

FEDERAL RESERVE BANK OF SAN FRANCISCO
101 MARKET STREET, SAN FRANCISCO, CALIFORNIA 94105

September 10, 2003

**BANKING SUPERVISION AND REGULATION:
REGULATIONS Z AND CC**

To State Member Banks, Bank
Holding Companies, U.S. Branches
and Agencies of Foreign Banks,
and Others Concerned,
in the Twelfth Federal Reserve District

Additional Disclosure Requirements Under Regulation Z (Docket R-1157)

The Federal Reserve Board has published its annual adjustment of the dollar amount that triggers additional disclosure requirements under the Truth in Lending Act for home mortgage loans that bear rates or fees above a certain amount. The dollar amount of the fee-based trigger has been adjusted to \$499 for 2004 based on the annual percentage change reflected in the Consumer Price Index that was in effect on June 1, 2003.

The adjustment is effective January 1, 2004. Docket R-1157 is available for viewing and printing at the <http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030819/attachment.pdf> page.

The Home Ownership and Equity Protection Act of 1994 bars credit terms such as balloon payments and requires additional disclosures when total points and fees payable by the consumer exceed the fee-based trigger (initially set at \$400 and adjusted annually) or 8 percent of the total loan amount, whichever is larger.

Amendments to Appendix A of Regulation CC (Docket R-1160)

The Federal Reserve Board has announced amendments to Appendix A of Regulation CC, effective November 1, 2003, that reflect the restructuring of the Federal Reserve's check processing operations in the Fourth District. These amendments are the first in a series of amendments to Appendix A that will take place through the end of 2004, associated with the previously-announced restructuring of the Reserve Banks' check processing operations. Please visit our public Web site at <http://www.frbsf.org> to view previous announcement letters posted to our financial services area.

Appendix A provides a routing number guide that helps depository institutions determine the maximum permissible hold periods for most deposited checks. As of November 1, 2003, the Pittsburgh office of the Federal Reserve Bank of Cleveland will no longer process checks, and banks currently served by that office for check processing purposes will be reassigned to the Federal Reserve Bank's head office in Cleveland. To reflect this operational change, the final rule deletes the reference in Appendix A to the Pittsburgh office and reassigns the routing numbers listed to the Federal Reserve Bank's Cleveland office. As a result of this change, some checks deposited in the affected regions that currently are nonlocal checks will become local checks that are subject to shorter permissible hold periods. The final rule also makes other minor technical changes to Appendix A and to the Regulation CC Commentary (Appendix E).

You may view and print Docket R-1160 at the <http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030828/attachment.pdf> page.

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Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's Internet site, at <http://www.frbsf.org/banking/letters>. Paper copies of the Board's notices (**Dockets R-1157 and R-1160**) are available from our Corporate Services Department. To request copies to be sent by mail, please call (415) 974-2060.

For additional information about the above matters, please contact our Banking Supervision and Regulation Department at (415) 974-2920.

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