

Item 2

Page 3, Lines 14-19—Sec. 201(b)—Delete in their entirety.

Purpose of Revision: 1. To eliminate references to finding relating to provisions of H.R. 11601 proposed to be deleted.

Item 3

Page 4, Lines 11-12—Sec. 202.(c)—Revise to read: "chased primarily for personal, family, household, or agricultural purposes. The term does not include any contract in".

Purpose of Revision: To conform phraseology to that in SEC. 202.(b) at p. 4, Lines 2-3.

Item 4

Page 5, Line 12—Sec. 202.(d) (1)—Revise to read:

"(B) taxes; or

"(C) charges or premiums for insurance against loss or damage to property related to a credit transaction or against liability arising out of the ownership or use of such property; or

"(D) charges or premiums for credit life and accident and health insurance; and".

Purpose of Revision: To conform to SEC. 3.(d) (2) of S. 5 and H.R. 11602, at p. 13, Lines 18-22 of S. 5 [Report No. 392], and p. 3, Lines 19-23 of H.R. 11602

Item 5

Page 5, Lines 13-17—Sec. 202.(d) (2)—Revise to read:

"(2) if itemized and disclosed under section 203, and if the credit is secured in whole or in part by an interest in real property, the term 'finance charge' does not include amounts collected by a creditor, or included in the credit, for, in addition to the duly itemized and disclosed costs referred to in clauses (A), (B), (C), and (D) of paragraph (1), the costs of".

Purpose of Revision: 1. To require the disclosure of the dollar amount of closing costs on extensions of credit secured by an interest in real property; and 2. to conform to the revisions proposed in Item 4, above.

Item 6

Page 8, Lines 3-17—Sec. 202.(i)—Delete in their entirety and insert:

"(i) (1) 'advertisement' includes any publication, printed matter, display, broadcast, solicitation, or representation for the purpose or having the effect of promoting or inducing, directly or indirectly, any extension of credit, consumer credit sale or open end credit plan.

"(2) 'an advertisement containing specific credit terms' means any advertisement which states any of the following:

"(A) a rate or rates of finance charge;

"(B) the amount of finance charge; or

"(C) the amount of any installment or installments."

Purpose of Revision: 1. To broaden the definition of advertisement so as not to limit it to 'an advertisement in interstate commerce or affecting interstate commerce' by taking advantage of the invocation of the currency powers of the Congress in SEC. 201.(a); and 2. to define more clearly what is prohibited so that only criminal sanctions will be required for enforcement.

Item 7

Page 9, Lines 19-20—Sec. 203.(b) (7)—Revise to read:

"(7) the finance charge expressed as an annual percentage rate, if the amount of such charge is \$10.00 or more;"

Purpose of Revision: To conform to SEC. 4(b) (7) of S. 5 and H.R. 11602, at p. 17, Lines 22-24 of S. 5 [Report No. 392], and p. 7, Lines 23-24 of H.R. 11602.

Item 8

Page 10, Line 25—Sec. 203.(c) (4)—Revise to read:

"(4) the amount of the finance charge, unless the loan or other extension of credit is secured by a first mortgage or other first lien such as is commonly given to secure advances on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located;"

Purpose of Revision: To eliminate as unnecessary the requirement for disclosure of the total dollar amount of interest charges on first mortgage loans for personal, family, household, or agricultural purposes.