

Signed at Washington, D.C., on May 15, 1980.

Bob Bergland,

Secretary.

[FR Doc. 80-15353 Filed 5-19-80; 8:45 am]

BILLING CODE 3410-05-M

FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Reg. Z; Docket No. R-0294]

Truth in Lending; Agricultural Credit and Closed-End Periodic Statements

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending Regulation Z effective immediately to implement two provisions of the recently enacted Truth in Lending Simplification and Reform Act. The first provision being implemented is the exemption of all extensions of credit for agricultural purposes from disclosure requirements. The second is the elimination of disclosures currently required for periodic statements provided in connection with closed-end credit transactions.

The implementation of these amendments does not mean, however, that creditors may comply with any other provision of the simplification act immediately. Creditors may follow the revised act only when the proposal published by the Board in the *Federal Register* on May 5, 1980 (45 FR 29702), is adopted in final form. Until that time, the current act and regulation must be followed.

EFFECTIVE DATE: May 21, 1980.

FOR FURTHER INFORMATION CONTACT: Ellen Maland, Senior Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202-452-3867).

SUPPLEMENTARY INFORMATION: The Truth in Lending Simplification and Reform Act (Title VI of Pub. L. 96-221, the Depository Institutions Deregulation and Monetary Control Act of 1980) was signed into law by the President on March 31, 1980. That act exempts agricultural credit from disclosure requirements. Currently, only agricultural credit extensions of more than \$25,000 are exempt. The act also eliminates the disclosure requirements for periodic statements in closed-end credit transactions. Although the simplification act does not become fully effective until April 1, 1982, § 625 of the act states that "any creditor may comply

with the amendments made by [the act], in accordance with the regulations * * * prescribed by the Board, prior to such effective date." The purpose of the two year delayed effective date is to allow creditors sufficient time to change their practices and forms as necessary to achieve compliance with the amended Truth in Lending Act and regulations. The Congress has decided that "because agricultural credit is essentially commercial in nature, the type of protections provided by the act are unnecessary and add needless complexity" (S. Rep. No. 96-73, 96th Cong., 1st Sess. 10 (1979)); it has also determined that disclosures are no longer necessary in connection with periodic statements for closed-end credit transactions. Therefore, the Board believes there is no sound reason why those exemptions should not be implemented now.

The Board recognizes that an immediate mandatory exemption of agricultural credit might create problems for some creditors. Certain state statutes may require disclosures for agricultural credit that are inconsistent with those currently mandated by Regulation Z. Those inconsistent state laws have been preempted by federal Truth in Lending law to the extent of their inconsistency. Once agricultural credit is exempted from federal Truth in Lending law, those state laws will again apply. Unless creditors subject to those laws are given an adequate opportunity to prepare to comply with them, the creditors would have to either temporarily suspend all agricultural lending that was previously exempt from the state laws or be in noncompliance with the state laws. On the other hand, creditors not affected by such state laws would be required to continue to comply with Regulation Z during any delay in implementing the exemption.

Therefore, the amendment to § 226.3 of Regulation Z gives creditors two options: (1) Cease making federal Truth in Lending disclosures for agricultural credit and comply with any previously preempted state laws; or (2) continue providing federal Truth in Lending disclosures and disregard any inconsistent state law. This election accommodates all creditors extending agricultural credit and comports with the intent of the simplification act to allow creditors two years to conform their practices to the new act. The election may be made by a creditor at any time and for any transaction before April 1, 1982.

The Board is eliminating the disclosure requirements for periodic statements for closed-end credit

transactions immediately since there appears to be no state law complication. This action implements the congressional intent that closed-end periodic statements are not a necessary consumer protection. It does not affect the periodic statement requirements for open-end credit.

The Board believes that both of these changes facilitate implementation of the simplification act and do not impose any additional burden or liability. Therefore, the Board finds that the publication of the changes for public comment and a delay in their effective date are neither necessary nor required under 5 U.S.C. 553(b) and 553(d), and that immediate implementation is in the public interest.

In consideration of the foregoing and pursuant to the authority granted in section 105 the Truth in Lending Act (15 U.S.C. 1604, as amended), the Board amends Regulation Z (12 CFR Part 226) as follows:

§ 226.3 [Amended]

1. Section 226.3(e) is amended by deleting the period at the end of the paragraph and inserting the following phrase:

(e) * * * * *; and, at the creditor's option, any credit transaction primarily for agricultural purposes in which the amount financed does not exceed \$25,000."

§ 226.8 [Amended]

2. Section 226.8 is amended by deleting the catchline and text of paragraph (n), and inserting the following in its place:

* * * * *
(p) [Reserved.]

By order of the Board of Governors, May 14, 1980.

Theodore E. Allison,
Secretary of the Board.

[FR Doc. 80-15380 Filed 5-19-80; 8:45 am]

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12 CFR Part 226

[Reg. Z; Docket No. R-0202]

Truth in Lending; Right of Rescission

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Deferral of effective date.

SUMMARY: On September 19, 1979, the Board revoked an amendment to Regulation Z (Truth in Lending) that created an alternative in certain circumstances to the three-day cancellation right otherwise applicable to each individual advance under open-end credit accounts secured by consumers' residences. The revocation,

which also included the revocation of related Board and Official Staff Interpretations, was to become effective on March 31, 1980. On February 29, 1980, the Board delayed implementation of its revocation action until May 31, 1980. This action permits the open-end rescission amendment to continue in effect until the Board completes the regulation Z rulemaking proceeding commenced pursuant to the Truth in Lending Simplification and Reform Act. See the Federal Register of May 5, 1980 (45 FR 29702). A provision similar to the Board's amendment is contained in the simplification act.

EFFECTIVE DATE: May 21, 1980.

FOR FURTHER INFORMATION CONTACT:

Maureen P. English, Section Chief, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202-452-3867).

SUPPLEMENTARY INFORMATION: On September 19, 1979, the Board revoked § 226.9(g)(6) of Regulation Z (12 CFR Part 226, Board Interpretation § 226.904, and Official Staff Interpretation FC-0159 (44 FR 55553, September 27, 1979), which relate to the application of the Truth in Lending rescission rules to advances under open-end credit plans secured by consumers' principal residences. In order to provide ample time for the orderly modification of termination of the limited number of such open-end credit plans, the Board delayed the effective date of its action until March 31, 1980. During this time period, however, creditors were instructed by Public Information letter 1354 not to offer new plans or to expand existing plans (44 FR 61587). On February 29, 1980 the Board further delayed until May 31, 1980, the effective date of its revocation action because congressional action expressly authorizing a rescission exemption similar to the Board's amendment appeared imminent. That action continued the prohibition against offering new plans or expanding existing plans (45 FR 14539, March 6, 1980).

The Truth in Lending Simplification and Reform Act (Title VI of Pub. L. 96-221, the Depository Institutions Deregulation and Monetary Control Act of 1980) was signed into law by the President on March 31, 1980. Section 125 of the act, like the Board's amendment, eases the rescission requirements (for an experimental three-year period) for open-end credit plans involving advances that are secured by consumers' principal residences.

The act requires the Board to implement the new law by April 1, 1981,

and permits a creditor to comply with the new law as soon as a regulation has been adopted. The Board recently published for comment a completely revised version of Regulation Z (45 FR 29702, May 5, 1980), which implements the statutory amendments, including a provision regarding open-end credit rescission requirements.

The Board's present action permits the current open-end credit rescission amendment to continue in effect until the Board adopts a new open-end credit rescission provision. Moreover, the Board continues the prohibition against offering new plans or expanding existing plans during the interim period. In taking this action, the Board considered the hardship that would result to both consumers and creditors if modification or termination of existing open-end credit plans was required by May 31, 1980, despite the express statutory authorization for such plans.

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 impracticable and the delay would be contrary to the public interest, since disruptive modification or termination of existing open-end credit plans would occur during the completion of the general procedures required by section 553. Board action regarding the effective date of the revocation was not warranted until the recent enactment of the simplification act. Therefore, pursuant to 5 U.S.C. 553(b)(3)(B) and 553(d)(3), the Board is extending the termination date of May 31, 1980, without notice and prior opportunity for comment.

Pursuant to section 105 of the Truth in Lending Act (15 U.S.C. 1604 (1970)), the Board delays the effective date of the revocation of § 226.9(g)(6) of Regulation Z (12 CFR Part 226), Board Interpretation § 226.904, and Official Staff Interpretation FC-0159, and continues the effectiveness of Public Information letter 1354 during the delay until the Board adopts a new open-end credit rescission provision, pursuant to the Truth in Lending Simplification and Reform Act, Title VI of Pub. L. 96-221.

By order of the Board of Governors, May 14, 1980.

Theodore E. Allison,
Secretary of the Board.

[FR Doc. 80-15362 Filed 5-19-80; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 141 and 260

[Docket No. RM80-17; Order No. 74]

Order Revising Monthly Statements; Correction

May 6, 1980.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Erratum Notice to Correct Final Order.

SUMMARY: This notice corrects Order No. 74 by deleting references in that order made to § 3.142 of the Commission's regulations.

FOR FURTHER INFORMATION CONTACT:

Cathy Ciaglo, Office of the General Counsel, Federal Energy Regulatory Commission, 825 N. Capital St., N.E., Washington, D.C. 20426, (202) 357-8318.

Revisions of Monthly Statements FERC Forms No. 5 and 11

In the Federal Energy Regulatory Commission's Order No. 74, "Order Revising Monthly Statements", issued March 28, 1980, 45 FR 21623 (April 2, 1980), references were made to § 3.142 of the Commission's regulations. In that § 3.142 was deleted by the Commission's Order No. 73 issued March 28, 1980, "Recodification of Rules Reflecting the Establishment of the FERC and Certain Rules Concerning its Operation", Docket No. RM80-45, 45 FR 21216 (April 1, 1980), the references to § 3.142 are unnecessary. For this reason, Order No. 74 is corrected to eliminate all references to § 3.142.

Kenneth F. Plumb,

Secretary.

[FR Doc. 80-15357 Filed 5-19-80; 8:45 am]

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18 CFR Parts 250 and 260

[Docket Nos. RM76-10 and RM76-15]

Order Suspending Filing Requirements With Respect to Schedule Nos. 501, and 505 of Form 108 and Form 314-B Until Further Notice

Issued: May 5, 1980.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Order Suspending Filing Requirements With Respect To Certain Annual Reports.