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REPORT OF TERMS OF CREDIT CARD PLANS—INSTRUCTIONS

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PURPOSE OF THE REPORT

This report collects information needed by the Federal Reserve System to prepare a semiannual publication on the terms of credit card plans as mandated by the Fair Credit and Charge Card Disclosure Act of 1988.

GENERAL INSTRUCTIONS

Report information on the pricing and terms of *only one* consumer credit card plan offered by your institution. The plan must be a third-party plan, such as Visa, MasterCard, Discover, or Optima. *Do not* report information on a specific retail store card plan. Use the third-party plan that had the *largest number of cards outstanding* AND that was *available to new customers* as of the report date. If your largest plan is an affinity group plan, you may report information on that plan, OR you may report on the largest plan made available to the general public (such as a Visa or MasterCard that does not require an affinity relationship).

The information request in this report is virtually identical to the information that must be shown in credit card applications and solicitations as a result of amendments to the Federal Reserve Board's Regulation Z (Truth in Lending) adopted March 30, 1989, and effective April 3, 1989.

Data must be reported twice a year, as of January 31 and July 31. Completed report forms must be sent to the Federal Reserve Bank located in your District no later than **ten** business days following the report date. Information from this survey will be made available to the public.

Rates reported should be annual percentage rates as shown in your credit card disclosures and as specified by Regulation Z. All rates should be reported as percentages rounded to two decimal places; for example, report 10 percent as 10.00, report 10-1/2 percent as 10.50 and report 10-7/8 percent as 10.88.

Dollar amounts should be reported as dollars and cents; for example, enter ten dollars as 10.00, and enter fifty cents as 0.50.

Ancillary fees described in Lines 56 through 58 should be reported only as minimum charges. See examples of how to determine minimum fees following instructions for Line 58.

Print the name of your financial institution on the top left hand portion of each page of this report.

Questions regarding how to complete this form should be directed to the Federal Reserve Bank located in your District.

SPECIFIC INSTRUCTIONS

Line 1. Name of credit card plan. Report the name of the third party credit card plan (such as Visa, MasterCard, Discover, Optima) with the largest number of outstanding cards. (Limit to 36 characters.)

Line 2. Availability of credit card plan. Indicate, using the appropriate code, whether the credit card plan is offered to consumers either nationally (all 50 states and the District of Columbia), regionally (more than one state but not nationally), or only in one state.

Lines 3—55. Credit card plan information by state. If identical terms are offered nationally (all 50 states and the District of Columbia), enter terms on Line 3 only. If the card is offered **nationally**, but with different terms in a few states, enter the "most common terms" in Line 3 and enter the specific terms by state where they differ from the "most common." If identical terms are offered **regionally**, enter terms on Line 4 and circle all states in which the plan is offered. If the card is regional but with different terms in a few states, enter the "most common terms" in Line 4, circle the states where those terms apply, and enter the specific terms by state where they differ from the "most common." If the plan is offered only in one state, indicate terms on the appropriate state line.

Columns A—C. Annual percentage rate (APR). Report the periodic rate, expressed as an annual rate, that is used to compute finance charges for purchases. If the credit card has a variable rate, indicate the rate in effect as of the report date in Column A and complete Columns M—O as applicable.

If only one APR applies to the entire outstanding balance, regardless of the size of the balance, complete only Column A and do not complete Columns B—L.

If the credit card plan has tiered rates (that is, if different APRs apply to different levels of outstanding balance), indicate the APR for the first tier (the lowest balance tier) in Column A and report the corresponding balance range in Columns B and C, showing dollars and cents.

If the credit card plan has more than one APR because customers are segmented by their payment or usage practices, report the rate a **new** customer would be offered.

If the credit card plan has a "teaser rate" or introductory interest rate that is only available for a limited time, you may report the fact that you offer such an introductory rate as a feature of your plan on line 60. Do not report the introductory rate itself. Instead, report in column A the APR that would have been applied using the current index value for variable rate plans or the usual APR for fixed rate plans.

Columns D—F. Terms for second tier of outstanding balance. If the credit card plan has tiered rates, indicate the APR for the second tier in Column D and report the corresponding balance range in Columns E and F, showing dollars and cents. If there is no third tier, do not complete Column F.

Columns G—I. Terms for third tier of outstanding balance. If the plan has a separate APR for a third balance tier, indicate the APR in Column G and report the corresponding balance range in Columns H and I, showing dollars and cents. If there is no fourth tier, do not complete Column I.

Columns J—L. Terms for the fourth tier of outstanding balance. If the plan has a separate APR for the fourth balance tier, indicate the APR in Column J and report the corresponding balance range in Columns K

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and L, showing dollars and cents. If there is no fifth tier, do not complete Column L.

Note: Do not report information on fifth or higher balance tiers.

Column M. Variable rate index. If the credit card plan has a variable rate, report the code number of the index used to set the rate:

1. Prime
2. One-month T-bill
3. Three-month T-bill
4. Six-month T-bill
5. One-year T-bill
6. Fed funds
7. Cost of Funds
8. Federal Reserve Discount Rate
9. Other

Column N. Variable rate margin. Indicate the margin or spread in percentage points used to determine the finance rate. Percentage points should be rounded to two decimal places.

Column O. Variable rate multiple. If the finance rate is derived from a multiple of the index, report the multiple used. Multiple fractions should be rounded to two decimal places; for example, report a multiple of 1-1/2 as 1.50.

Note: If both a margin and a multiple of the index are used to determine the finance rate, report both.

Column P. Annual fee (membership fee). The annual charge or other periodic fee, expressed as an annualized amount, that may be imposed for the issuance or availability of the credit card, including any fee based on account activity or inactivity.

Column Q. Grace period. The period of time from the end of the billing cycle in which credit extended for purchases during that billing cycle may be repaid without incurring a finance charge. **If no grace period exists, enter zero. A one-month grace period should be reported as 30 days.**

Columns R-S. Transaction fee for purchases. Report the transaction fee imposed for each use of the card for purchases. If the fee is a dollar amount, indicate the amount in Column R. If it is a percentage of the purchase price, indicate the percentage (rounded to two decimal places) in Column S. If both, report both.

Columns T-U. Minimum finance charge. Report the minimum or fixed finance charge that could be imposed during a billing cycle. If the charge is a dollar amount, indicate the amount in Column T. If the charge is a percentage of the balance, indicate the percentage (rounded to two decimal places) in Column U. If both, report both.

Note: For most institutions, the minimum finance charge is a dollar amount only, usually less than $1.00, and there is no additional percentage charge. In such a case, report the dollar amount, rounded to the nearest cent (for example, report fifty cents as 0.50), and do not enter anything in Column U. Do not report in Column U the APR.

Ancillary Fees

~~**Line 56. Transaction fee for cash advances.** Report the transaction fee imposed for an extension of credit for a cash advance. If the fee is a fixed dollar amount, report the minimum amount showing dollars and cents on Line 56.A. If it is a percentage of the cash advanced, indicate the percentage (rounded to two decimal places) on Line 56.B. If both, report the minimum dollar amount and the percentage of the cash advance amount on Lines 56.A. and 56.B. If this fee varies across or within states, report the range of fees (minimum and maximum values) charged on Lines 56.C and 56.E and Line 56.D and 56.F, as appropriate.~~

~~**Line 57. Late payment fee.** Report the fee imposed for a late payment. If the fee is a fixed dollar amount, report the minimum amount showing dollars and cents on Line 57.A. If it is a percentage of the outstanding amount, indicate the percentage (rounded to two decimal places) on Line 57.B. If both, report the minimum dollar amount and the percentage of the delinquent balance on Lines 57.A and 57.B. If this fee varies across states, report the range of fees (minimum and maximum values) charged on Lines 57.C and 57.E and Lines 57.D and 57.F, as appropriate.~~

~~**Line 58. Over the credit limit fee.** Report the fee imposed for exceeding a credit limit. If the fee is a fixed dollar amount, report the minimum amount showing dollars and cents on Line 58.A. If it is a percentage of the amount over the credit limit, indicate the percentage (rounded to two decimal places) on Line 58.B. If both, report the minimum dollar amount and the percentage over the credit limit on Lines 58.A and 58.B. If this fee varies across states, report the range of fees (minimum and maximum values) charged on Lines 58.C and 58.E and Lines 58.D and 58.F, as appropriate.~~

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Examples of how to report ancillary fees:

Institution charges the larger of the sum of 5 dollars plus 5 percent of the cash advanced or a minimum of 10 dollars for each transaction. Report 10 dollars as the minimum fee on Line 56.A.

Institution charges 5 percent or a minimum fee of 2 dollars (whichever is more) for each late payment. Report 2 dollars as the minimum fee on Line 57.A.

Institution charges the smaller of the sum of 5 dollars plus 5 percent of the amount exceeding the credit limit or a maximum of 10 dollars. Report the minimum fee as 5 dollars on Line 58.A and 5 percent on Line 58.B.

Line 59. Balance computation method. Report the computation method used to determine the balance on which the finance charge is computed for purchases. The following are names and descriptions of the most common balance computation methods. If your financial institution uses one of these methods, simply enter the appropriate code number. Otherwise, provide a short explanation of the method used.

Code Name of Balance Computation

1. Average daily balance including new purchases. Calculated by adding the outstanding balance (including new purchases and deducting payments and credits) for each day in the billing cycle, and then dividing by the number of days in the billing cycle.

2. Average daily balance excluding new purchases. Calculated as in Method 1, except new purchases are excluded.

3. Two-cycle average daily balance including new purchases. The sum of the average daily balances for two billing cycles. The first balance is

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Line 56. Transaction fee for cash advances. Report the transaction fee imposed for an extension of credit for a cash advance. If this fee is uniform over the plan's region, report on Lines 56.A and 56.B. If the fee is a fixed dollar amount, report the minimum amount showing dollars and cents on Line 56.A. If it is a percentage of the cash advanced, indicate the percentage (rounded to two decimal places) on Line 56.B. If both, report the minimum dollar amount and the percentage of the cash advance amount on Lines 56.A. and 56.B.

If this fee varies across or within states, report the range of fees (minimum and maximum values) charged on Lines 56.C and 56.E and Line 56.D and 56.F, in the same manner as described above.

Line 57. Late payment fee. Report the fee imposed for a late payment. If this fee is uniform over the plan's region, report on Lines 57.A and 57.B. If the fee is a fixed dollar amount, report the minimum amount showing dollars and cents on Line 57.A. If it is a percentage of the outstanding amount, indicate the percentage (rounded to two decimal places) on Line 57.B. If both, report the minimum dollar amount and the percentage of the delinquent balance on Lines 57.A and 57.B.

If this fee varies across states, report the range of fees (minimum and maximum values) charged on Lines 57.C and 57.E and Lines 57.D and 57.F, in the same manner as described above.

Line 58. Over the credit limit fee. Report the fee imposed for exceeding a credit limit. If this fee is uniform over the plan's region, report on Lines 58.A and 58.B. If the fee is a fixed dollar amount, report the minimum amount showing dollars and cents on Line 58.A. If it is a percentage of the amount over the credit limit, indicate the percentage (rounded to two decimal places) on Line 58.B. If both, report the minimum dollar amount and the percentage over the credit limit on Lines 58.A and 58.B.

If this fee varies across states, report the range of fees (minimum and maximum values) charged on Lines 58.C and 58.E and Lines 58.D and 58.F, in the same manner as described above.

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for the current billing cycle, and is figured by adding the outstanding balance (including new purchases and deducting payments and credits) for each day in the billing cycle, and then dividing by the number of days in the billing cycle. The second balance is for the preceding billing cycle and is figured in the same way as the first balance.

4. Two-cycle average daily balance excluding new purchases. Calculated as in Method 3, except new purchases are excluded.

5. Adjusted balance. Calculated by deducting payments and credits made during the billing cycle from the outstanding balance at the beginning of the billing cycle.

6. Previous balance. The outstanding balance at the beginning of the billing cycle.

7. Other. If "other" is selected, provide a brief explanation of the method used. (Limit to 752 characters).

Line 60. Credit card plan enhancements. (The reporting of this item is optional). Indicate by check-mark each of the credit card plan enhancements listed that are automatically provided to card holders "free of charge," that is, without any explicit charge to the consumer. If the credit card plan offers enhancements "free of charge" that are not listed, indicate by check-mark in the "other" line, but do not specify what these are.

Line 61. Name and address to obtain credit card application. Provide the name of the financial institution and the mailing address a **consumer** would use to obtain a credit card application. (Limit to 288 characters, 72 per line).

Line 62. Telephone number for consumers with questions about credit card rates and terms. Indicate the telephone number **consumers** may call with questions about your credit card plan. **A toll-free number is requested if available.** (Limit to 16 characters).