Item 9

Page 11, Lines 1–2—Sec. 203.(c)(5)—Revise to read:

"(5) 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.(c)(5) of S. 5 and H.R. 11602, at p. 19, Lines 6–8 of S. 5 [Report No. 392], and p. 9, Lines 6–8, of H.R. 11602.

Item 10

Page 12, Lines 6–11—Sec. 203.(d)(2)(C)—Revise to read:

"(C) the method of determining the amount of the finance charge, any minimum or fixed amount to be imposed as a finance charge, and, if other than a minimum or fixed charge, the percentage rate or rates per period to be used in computing the finance charge to be imposed and the amount of balance to which each such periodic percentage rate applies, and the equivalent annual percentage rate of each such periodic percentage rate; and".

Purpose of Revision: 1. To eliminate the erroneous reference to "installment open ed credit plan"; 2. to make clear that a minimum or fixed amount of finance charge need not be expressed as a percentage rate; 3. to permit the disclosure of more than one percentage rate per period to be applied to specified balances (as, for example, in New York, 1½% per month on the first $500. of balance and 1% per month on the excess of balance over $500.); and 4. to require equivalent annual percentage rates to be disclosed as to all open end credit plan accounts.

Item 11

Page 13, Lines 1-10, Sec. 203. (d)(3)(D)(E) and (F)—Revise to read:

"(D) the amount of any finance charge added to the account during the period due to the application of a percentage rate or rates, if any, and the amount of any finance charge added to the account during the period imposed as a minimum or fixed charge;

"(E) the balance on which the finance charge was computed and a statement of how the balance was determined;

"(F) if an amount was added to the account during the period due to the application of a percentage rate or rates, the percentage rate or rates per period used in computing the finance charge and the amount of balance to which each such percentage rate applied, and the equivalent annual percentage rate of each such periodic percentage rate;".

Purpose of Revisions:

As to clause (D): 1. To require, as do Sec. 203.(d)(3)(D) of H.R. 11601 and Sec. 4.(d)(3)(D) of S. 5 and H.R. 11602, separate disclosures of the amounts of finance charge added a. due to application of a percentage rate, and b. as a minimum or fixed charge, but to avoid any implication of a requirement for disclosure of the total of the charges so added because such a requirement cannot be met by computers now in general use; and 2. where step rates are used depending on the amount of balance (as, for example, in New York, where ceiling rates are 1½% per month on the first $500. of balance, and 1% per month on the excess of balance over $500.), to require disclosure of both periodic percentage rates and the dollar amounts of balances to which they apply.

As to clause (E): To reletter clause (F) of Sec. 203.(d)(3) of H.R. 11601 to conform to clause (E) of Sec. 4.(d)(3) of S. 5 and H.R. 11602.

As to clause (F): 1. To make clear that a minimum or fixed amount of finance charge need not be expressed as a percentage rate; 2. to permit the disclosure of more than one percentage rate per period to be applied to specified balances (as, for example, in New York, 1½% per month on the first $500. of balance and 1% per month on the excess of balance over $500.); and 3. to require equivalent annual percentage rates to be disclosed as to *all* open end credit plan accounts.

Item 12

Page 15, Lines 3–7—Sec. 230.(i)(1)—Revise to read:

"(i) (1) Prior to January 1, 1972, whenever an annual percentage rate is required to be disclosed by this section, the rate may be expressed either as an annual percentage rate, or as a dollars per hundred per year rate of the average unpaid balance."