compliance with this Part.

2. Footnote 6a to § 226.7(a)(4) is redesignated footnote 6b.

By order of the Board of Governors, May 19, 1978.

THEODORE E. ALLISON,
Secretary of the Board.

[FR Doc. 78-14889 Filed 5-26-78; 8:45 am]

[6720-01]

CHAPTER V—FEDERAL HOME LOAN BANK BOARD

SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

[No. 78-311]

PART 545—OPERATIONS

Electronic Fund Transfers Through Remote Service Units

MAY 24, 1978.

AGENCY: Federal Home Loan Bank Board.

ACTION: Final rule.

SUMMARY: The Bank Board, by this amendment, adopts a permanent remote service unit (RSU) regulation. A permanent regulation is needed to replace the Board's temporary RSU regulation, which expires on June 30, 1978. The new, permanent regulation includes consumer protection provisions, removes deadlines for RSU application and operating periods, and revises, shortens, and simplifies existing requirements.

EFFECTIVE DATE: July 1, 1978.

FOR FURTHER INFORMATION, CONTACT:

Harry W. Quillian, Associate General Counsel, Federal Home Loan Bank Board, telephone 202-377-6440.

SUPPLEMENTARY INFORMATION: The Bank Board, by Resolution No. 78-98, dated February 15, 1978 (43 FR 7327-9; February 22, 1978), proposed to amend § 545.4-2 of the rules and regulations for the Federal Savings and Loan System (12 CFR 545.4-2) to replace its temporary RSU regulation with a permanent one. The comment period closed on March 27, with 58 public comments received. Two banking trade associations opposed the regulation, contending that it would violate 12 U.S.C. 1464(b)(1) by authorizing demand withdrawal of funds from savings accounts. Fifty-six respondents (including 35 federally-chartered associations, 3 State-chartered associations, and 1 national bank) generally favored the regulation, but requested clarification or minor changes of sections of the regulation. In response to these requests, the Bank Board is revising the proposal by (1) combining and/or rearranging several sections in a more logical sequence; (2) expanding the consumer protection sections; and (3) clarifying application procedures.

Subparagraph (a) *Definition* has been rearranged alphabetically; the definition of a Supervisory Agent has been removed as redundant; a definition of "generic" data has been added; and the definitions of "Remote Service Unit" and "User" have been clarified. In response to questions about third party payment via telephone, the Bank Board reiterates that a telephone is not an RSU unless it is activated by a machine readable instrument. Therefore, most automatic telephone bill-paying systems do not fall within 12 CFR 545.4-2.

Seventeen respondents expressed confusion about the sharing limitations of the regulation. Subject to Bank Board approval, sharing is permitted with any financial institution. If anticompetitive implications so warrant, the Bank Board also may require sharing with any financial institution. Several respondents proposed amending the regulation to allow sharing with non-financial institutions, but the Bank Board has determined that such a step is premature. The Bank Board also wishes to clarify that, subject to its approval, a Federal association may share an automated teller machine located on its own premises or on the premises of another financial institution.

The Bank Board is still studying the interstate establishment and use of RSU's beyond what is currently permitted, but will presently continue the limitation in subparagraph (b).

Five respondents sought amplification of subparagraph (c) *RSU financial services.* This section lists traditional services which associations may offer through RSU's. Before seeking Bank Board approval, however, an association must obtain authorization from its board of directors to offer such services. Therefore, none are automatically "pre-authorized". The Bank Board believes that subparagraph (c)(4) encompasses all other related financial services an association may wish to offer.

The American Bankers Association opposed subparagraph (c)(4) on the ground that it "gives" the Bank Board authority to approve "unauthorized" services without giving the public an opportunity to comment. The Bank Board believes that to accommodate unforeseen circumstances and advances in electronic funds transfer technology it is important to retain in this provision authority to approve upon application financial services related to those specifically permitted.

VISA requested clarification of possible dual use of a credit card as a debit card to access an RSU account. The Bank Board is continuing to study the use of credit cards by Federal associations and will clarify their use in connection with RSUs at a later date.

Subparagraph (d) *Account agreements* is expanded to specify that agreements must be in writing and include information about rights and obligations in case of loss, theft, or error and as to the privacy of account information. To reinforce this requirement, parts (1) and (2) under subparagraph (f) have been transferred to this section and expanded to require written confirmation of notice of loss or theft.

Four respondents were concerned that the language of subparagraph (e) *Service charges* would preclude RSU systems which are already operational from imposing service charges if they do not currently do so. Five respondents questioned the notice requirement for changes in service charges. The section has been revised so that (1) service charges can be initiated on existing accounts; (2) notice must be given 30 days before charges are initiated or increased, not if they are decreased; and (3) notice and prior disclosure must be in writing.

The Bank Board carefully considered complaints of associations already operating experimental systems in regard to the precise words required to be imprinted on activators in (f) *RSU activator.* This section is revised so that the words "Not Transferable" or their equivalents must appear on each RSU activator.

Twenty-four respondents questioned the Bank Board's requirement of statements in 30 or 90-day cycles, depending on the activity of RSU accounts as described in subparagraph (g). The Bank Board believes that account statements are essential for consumer protection even if transactions are posted in passbooks. However, the Bank Board has decided to modify the section to require statements on a monthly or quarterly basis, as defined in the regulation.

Twenty-five respondents sought clarification of the provisions dealing with error resolution and RSU account losses. They urged modification of these sections, based on comparison to the recommendations of the National Committee on Electronic Fund Transfers. No clear model exists for debit card liability, but the Bank Board believes that the duty of notice by the consumer to the association, the time limits for notice and resolution of alleged error, and strict liabili-