

DATE: May 28, 2002

SUBJECT: Regulation Z, Truth in Lending

HIGHLIGHTS: The Federal Reserve Board has issued slip-sheet amendments, dated May 2002, to Regulation Z.

Compliance with the following amendments (items 1 through 8), effective December 20, 2001, is optional until October 1, 2002:

1. Section 226.1, a sentence was added to the end of paragraph (b) *Purpose* and paragraph (d) *Organization* (5) was amended.
2. Section 226.32(a) *Coverage* (1), paragraph (i) and the footnote at the end of paragraph (ii) were amended.
3. Section 226.32(b)(1) *points and fees*, (iv) was added.
4. Section 226.32(c) *Disclosures* was amended.
5. Section 226.32(d) *Limitations* was amended and paragraph (8) *Due-on-demand clause* was added.
6. Section 226.32(e) was deleted.
7. Section 226.34 *Prohibited Acts or Practices in Connection with Credit Secured by a Consumer's Dwelling* was added.
8. Appendix H-16 *Mortgage Sample* was amended.
9. Compliance with the amendments pertaining to electronic delivery of disclosures, which had an original mandatory compliance date of October 1, 2002, is optional pending the Board's evaluation of public comments. Institutions may continue to provide electronic disclosures under their existing policies and practices, or they may follow the interim rules until the Board issues permanent rules.

The following amendment was effective April 9, 2002:

10. In section 226.17(a)(1), footnote 38, "226.18(f)(4)" is amended to read "226.18(f)(1)(iv)."

DOCUMENT LOCATION: An electronic version of the Board of Governors' December 14, 2001 press release-notice, which includes the information contained in the slip-sheet amendments (except for items 6, 9, & 10 which are described above), is available under the "Press Releases" section of the Board's web site: <http://www.federalreserve.gov/boarddocs/press/bcreg/2001/>

FURTHER INFORMATION: Henry F. Dove, Jr., Supervisory Examiner, (314) 444-8846 (or 800-333-0810, ext. 48846) Banking Supervision and Regulation Department