After it issued the guidelines, the Commission accepted consent agreements with most of the manufacturers of those heavy duty trucks and other vehicles.⁸ The consent agreements provide adequate guidance for manufacturers of such vehicles and others concerning how to avoid violating the FTC Act regarding a vehicle's model year.

For these reasons, the Commission has determined that §14.11 is unnecessary and superfluous.

E. Section 14.16

Section 14.16 contains interpretations, published in 1982, concerning the compliance responsibilities under the Truth-in-Lending Simplification and Reform Act of 1980, Pub. L. 96-221, 94 Stat. 168, and the revisions of Regulation Z, 12 CFR part 226, that were published by the Federal Reserve Board in 1981, 46 FR 20848. for those creditors and advertisers subject to final cease and desist orders issued by the Commission prior to April 1, 1981 that require compliance with provisions of the original Turth-In-Lending Act ("TILA"), 15 U.S.C. 1601 et seq., and prior Regulation Z. This section, therefore, applies Congress' simplification of TILA to pre-existing orders issued by the Commission that compel compliance with the TILA and Regulation Z.

The Commission believes that the current language in §14.16 might be interpreted to freeze orders enacted prior to April 1, 1981 to the requirements of the TILA and Regulation Z as of April 1, 1981, and not to allow or require parties subject to Commission orders to meet the requirements of subsequent amendments to the TILA and Regulation Z. It is not the Commission's intent that section 14.16 have this effect. For this reason, the Commission has determined to revise §14.16 to state clearly that the Commission will interpret TILA and Regulation Z provisions of all orders consistent with the current requirements of the TILA and Regulation Z, and with any subsequent amendments to the TILA and Regulation Z.

Further, §§ 1416(b)(1) and (b)(2) specify enforcement responsibilities during a transition period in 1981 and 1982. Because these sections no longer are relevant, the Commission has determined to delete these provisions, and to renumber and revise the remainder of § 14.16(b).

F. Section 14.17

Section 14.17 contains an explanation of the Commission's policy concerning questions that are relevant when the Commission decides whether to initiate an enforcement action under the trade regulation rule regarding Disclosure **Requirements and Prohibitions Concerning Franchising and Business** Opportunity Ventures ("Franchise Rule''), 16 CFR part 436. The Commission, however, has investigated and filed in court the vast bulk of its Franchise Rule enforcement actions since it published this Franchise Rule enforcement protocol in 1984. Thus, the protocol does not reflect, fully and accurately, the Commission's present enforcement policy. Moreover, the Commission currently is reviewing the Franchise Rule under its ongoing regulatory review program.⁹

For these reasons, the Commission repeals § 14.17. The Commission will consider whether it is necessary to issue an updated version of the protocol to reflect current law, fact and policy after it completes its regulatory review of the Franchise Rule.

Authority: 15 U.S.C. 41-58.

List of Subjects in 16 CFR Part 14

Advertising, motor vehicles, silk, textiles, trade practices, truth-inlending.

Text of Amendments

Accordingly, under the authority of 15 U.S.C. 41–58, the Commission amends 16 CFR part 14 as follows:

PART 14—ADMINISTRATIVE INTERPRETATIONS, GENERAL POLICY STATEMENTS, AND ENFORCEMENT POLICY STATEMENTS

1. Sections 14.2, 14.4, 14.7, 14.11 and 14.17 are removed.

2. Section 14.16 is revised to read as follows:

14.16 Interpretation of Truth-in-Lending Orders consistent with amendments to the Truth-in-Lending Act and Regulation Z.

Introduction

The Federal Trade Commission (FTC) has determined that there is a need to clarify the compliance responsibilities under the Truth-in-Lending Act (TILA) (Title I, Consumer Credit Protection Act, 15 U.S.C. 1601 *et seq.*), as amended by the Truth-in-Lending Simplification and

Reform Act of 1980 (Pub. L. 96-221, 94 Stat. 168), and under revised Regulation Z (12 CFR part 226, 46 FR 20848), and subsequent amendments to the TILA and Regulation Z, of those creditors and advertisers who are subject to final cease and desist orders that require compliance with provisions of the Truth-in-Lending statute or Regulation Z. Clarification is necessary because the Truth-in-Lending Simplification and Reform Act and revised Regulation Z significantly relaxed prior Truth-in-Lending requirements on which provisions of numerous outstanding orders were based. The Policy Statement provides that the Commission will interpret and enforce Truth-in-Lending provisions of all orders so as to impose no greater or different disclosure obligations on creditors and advertisers named in such orders than are required generally of creditors and advertisers under the TILA and Regulation Z, and subsequent amendments to the TILA and Regulation Z.

Policy Statement

(a) All cease and desist orders issued by the FTC that require compliance with provisions of the Truth-in-Lending Act and Regulation Z (12 CFR part 226) will be interpreted and enforced consistent with the amendments to the TILA incorporated by the Truth-in-Lending Simplification and Reform Act of 1980, and the revision of Regulation Z implementing the same, promulgated on April 1, 1981 by the Board of Governors of the Federal Reserve System (46 FR 20848), and by subsequent amendments to the TILA and Regulation Z. Likewise, the Federal Reserve Board staff commentary to revised Regulation Z (46 FR 50288, October 9, 1981), and subsequent revisions to the Federal Reserve Board staff commentary to Regulation Z, will be considered in interpreting the requirements of existing orders.

(b) After an amendment to Regulation Z becomes effective, compliance with the revised credit disclosure requirements will be considered compliance with the existing order, and:

(1) To the extent that revised Regulation Z deletes disclosure requirements imposed by any Commission order, compliance with these requirements will no longer be required; however,

(2) To the extent that revised Regulation Z imposes additional disclosure or format requirements, a failure to comply with the added requirements will be considered a violation of the TILA.

(c) A creditor or advertiser must continue to comply with all provisions

⁸ See Mack Trucks, Inc., 94 F.T.C. 236 (1979); Chrysler Motors Corp., 94 F.T.C. 245 (1979); Ford Motor Company, 94 F.T.C. 254 (1979); Paccar. Inc., 94 F.T.C. 263 (1979); White Motor Corp., 94 F.T.C. 272 (1979); and International Harvester 94 F.T.C. 281 (1979).

⁹Request for comments, 60 FR 17656 (April 7, 1995).