



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 27, 1996

Kenneth H. Robin, Esq.  
Senior Vice President and  
General Counsel  
Household International, Inc.  
2700 Sanders Road  
Prospect Heights, IL 60070

Dear Mr. Robin:

This is in response to your letter of December 4, 1996, requesting an exemption from section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. § 1972) on behalf of Household International, Inc., and its subsidiary credit card bank. Pursuant to the Board's *Capital One Financial Corporation* order, 82 Federal Reserve Bulletin 584 (1996), Household proposes that Household Bank (Nevada), N.A. offer a secured credit card subject to a requirement that a customer maintain a time deposit as collateral at Household Bank, f.s.b. In connection with its *Capital One* order, the Board delegated authority to its General Counsel to grant further exemptions to permit similar secured credit card plans.

Consistent with the exemption granted to *Capital One*, Household's proposal would result in benefits to the public and should not raise any anti-competitive concerns. Accordingly, the General Counsel has decided to grant Household's request to offer a secured credit card in the manner described in your letter. This approval is based on the facts and circumstances

presented by Household, and any material change in those facts and circumstances could result in a different outcome. The approval is subject to the Board's authority to modify or terminate the exemption.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", with a long horizontal flourish extending to the right.

Jennifer J. Johnson  
Deputy Secretary of the Board

cc: Federal Reserve Bank of Chicago