

or the policy to be followed by the creditor in granting partial refund, if any, of the finance charges in case of substantial prepayment of an installment contract in terms of amount and time.

ADMINISTRATIVE ENFORCEMENT

Section 108 of the conference substitute clarifies the legislative intention that the vesting of sole rulemaking power under title I in the Board of Governors of the Federal Reserve System does not impair the authority of the other agencies having administrative enforcement responsibilities to make rules respecting their own procedures in enforcing compliance. It also makes clear that, except for the exclusions specifically stated in the section, the jurisdiction of the Federal Trade Commission is plenary and attaches to any creditor subject to the title, irrespective of whether the creditor meets any jurisdictional test in the Federal Trade Commission Act.

RIGHT OF RESCISSION

Section 203(e) of the House-passed bill required that the disclosures required under the bill would have to be made at least 3 days before the consummation of any transaction in connection with which a security interest was to be retained or acquired in the obligor's residence. The corresponding provisions in the conference substitute are found in section 125, with substantial modifications. Purchase money first mortgages are exempted altogether from the provisions of section 125. As to other transactions, the obligor is given a right of rescission which runs until midnight of the third business day following consummation of the transaction, or delivery of all material disclosures (including disclosure of the right to rescind without liability), whichever is later. Upon exercise of this right, any security interests created under the transaction are voided, the creditor must refund any advances, and the obligor must tender back any property, or its reasonable value, which he has received from the creditor.

CONTENT OF PERIODIC STATEMENTS

Section 126 of the conference substitute sets forth the requirements with respect to the content of periodic statements in connection with extensions of credit other than those under open end credit plans. The simplest type of statement would be a reminder of payment due on a straight installment contract; that is, a contract which did not provide for any additional purchases to be made under it and where the amounts and the dates of the obligor's obligations were entirely fixed at the time the contract was entered into. In that situation, it is not expected that the Board would require the statement to contain any information other than that provided for in paragraphs (1) and (2); that is, the annual rate and the late payment penalties, if any. If, however, the installment contract were more complex, perhaps providing for the purchase of additional items without entering into a new contract, or containing other terms and conditions which might tend to make it more like revolving credit, then it is expected that under paragraph (3), the Board would require appropriate additional disclosures to obligors.