

10. Cut-off procedures. The following procedures will govern the consideration of filings in this proceeding.

(a) Counterproposals advanced in this proceeding itself will be considered, if advanced in initial comments, so that parties may comment on them in reply comments. They will not be considered if advanced in reply comments.

(b) With respect to petitions for rule making which conflict with the proposal in this Notice, they will be considered as comments in the proceeding, and Public Notice to this effect will be given, as long as they are filed before the date for filing initial comments herein. If filed later than that, they will not be considered in connection with the decision in this docket.

11. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules and regulations, interested parties may file comments on or before February 21, 1975, and reply comments on or before March 14, 1975. All submissions by parties to this proceeding or persons acting on behalf of such parties must be made in written comments, reply comments, or other appropriate pleadings.

12. In accordance with the provisions of § 1.419 of the Commission's rules and regulations, an original and fourteen copies of all comments, reply comments, pleadings, briefs, or other documents shall be furnished the Commission.

13. All filings made in this proceeding will be available for examination by interested parties during regular business hours in the Commission's Public Reference Room at its Headquarters, 1919 M Street, N.W., Washington, D.C.

Adopted: December 23, 1974.

Released: January 3, 1975.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] WALLACE E. JOHNSON,  
Chief, Broadcast Bureau.  
[FR Doc. 75-757 Filed 1-8-75; 8:45 am]

## FEDERAL RESERVE SYSTEM

[12 CFR Part 226]

[Reg. Z]

### TRUTH IN LENDING

#### Miscellaneous Amendments

In order to implement the amendments to the Truth in Lending Act (15 U.S.C. Chapter 41, §§ 1601-1681) included in Title IV of Pub. L. 93-495 (secs. 401-416), the Board proposes to amend Regulation Z. These amendments would provide:

(1) That advertisements concerning extensions of credit repayable in more than four installments and for which there is no finance charge identified shall state that the cost of credit is included in the price of the goods and services.

(2) That credit transactions primarily for agricultural purposes where the amount financed exceeds \$25,000 are exempt from the disclosure provisions of the Truth in Lending Act and Regulation Z.

(3) That the right of rescission in residential real property transactions is

limited to three years from the date of the consummation of the transaction or the sale of the property, whichever occurs earlier.

(4) That issuers of credit cards and businesses or organizations may contract without regard to the other relevant provisions of Regulation Z regarding the liability for unauthorized use of the cards if (a) the card issuer issues 10 or more cards for use by employees of a single business or organization, and (b) the liability imposed on such employees for unauthorized use does not exceed \$50, the amount permitted by Regulation Z.

(5) That any credit transaction involving an agency of a State as creditor is not subject to the right of rescission.

(6) That the creditor of an open end account may allow a longer period than that disclosed to the customer in which to make payment in full and avoid additional finance charges.

(7) For a revised § 226.1(b) (1), which refers to the enforcement of Regulation Z and Chapter 41 of 15 U.S.C., to delete the Interstate Commerce Commission as an enforcing agency and add the Farm Credit Administration.

(8) For a revised § 226.1(c), which refers to statutory civil and criminal penalties, to include provisions for (a) criminal liability for certain fraudulent acts related to credit cards, (b) civil liability in individual or class actions for creditors who fail to comply with Chapter 2 or Chapter 4 (Title III of Pub. L. 93-495) and corresponding provisions of Regulation Z, (c) a creditor's defense for good faith compliance with Regulation Z, (d) single recovery for multiple failures to disclose in a single account, and (e) civil liability of assignees for violations of disclosure requirements where the violation is apparent on the face of the instrument assigned.

Pursuant to the authority granted in 15 U.S.C. 1604 (1970), the Board proposes to amend Regulation Z, 12 CFR Part 226, as follows:

1. To implement secs. 403, 406, 407, 408, 413 and 414, § 226.1(b) (1) and (c) would be revised as follows:

§ 226.1 Authority, scope, purpose, etc.

(b) *Administrative enforcement.* (1) As set forth more fully in section 108 of the Act, administrative enforcement of the Act and this Part with respect to certain creditors and credit card issuers is assigned to 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, Civil Aeronautics Board, Secretary of Agriculture, Farm Credit Administration, and Board of Governors of the Federal Reserve System.

(c) *Penalties and liabilities.* Section 112 of the Act provides criminal liability for willful or knowing failure to comply with any requirement imposed under the Act and this Part. Section 134 provides

for criminal liability for certain fraudulent activities related to credit cards. Section 130 provides for civil liability in individual or class actions for any creditor who fails to comply with any requirement imposed under Chapter 2 or Chapter 4 of the Act and the corresponding provisions of this Part, provides a defense for creditors complying in good faith with the provisions of the Part, and provides that a multiple failure to disclose in connection with a single account shall permit but a single recovery. Section 115 provides for civil liability for an assignee of an original creditor where the original creditor has violated the disclosure requirements and such violation is apparent on the face of the instrument assigned, unless the assignment is involuntary. Pursuant to Section 108 of the Act, violations of the Act or this Part constitute violations of other Federal laws which may provide further penalties.

2. To implement sec. 402, § 226.3(e) would be added as follows:

§ 226.3 Exempted transactions.

(e) *Agricultural credit transactions.* Credit transactions primarily for agricultural purposes, including real property transactions, in which the amount financed<sup>1</sup> exceeds \$25,000 or in which the transaction is pursuant to an express written commitment by the creditor to extend credit in excess of \$25,000.

3. To implement § 415, § 226.7 (a) (1) and (b) (9) would be revised as follows:  
§ 226.7 Open end credit accounts—specific disclosures.

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

(1) The conditions under which a finance charge may be imposed, including an explanation of the time period, if any, within which any credit extended may be paid without incurring a finance charge, except that the creditor may, at his option and without disclosure, impose no such finance charge if payment is received after the termination of such time period.

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

(9) The closing date of the billing cycle and the outstanding balance in the account on that date, using the term "new balance," accompanied by the statement of the date by which, or the period, if any, within which payment must be made to avoid additional finance charges, except that the creditor may, at his option and without disclosure, impose no such additional finance charges if payment is received after such date or termination of such period.

4. To implement sec. 412, § 226.9 (g) (5) and (h) would be added as follows:

§ 226.9 Right to rescind certain transactions.

<sup>1</sup> For this purpose, the amount financed is the amount which is required to be disclosed under § 226.8(c) (7), or (d) (1), as applicable, or would be so required if the transaction were subject to this Part 226.

(g) *Exceptions to general rule.* \* \* \*

(5) Any transaction in which an agency of a State is the creditor.

(h) *Time limit for right of rescission.*

A customer's right to rescind a transaction pursuant to this section shall expire three years after the date of consummation of the transaction or upon the date that the customer transfers title to the property, whichever occurs earlier, notwithstanding any failure of the creditor to deliver to the customer the disclosures required by this section or the other material disclosures required by this Part 226.

5. To implement sec. 401, § 226.10(f) would be added as follows:

§ 226.10 Advertising credit terms.

(f) *Credit payable in more than four instalments; no identified finance charge.* Any advertisement to aid, promote, or assist directly or indirectly an extension of consumer credit repayable by agreement in more than four instalments shall, unless a specific finance charge is or will be imposed, state clearly and conspicuously: "The cost of credit is included in the price quoted for the goods and services."

6. To implement sec. 410, § 226.13(l) would be added as follows:

§ 226.13 Credit cards—issuance and liability.

(l) *Business use of credit cards.* If 10 or more credit cards are issued by one card issuer for use by the employees of a single business or other organization, nothing in this section prohibits the card issuer from agreeing by contract with such business or other organization as to liability for unauthorized use of any such credit cards without regard to the provisions of this section, but in no case may any business or other organization or card issuer impose liability on any employee of such business or other organization with respect to unauthorized use of such credit card except in accordance with and subject to the other liability limitations of this section.

This notice is published pursuant to section 553(b) of title 5 United States Code, and § 262.2(a) of the rules of procedure of the Board of Governors of the Federal Reserve System (12 CFR 262.2(a)). To aid in the consideration of these matters by the Board, interested persons are invited to submit relevant data, views, or arguments in writing to the Office of the Secretary, the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, to be received not later than February 14, 1975. Such material will be made available upon request, except as provided in 12 CFR 261.6(a) of the Board's Rules Regarding Availability of Information.

By order of the Board of Governors,  
December 27, 1974.

[SEAL] GRIFFITH L. GARWOOD,  
Assistant Secretary of the Board.

[FR Doc.75-741 Filed 1-8-75;8:45 am]

## INTERSTATE COMMERCE COMMISSION

[49 CFR Part 1001]

[Ex Parte No. 65 (Sub-No. 11)]

### IMPLEMENTATION OF RECENT AMENDMENTS TO THE FREEDOM OF INFORMATION ACT

#### Notice of Proposed Rules, Making

At a General Session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 6th day of January, 1975.

It is ordered, That based on the reasons set forth in the attached notice, a proceeding be, and it is hereby, instituted pursuant to 5 U.S.C. 552, 553, and 559 (the Administrative Procedure Act), for the purpose of implementing recent amendments to the Freedom of Information Act (5 U.S.C. 552).

It is further ordered, That the attached notice be, and it is hereby, adopted and is incorporated by reference into this order;

And it is further ordered, That notice of the institution of this proceeding shall be given to the general public by depositing a copy of this order and the attached notice in the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., for public inspection, and by delivering a copy of the notice to the Director, Office of the Federal Register, for publication in the Federal Register as notice to interested persons.

The Interstate Commerce Commission has always sought to make public information readily available pursuant to the Freedom of Information Act (5 U.S.C. 552). The Congress has recently amended the Freedom of Information Act in an effort better to assure the public of ready access to government records. These amendments require certain modifications in our existing rules (49 CFR Part 1001).

The existing regulation provides that requests to inspect records other than those now deemed to be of a public nature shall be addressed to the Secretary (49 CFR 1001.4). The proposed modification would require the Secretary to decide within 10 days (except Saturdays, Sundays, and legal public holidays) whether a requested record could be made available and would require the Secretary to inform a requesting party in writing of any refusal to provide information with a detailed explanation of why the requested records cannot be made available. If the Secretary rules that records cannot be made available [see 5 U.S.C. 552(a)(3) which provides for exemptions to the Freedom of Information Act], then the existing regulation provides for an appeal to the Chairman whose decision shall be administratively final. The proposed modification would require the filing of such an appeal within 30 days of the date of the Secretary's denial letter and would also require the Chairman to render a decision within 20 days (except Saturdays, Sundays, and legal public holidays) of receipt of any appeal. The Chairman

would issue an order explaining the reasons for his decision.

Because this Commission desires to make information readily available to the public, we will waive our right to charge a fee for requests for information. We will, however, be required to continue our practice of charging 25 cents a page to xerox records [49 CFR 1002.1(e)].

Oral hearings do not appear necessary at this time and none is contemplated. Anyone wishing to present views and evidence, either in support of, or in opposition to, the action proposed in this notice may do so by the submission of written data, views, or arguments. An original (and 15 copies whenever possible) of such data, views, or arguments shall be filed with this Commission on or before January 15, 1975. This relatively short comment period is necessitated by the fact that the statutory amendments are due to become effective on February 10, 1975.

All written submissions will be available for public inspection during regular business hours at the offices of the Interstate Commerce Commission, 12th and Constitution Avenue, Washington, D.C.

This notice of proposed rulemaking is issued under the authority of sections 552, 553, and 559 of the Administrative Procedure Act (5 U.S.C. 552, 553, and 559).

Issued in Washington, D.C., January 1, 1975.

[SEAL]

ROBERT L. OSWALD,  
Secretary.

Accordingly, it is proposed to modify 49 CFR 1001.4 so that it would read as follows:

§ 1001.4 Requests to inspect other records not considered public under 5 U.S.C. 552.

Requests to inspect records other than those now deemed to be of a public nature shall be in writing and addressed to the Secretary. The Secretary shall determine within 10 days (excepting Saturdays, Sundays, and legal public holidays) whether a requested record will be made available. If the Secretary determines that a request cannot be honored, he must inform the requesting party in writing of his decision and such letter shall contain a detailed explanation of why the requested material cannot be made available. If the Secretary rules that such records cannot be made available because they are exempt under the provisions of 5 U.S.C. 552(a)(3) (sec. 1, 81 Stat. 54), appeal from such ruling may be addressed to the Chairman whose decision shall be administratively final. Such an appeal must be filed within 30 days of the date of the Secretary's letter. The Chairman shall formally act on such appeals within 20 days (excepting Saturdays, Sundays, and legal public holidays) of receipt of any appeals, unless unusual circumstances require an extension of no more than 10 working days for the proper processing of the particular request.

[FR Doc.75-049 Filed 1-8-75;8:45 am]