

# RESCINDED

Office of Thrift Supervision  
Department of the Treasury

March 9, 2010

*Transmittal*

**TR-445**

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Federal Register, Vol. 75, No. 34, pp. 7925-7926

**Number TR-445**

On February 22, 2010 the Board of Governors of the Federal Reserve System published a final rule amending Regulation AA and the staff commentary to the regulation.

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[FR Doc. 2010-624 Filed 2-19-10; 8:45 am]  
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**FEDERAL RESERVE SYSTEM**

**12 CFR Part 226**

[Regulation Z; Docket No. R-1286]

**Truth in Lending**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule; withdrawal.

**SUMMARY:** The Board is withdrawing a final rule amending Regulation Z and the staff commentary to the regulation published on January 29, 2009 (January 2009 Regulation Z Rule). See 72 FR 5244. The Board is publishing a new final rule elsewhere in this **Federal Register** amending Regulation Z in order to implement the provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009 that are effective on February 22, 2010. The requirements of the January 2009 Regulation Z Rule have been revised for consistency with the Credit Card Act and incorporated in the new final rule. Therefore, the Board is withdrawing the January 2009 Regulation Z Rule as unnecessary.

**DATES:** The final rule published on January 29, 2009, at 74 FR 5244, is withdrawn as of February 22, 2010.

**FOR FURTHER INFORMATION CONTACT:** Stephen Shin, Attorney, or Amy Henderson or Benjamin K. Olson, Senior Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667 or 452-2412; for users of Telecommunications Device for the Deaf (TDD) only, contact (202) 263-4869.

**SUPPLEMENTARY INFORMATION:** On December 18, 2008, the Board adopted a final rule amending Regulation Z, which implements the Truth in Lending Act (TILA), and the official staff commentary. The rule followed a comprehensive review of TILA's provisions for open-end (not home-secured) credit, including credit cards. The rule made comprehensive changes to those provisions, including amendments that affect all of the five major types of required disclosures: Credit card applications and solicitations, account-opening disclosures, periodic statements, notices

of changes in terms, and advertisements. The rule was published in the **Federal Register** on January 29, 2009, and the effective date for the amendments was July 1, 2010. See 74 FR 5244 (January 2009 Regulation Z Rule).

On May 22, 2009, the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit Card Act) was signed into law. See Public Law 111-24, 123 Stat. 1734 (2009). The Credit Card Act primarily amends TILA and establishes a number of new substantive and disclosure requirements to establish fair and transparent practices pertaining to open-end consumer credit plans, including credit card accounts. Elsewhere in today's **Federal Register**, the Board has published a new final rule amending Regulation Z and the staff commentary in order to implement provisions of the Credit Card Act that are effective on February 22, 2010. The provisions of the Board's January 2009 Regulation Z Rule have been revised for consistency with the Credit Card Act and incorporated into the new final rule. Accordingly, the Board is withdrawing the January 2009 Regulation Z Rule.

The new final rule is effective on February 22, 2010. However, to the extent consistent with the Credit Card Act, the Board has retained the July 1, 2010 mandatory compliance date for many of the provisions incorporated from the January 2009 Regulation Z Rule. The Board has provided additional discussion of the withdrawal of the January 2009 Regulation Z Rule and the mandatory compliance dates in the Supplementary Information for the new final rule.

The final rule published on January 29, 2009, at 74 FR 5244, is withdrawn as of February 22, 2010.

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, January 11, 2010.

**Jennifer J. Johnson,**  
*Secretary of the Board.*

[FR Doc. 2010-606 Filed 2-19-10; 8:45 am]

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**FEDERAL RESERVE SYSTEM**

**12 CFR Part 227**

[Regulation AA; Docket No. R-1383]

**Unfair or Deceptive Acts or Practices**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** On January 29, 2009, the Board published a final rule amending Regulation AA and the staff commentary to the regulation. The substantive requirements in the January 2009 Regulation AA Rule, which were scheduled to go into effect on July 1, 2010, have been superseded by provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit Card Act) that go into effect on February 22, 2010. Elsewhere in this issue of the **Federal Register**, the Board is implementing these Credit Card Act provisions in a new final rule amending Regulation Z. Accordingly, in order to avoid duplication and inconsistency, the Board is further amending Regulation AA to remove the substantive requirements in the January 2009 Regulation AA Rule. For procedural reasons, these requirements will be removed effective July 1, 2010. However, it is the Board's intent that the substantive requirements of the January 2009 Regulation AA Rule will not take effect.

The Board issued its January 2009 Regulation AA Rule jointly with rules issued by the Office of Thrift Supervision (OTS) and the National Credit Union Administration (NCUA). This final rule applies only to the Board's Regulation AA and does not affect the rules issued by the OTS and NCUA.

**DATES:** This rule is effective July 1, 2010.

**FOR FURTHER INFORMATION CONTACT:** Stephen Shin, Attorney, or Amy Henderson or Benjamin K. Olson, Senior Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667 or 452-2412; for users of Telecommunications Device for the Deaf (TDD) only, contact (202) 263-4869.

**SUPPLEMENTARY INFORMATION:** On December 18, 2008, the Board used its authority under the Federal Trade

Commission Act (FTC Act) to adopt a final rule amending Regulation AA (12 CFR Part 227) and the staff commentary to the rule in order to protect consumers from unfair acts or practices with respect to consumer credit card accounts. In addition to imposing new substantive requirements, the rule also made several non-substantive amendments to Regulation AA. For example, the Board revised certain subpart headings and consolidated the consumer complaint provisions in §§ 227.1 and 227.2 into a new § 227.1 and added an e-mail address and Web site where consumers can submit complaints.

The rule was published in the **Federal Register** on January 29, 2009 (See 74 FR 5498 (January 2009 Regulation AA Rule)), and the effective date for the amendments is July 1, 2010. The Board issued its January 2009 Regulation AA Rule jointly with a rule issued by the Office of Thrift Supervision (OTS) amending 12 CFR Part 535 and a rule issued by the National Credit Union Administration (NCUA) amending 12 CFR Part 706.

On May 22, 2009, the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit Card Act) was signed into law. See Public Law 111–24, 123 Stat. 1734 (2009). The Credit Card Act primarily amends the Truth in Lending Act (TILA) and establishes a number of new substantive and disclosure requirements to establish fair and transparent practices pertaining to open-end consumer credit plans, including credit card accounts. The majority of the Credit Card Act's provisions go into effect on February 22, 2010, including provisions that supersede the substantive requirements in the Board's January 2009 Regulation AA Rule. Elsewhere in today's **Federal Register**, the Board has published a new final rule amending Regulation Z and the staff commentary to the regulation in order to implement those provisions of the Credit Card Act.

Accordingly, because the substantive requirements in the Board's January 2009 Regulation AA Rule are no longer necessary and—in some cases—are inconsistent with the provisions of the Credit Card Act, the Board is amending Regulation AA to remove those requirements. However, the Board is retaining the non-substantive amendments in the January 2009 Regulation AA Rule, such as the revisions to the consumer complaint provisions.

For procedural reasons, these requirements will be removed effective July 1, 2010. However, it is the Board's intent that the substantive requirements

in the January 2009 Regulation AA Rule will not take effect. In addition, the Board does not intend to finalize the proposed amendments to the January 2009 Regulation AA Rule, which were published in the **Federal Register** on May 5, 2009. See 74 FR 20804. This final rule applies only to the Board's Regulation AA and does not affect the rule issued by the OTS amending 12 CFR Part 535 or the rule issued by the NCUA amending 12 CFR Part 706.

#### List of Subjects in 12 CFR Part 227

Banks, Banking, Credit, Intergovernmental relations, Trade practices.

#### Board of Governors of the Federal Reserve System

#### 12 CFR Chapter II

#### Authority and Issuance

■ For the reasons discussed in the preamble, the Board amends 12 CFR part 227 as set forth below:

#### PART 227—UNFAIR OR DECEPTIVE ACTS OR PRACTICES (REGULATION AA)

■ 1. The authority citation for part 227 continues to read as follows:

**Authority:** 15 U.S.C. 57a(f).

#### Subpart A—General Provisions

■ 2. Section 227.1 is revised to read as follows:

##### § 227.1 Authority, purpose, and scope.

(a) *Authority.* This part is issued by the Board under section 18(f) of the Federal Trade Commission Act, 15 U.S.C. 57a(f) (section 202(a) of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act, Pub. L. 93–637).

(b) *Purpose.* The purpose of this part is to prohibit unfair or deceptive acts or practices in violation of section 5(a)(1) of the Federal Trade Commission Act, 15 U.S.C. 45(a)(1). This part defines and contains requirements prescribed for the purpose of preventing specific unfair or deceptive acts or practices of banks. The prohibitions in this part do not limit the Board's or any other agency's authority to enforce the FTC Act with respect to any other unfair or deceptive acts or practices.

(c) *Scope.* This part applies to banks, including subsidiaries of banks and other entities listed in paragraph (c)(2) of this section. This part does not apply to savings associations as defined in 12 U.S.C. 1813(b). Compliance is to be enforced by:

(1) The Comptroller of the Currency, in the case of national banks and federal

branches and federal agencies of foreign banks;

(2) The Board of Governors of the Federal Reserve System, in the case of banks that are members of the Federal Reserve System (other than banks referred to in paragraph (c)(1) of this section), branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act; and

(3) The Federal Deposit Insurance Corporation, in the case of banks insured by the Federal Deposit Insurance Corporation (other than banks referred to in paragraphs (c)(1) and (c)(2) of this section), and insured state branches of foreign banks.

(d) *Definitions.* Unless otherwise noted, the terms used in paragraph (c) of this section that are not defined in the Federal Trade Commission Act or in section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the meaning given to them in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101).

#### Subpart C—[Removed and Reserved]

■ 3. Subpart C is removed and reserved.

■ 4. Supplement I is revised to read as follows:

#### Supplement I to Part 227—Official Staff Commentary

#### Subpart A—General Provisions for Consumer Protection Rules

##### § 227.1 Authority, purpose, and scope.

##### 1(c) Scope

1. *Penalties for noncompliance.* Administrative enforcement of the rule for banks may involve actions under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), including cease-and-desist orders requiring that actions be taken to remedy violations and civil money penalties.

2. *Industrial loan companies.* Industrial loan companies that are insured by the Federal Deposit Insurance Corporation are covered by the Board's rule.

By order of the Board of Governors of the Federal Reserve System, February 3, 2010.

**Jennifer J. Johnson,**  
*Secretary of the Board.*

[FR Doc. 2010–2672 Filed 2–19–10; 8:45 am]

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