

rules and regulations

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Title 5—Administrative Personnel CHAPTER I—CIVIL SERVICE COMMISSION PART 213—EXCEPTED SERVICE Department of Justice

Section 213.3310 is amended to show that one position of Associate Director, Community Relations Service, is excepted under Schedule C.

Effective July 9, 1976, § 213.3310(r) (8) is added as set out below:

§ 213.3310 Department of Justice.

- * * * * *
- (r) *Community Relations Service.*
- * * *
- (8) One Associate Director.

(5 U.S.C. 3301, 3302; EO 10577, 3 CFR 1954-1958 Comp., p. 218.)

UNITED STATES CIVIL SERVICE COMMISSION,
JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc. 76-19895 Filed 7-8-76; 8:45 am]

PART 213—EXCEPTED SERVICE Small Business Administration

Section 213.3332 is amended to show that one additional position of Special Assistant to the Associate Administrator for Operations is excepted under Schedule C.

Effective July 9, 1976, § 213.3332(b) is amended as set out below:

§ 213.3332 Small Business Administration.

- * * * * *
- (b) Two Special Assistants to the Associate Administrator for Operations.

(5 U.S.C. 3301, 3302; EO 10577, 3 CFR 1954-1958 Comp., p. 218.)

UNITED STATES CIVIL SERVICE COMMISSION,
JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc. 76-19896 Filed 7-8-76; 8:45 am]

Title 12—Banks and Banking CHAPTER II—FEDERAL RESERVE SYSTEM SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM [Reg. B and Z; Docket No. R-0044] PART 202—EQUAL CREDIT OPPORTUNITY

PART 226—TRUTH IN LENDING Designation of Officials "Duly Authorized" To Issue Interpretations

Pursuant to section 706(e) of the Equal Credit Opportunity Act as amended by

Pub. L. 94-239 and section 130(f) of the Truth in Lending Act as amended by Pub. L. 94-222 relating to the issuance of official staff interpretations, the Board of Governors of the Federal Reserve System has amended Regulations B and Z to designate the Director and other officials of the Office of Saver and Consumer Affairs as officials "duly authorized" to issue, at their discretion, interpretations of Regulations B and Z.

The purpose of this designation is to implement the recent legislation which would provide a defense against liability under sections 112 and 130 of the Truth in Lending Act and section 706 of the Equal Credit Opportunity Act to creditors who act in good faith in conformity with an interpretation or approval issued by a duly authorized official or employee of the Federal Reserve System. The Board expects that creditor compliance with the Acts will be enhanced, thereby reducing litigation over technical violations, as a result of the issuance of official staff interpretations.

Under the designation there will be three categories of regulatory interpretations: Official Board interpretations, official staff interpretations and unofficial staff interpretations. Board interpretations will be issued only on potentially controversial issues of general applicability which involve substantial ambiguities in the regulations and raise significant policy questions.

Official staff interpretations will be issued only in those cases which in the opinion of the Director and other officials of the Office of Saver and Consumer Affairs require clarification of technical ambiguities in the regulations or where the issues presented are less sweeping or have no significant policy implications.

Unofficial staff interpretations would be available where the protection of the Act is neither requested nor required, or where a speedy response is considered more important than such protection.

The Board will continue to exercise discretion to determine what is or is not a proper subject for an official Board interpretation. The Board will, upon formal request of interested parties, reconsider positions taken in staff interpretations. While the requirements of 5 U.S.C. 553 pertaining to notice and public participation do not apply to interpretations, the Board may request public comment on certain interpretations which are deemed to present controversial or significant policy questions. The Board believes that such procedures will result in a more informed decision-making process in certain significant cases.

The Board believes that staff review and approval of individual forms would be impracticable in light of the inordinate burden on Board resources and

the complexity of relating numerous forms to varied methods of operation. Consequently, the Board has specifically excluded approval of particular creditors' forms from the authority of the designated officials, although this does not preclude approval of standardized examples of forms.

This authorization has no retroactive effect on previously issued staff opinion letters. However, the designated officials may in the future give official effect to specific previously stated staff opinions.

Official Board and staff interpretations will be published in the FEDERAL REGISTER. Identifying details will be deleted from official staff interpretations prior to publication, but such identifying details subsequently will be made available for public inspection.

The requirements of 5 U.S.C. 553 with respect to notice and public participation were not followed in connection with these amendments because they are rules of agency organization and are exempt from such procedures under 5 U.S.C. 553(b).

Effective July 30, 1976, 12 CFR Part 202 is amended by revising § 202.13(b), redesignating § 202.13(c) as § 202.13(d) and adding a new § 202.13(c). Section 202.13 reads as follows:

§ 202.13 Penalties and liabilities.

(b) Section 706(e) relieves a creditor from civil liability resulting from any act done or omitted in good faith in conformity with any rule, regulation or interpretation by the Board of Governors of the Federal Reserve System, or with any interpretation or approval issued by a duly authorized official or employee of the Federal Reserve System, notwithstanding that after such act or omission has occurred, such rule, regulation or interpretation is amended, rescinded or otherwise determined to be invalid for any reason.

(c) (1) Any request for formal Board interpretation or official staff interpretation of Regulation B must be addressed to the Director of the Office of Saver and Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Each request for interpretation must contain a complete statement, signed by the person making the request or a duly authorized agent, of all relevant facts of the transaction or credit arrangement relating to the request. True copies of all pertinent documents must be submitted with the request. The relevance of such documents must, however, be set forth in the request and the documents must not merely be incorporated by reference. The request must contain an analysis of the bearing of the facts on the issues and specifying

the pertinent provisions of the statute and regulation. Within fifteen business days of receipt of the request, a substantive response will be sent to the person making the request or an acknowledgment will be sent which sets a reasonable time within which a substantive response will be given.

(2) Any request for reconsideration of an official staff interpretation of Regulation B must be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, within thirty days of the publication of such interpretation in the FEDERAL REGISTER. Each request for reconsideration must contain a statement setting forth in full the reasons why the person making the request believes reconsideration would be appropriate, and must specify and discuss the applicability of the relevant facts, statute and regulations. Within fifteen business days of receipt of such request for reconsideration, a response granting or denying the request will be sent to the person making the request, or an acknowledgment will be sent which sets a reasonable time within which such response will be given.

(3) Pursuant to section 706(e) of the Act, the Board has designated the Director and other officials of the Office of Saver and Consumer Affairs as officials "duly authorized" to issue, at their discretion, official staff interpretations of this Part. This designation shall not be interpreted to include authority to approve particular creditors' forms in any manner.

(4) The type of interpretation issued will be determined by the Board and the designated officials by the following criteria:

(i) Official Board interpretations will be issued upon those requests which involve potentially controversial issues of general applicability dealing with substantial ambiguities in this Part and which raise significant policy questions.

(ii) Official staff interpretations will be issued upon those requests which, in the opinion of the designated officials, require clarification of technical ambiguities in this Part or which have no significant policy implications.

(iii) Unofficial staff interpretations will be issued where the protection of section 706(e) of the Act is neither requested nor required, or where time strictures require a rapid response.

(d) [Redesignated]

Effective July 30, 1976, 12 CFR Part 226 is amended by revising § 226.1(c) and adding a new § 226.1(d). Section 226.1 reads as follows:

§ 226.1 Authority, scope, purpose, etc.

(c) *Penalties and liabilities.* Section 112 of the Act provides criminal liability for willful and 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. Section 130 also provides creditors a defense against civil and criminal liability for any act done or omitted in good faith in conformity with the provisions of this Part or any interpretation thereof by the Board, or with any interpretations or approvals issued by a duly authorized official or employee of the Federal Reserve System, notwithstanding that after such act or omission has occurred, such rule, regulation or interpretation is amended, rescinded or otherwise determined to be invalid for any reason. Section 130 further 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.

(d) (1) Any request for formal Board interpretation or official staff interpretation of Regulation Z must be addressed to the Director of the Office of Saver and Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Each request for interpretation must contain a complete statement, signed by the person making the request or a duly authorized agent, of all relevant facts of the transaction or credit arrangement relating to the request. True copies of all pertinent documents must be submitted with the request. The relevance of such documents must, however, be set forth in the request and the documents must not merely be incorporated by reference. The request must contain an analysis of the bearing of the facts on the issues and it must specify the pertinent provisions of the statute and regulation. Within fifteen business days of receipt of the request, a substantive response will be sent to the person making the request or an acknowledgment will be sent which sets a reasonable time within which a substantive response will be given.

(2) Any request for reconsideration of an official staff interpretation of Regulation Z must be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, within thirty days of the publication of such interpretation in the FEDERAL REGISTER. Each request for reconsideration must contain a statement setting forth in full the reasons why the person making the request believes reconsideration would be appropriate, and must specify and discuss the applicability of the relevant facts, statute and regulations. Within fifteen business days of receipt of such request for reconsideration, a response granting or denying the request will be sent to the person making the request, or an acknowledgment will be sent which sets a reasonable time within which such response will be given.

(3) Designation of official to issue interpretations. Pursuant to section 130(f) of the Act, the Board has designated the Director and other officials of the Office of Saver and Consumer Affairs as officials "duly authorized" to issue, at their discretion, official staff interpretations of this Part. This designation shall not be interpreted to include authority to approve particular creditors' forms in any manner.

(4) The type of interpretation issued will be determined by the Board and the designated officials by the following criteria:

(i) Official Board interpretations will be issued upon those requests which involve potentially controversial issues of general applicability dealing with substantial ambiguities in this Part and which raise significant policy questions.

(ii) Official staff interpretations will be issued upon those requests which, in the opinion of the designated officials, require clarification of technical ambiguities in this Part or which have no significant policy implications.

(iii) Unofficial staff interpretations will be issued where the protection of Section 130(f) of the Act is neither requested nor required, or where time strictures require a rapid response.

By order of the Board of Governors,
June 28, 1976.

GRIFFITH L. GARWOOD,
Assistant Secretary of the Board.

[FR Doc. 76-19823 Filed 7-8-76; 8:45 am]

[Regs. G, T and U; Docket No. R-0026]

SECURITIES CREDIT TRANSACTIONS

Requirements for Inclusion and Continued Inclusion on the List of OTC Margin Stocks

By notice of proposed rulemaking published in the FEDERAL REGISTER on March 18, 1976 (41 FR 11324), the Board of Governors of the Federal Reserve System proposed for comment amendments to Parts 207, 220, and 221 with respect to the requirements for a stock's inclusion and continued inclusion on the List of OTC Margin Stocks. These proposals were issued pursuant to section 7 and 23 of the Securities Exchange Act of 1934. The purpose of the amendments is to revise the criteria for inclusion and continued inclusion on the List of OTC Margin Stocks in view of significant changes which have occurred in the over-the-counter (OTC) market, particularly the increased competition among the securities markets and the impact of the National Association of Securities Dealers Automated Quotation System (NASDAQ).

All comments received on the proposal were favorable, and the amendments are adopted without change, as set forth below.

The effective date of this action is, August 6, 1976.

By order of the Board of Governors,
July 1, 1976.

[SEAL] THEODORE E. ALLISON,
Secretary of the Board.