

REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION

1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: May 8, 1997 NO. 97-RA-7

TO: All Federally Insured Credit Unions

SUBJECT: Revised Regulation Z Commentary (Truth in Lending)

The Board of Governors of the Federal Reserve System (FRS) has revised the commentary to Regulation Z. Attached is the final rule and official FRS staff interpretation. The revisions take full effect on October 1, 1997, and compliance is optional until then. The revisions provide guidance on the treatment of some fees paid in connection with mortgage loans and tolerances for accuracy in disclosing the finance charge and other costs. They also address such issues as the treatment of debt-cancellation agreements and duties of creditors that provide periodic statements electronically.

The revised index of FRS regulations is also included. To obtain copies of any regulations or official staff commentaries listed in the index, you may contact FRS Publications at (202) 452-3245.

Sincerely,

/S/

Norman E. D'Amours

Chairman

Attachments