

June 19, 1991

John H. Marsh
Manager
Jell-O Employees Federal Credit Union
P.O. Box 600
Dover, DE 19903

Re: Regulation Z (Your June 3, 1991, Letter)

Dear Mr. Marsh:

You have asked about the disclosures required under Regulation Z, 12 C.F.R. ~226, for a renewable balloon-payment instrument that your federal credit union (FCU) would like to offer. As Staff Attorney Lisa Henderson indicated to you over the phone, the type of disclosure required depends on how much control your FCU will retain over the right to renew and whether the renewal will be by a "refinancing," as that term is defined in 12 C.F.R. ~226.20(a). See 56 Fed. Reg. 13,753, 13,756 (April 4, 1991) (to be codified at 12 C.F.R. Part 226, Supp. I, Comment 226.17(c)(1)-11), enclosed. As Ms. Henderson noted, the Federal Reserve Board is responsible for official interpretations of Regulation Z. Once you have your proposed loan instrument drafted, you may wish to discuss it with an attorney in the Federal Reserve Board's Division of Consumer and Community Affairs. That office may be contacted at (202) 452-3667.

Sincerely,

James J. Engel
Deputy General Counsel

Enclosure

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