

FEDERAL RESERVE BANK OF SAN FRANCISCO
101 MARKET STREET, SAN FRANCISCO, CALIFORNIA

November 2, 2005

**BANKING SUPERVISION AND REGULATION:
REGULATION Z: ADVANCE NOTICE OF
PROPOSED RULEMAKING**

To State Member Banks, Bank
Holding Companies, U.S. Branches
and Agencies of Foreign Banks,
and Others Concerned,
in the Twelfth Federal Reserve District

Open-End Credit Rules (Docket R-1217)

The Federal Reserve Board has issued for public comment a second advance notice of proposed rulemaking (ANPR) concerning the open-end (revolving) credit rules of the Board's Regulation Z, which implements the Truth in Lending Act (TILA). The second ANPR solicits public comments on how the Board should implement amendments to TILA made by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Bankruptcy Act). The amendments principally deal with open-end credit accounts and require new disclosures on periodic statements and on credit card applications and solicitations.

The Board periodically reviews each of its regulations to update them, if necessary. In December 2004, the Board published an initial ANPR to commence a comprehensive review of the open-end credit rules and to solicit comment on a variety of issues relating to the format of open-end credit disclosures, the content of disclosures, and the substantive protections provided under the regulation. The comment period closed in March 2005.

In April 2005, the Bankruptcy Act was enacted, which contains several amendments to TILA, including provisions requiring new disclosures for open-end credit accounts. The Board plans to implement the amendments as part of its review of Regulation Z and is publishing this second ANPR to reopen and extend the public comment period. Combining the two rulemakings will allow the Board to coordinate the changes to the TILA disclosures and should impose less regulatory burden on creditors.

Comments must be received on or before December 16, 2005.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's Internet site, at <http://www.frbsf.org/banking/letters>.

For additional information about advance notice or proposed rulemaking, please contact our Banking Supervision and Regulation Department at (415) 974-3028.

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Attachment: Docket R-1217