



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

June 5, 1991

Leroy J. Beeby  
Technical Services  
1st Liberty Federal Credit Union  
P.O. Box 5002  
Great Falls, Montana 59403-5002

Re: Regulation Z Disclosure Requirements for Late  
Charges (Your April 25, 1991 Letter)

Dear Mr. Beeby:

You asked whether Regulation Z requires 1st Liberty Federal Credit Union to disclose a change in the formula by which it calculates late charges it imposes on holders of its Visa credit card. In our opinion, Regulation Z does not require such disclosure.

Section 226.9 of Regulation Z, 12 C.F.R. §226.9, contains the disclosure requirements for creditors who make changes in the terms of open-end credit. Section 226.9(c)(2) states: "No notice under this section is required when the changes involve late payment charges . . . ." It therefore appears to us that 1st Liberty FCU need not disclose the change in its calculation of late charges. As you may know, NCUA has no official authority to interpret Regulation Z; that authority belongs to the Federal Reserve Board. We spoke with an attorney at the Federal Reserve Board, who confirmed our opinion that no disclosure is required under the circumstances described in your letter. Should you have any further questions on this issue, we suggest that you contact the Federal Reserve Board's consumer information service at (202) 452-3667.

Sincerely,

Hattie M. Ulan  
Associate General Counsel

GC/MRS:sg  
SSIC 3211  
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