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FEDERAL RESERVE BANK *of* KANSAS CITY

FED'S ROLE IN COIN AND CURRENCY ISSUES

Louise Roseman, director of the Division of Reserve Bank Operations and Payment Systems, recently gave [testimony](#) on the Federal Reserve's activities related to currency and coin before the House of Representative's Subcommittee on Domestic and International Monetary Policy, Trade, and Technology. Her testimony provides details on the Federal Reserve's role in issues such as distribution and new currency designs.

MANUFACTURING SURVEY RELEASED

The [monthly manufacturing survey](#) for the Tenth Federal Reserve District was released Aug. 31. The survey asks plant managers about a variety of manufacturing indicators. The information is compiled into a snapshot of manufacturing in the District. Manufacturing activity in the District expanded moderately in August. Expectations for future factory activity eased somewhat after experiencing a sizeable rebound last month. Most price indexes in the survey edged down for the second straight month.

LATEST ISSUE OF *THE MAIN STREET ECONOMIST* IS AVAILABLE

The [newest issue](#) was released Aug. 21. In "A Catalog of Innovative Regional Partnerships, Part Two" Stephan Weiler, Jason Henderson, and Katie Cervantes present summaries of two innovative regional partnerships in the Tenth District—GROW Nebraska and the Prairie States Center for Entrepreneurial Leadership. The regional cooperation in these examples crosses traditional spatial, institutional, and networking boundaries, creating synergies among players that previously seemed unrelated.

HOLIDAY REMINDER

The Federal Reserve will be closed **Monday, Oct. 9, 2006**, for Columbus Day. The FRB Services Web site features a [full listing](#) of all holidays observed by the Federal Reserve

The third quarter 2006 edition of *Economic Review* is now available.

“[Interchange Fees in Australia, the UK, and the United States: Matching Theory and Practice](#),” by Fumiko Hayashi and Stuart Weiner, examines to what extent existing models of interchange fees for credit and debit cards match up with actual practices in various countries.

William Keeton and Geoffrey Newton’s “[Migration in the Tenth District: Long-Term Trends and Current Developments](#)” examines overall patterns in total migration and migration by level of education in Tenth District states.

In “[Going Global: The Changing Pattern of U.S. Investment Abroad](#),” Meirelles Aurélio investigates the recent behavior of U.S. foreign investment and the factors driving the change in its fastest growing category—namely, international equity investment.

REGULATORY
DEVELOPMENTS
*Truth in Lending thresholds
revised*

On Aug. 9, the Federal Reserve Board 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 from \$528 for 2006 to \$547 for 2007, based on the annual percentage change reflected in the Consumer Price Index that was in effect on June 1, 2006. The adjustment is effective **Jan. 1, 2007**.

*Report on compliance with
consumer dispute provisions*

The Federal Trade Commission (FTC) and Federal Reserve Board issued a [joint report to Congress](#) on Aug. 9 on compliance with the consumer dispute provisions of the Fair Credit Reporting Act (FCRA). The Fair and Accurate Credit Transactions Act of 2003 (FACT Act), which generally amends the FCRA, required the FTC and the Board to conduct a study of the extent to which consumer reporting agencies and furnishers of information to consumer reporting agencies (CRAs) complied with certain FCRA requirements. The study found that, although most consumer disputes appear to be processed within the statutory timeframe, there is disagreement as to the adequacy of the investigations performed by the CRAs and by the furnishers of information.

The resulting report recommends no additional administrative or legislative action at this time to amend the dispute process. The FTC and the Board will continue to monitor the performance of the dispute process, explore possible enhancements, and make recommendations for action, if appropriate.

Interagency guidance on authentication in an Internet banking environment

On Aug. 15, the Federal Reserve Board and the other Federal Financial Institutions Examination Council (FFIEC) agencies issued [frequently asked questions \(FAQs\)](#) related to the FFIEC guidance on *Authentication in an Internet Banking Environment*. The FAQs are designed to assist financial institutions and their technology service providers in conforming to the guidance, by addressing common questions on the scope of the guidance, risk assessments, timing, and other issues.

Regulation E final rule and proposed interim rule

The Federal Reserve Board announced on Aug. 24 its approval of a [final rule](#) to provide that payroll card accounts are covered by the Board's consumer protection regulation governing electronic fund transfers. The final rule grants flexibility to financial institutions that must provide account transaction information to payroll card users. The amendments to address payroll card accounts are being made to Regulation E, which implements the Electronic Fund Transfer Act, and to the official staff commentary, which interprets the requirements of Regulation E. The effective date is **July 1, 2007**.

In a separate action, the Board requested public comment on an [interim final rule](#) to provide additional clarification regarding Regulation E's coverage of the electronic collection of insufficient funds fees by merchants and other payees and consumer notice requirements for electronic check conversion transactions. The effective date for the interim final rule is **Jan. 1, 2007**, consistent with a previously issued January 2006 final rule; however, certain provisions regarding the fee disclosures will have a delayed compliance date of **Jan. 1, 2008**. The comment period on the interim final rule expires on **Sept. 29, 2006**.

More regulatory developments

To see more regulatory developments, go to the [Banking Information page](#) on our Web site and click "Regulations/Guidance" in the left column.

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