

Supplement I to Part 230—Official Staff Interpretations

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Section 230.2 Definitions

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(f) Bonus.

1. *fi* General Rule*fi* [Examples] Bonuses include items of value, other than interest, offered as incentives to consumers, such as an offer to pay the final installment deposit for a holiday club account. [Items that are not a bonus include discount coupons for goods or services at restaurants or stores.]

fi 2. *Examples of Excluded Items.* Items that are not bonuses include:

i. Discount coupons distributed by institutions for goods or services at restaurants or stores where the consumer must pay a sum to the restaurant or store to receive the benefit of the coupon

ii. Items of value given to a third party by an institution when a consumer opens, maintains, or renews an account—such as donations made to a charitable organization.*fi*

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(u) Time account

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fi 3. Fee for early withdrawal. Time accounts include interest-bearing accounts with a maturity of at least seven days that impose a dollar amount for withdrawals during the first six days after the account is opened that is equal to at least seven days' interest.*fi*

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3. In Supplement I to part 230, under Section 230.7 *Payment of interest*, the following amendments would be made:

a. Under (a)(1) *Permissible methods*, paragraph 4. would be revised; and

b. Under (b) *Compounding and crediting policies*, a new paragraph 4. would be added.

The revisions and additions would read as follows:

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Section 230.7 Payment of Interest

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(a)(1) *Permissible methods.*

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4. *Leap year.* Institutions may apply a daily rate of 1/366 or 1/365 of the interest rate for 366 days in a leap year, if the account will earn interest for February 29. *fi* "Leap year" is a calendar year in which February 29 occurs. For example, if the term of a time account includes days in a nonleap year but extends through February 29 of a leap year, the institution must use a daily rate of 1/365 (or a greater daily rate such as 1/360) each day the account is open in the nonleap year.

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(b) *Compounding and crediting policies.*

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fi 4. *Crediting and accrual of interest.* Once interest is credited to an account it becomes part of the principal on which an institution must accrue interest.*fi*

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4. In Supplement I to part 230, under Appendix A, the following amendments would be made:

a. Under Part I. *Annual Percentage Yield for Account Disclosures and Advertising Purposes*, a new paragraph 2. would be added; and

b. Under Part II. *Annual Percentage Yield Earned for Periodic Statements*, under A. *General Formula*, paragraph 2. would be revised, and a new paragraph 3. would be added.

The additions and revisions would read as follows:

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Appendix A to Part 230—Annual Percentage Yield Calculation

Part I. *Annual Percentage Yield for Account Disclosures and Advertising Purposes*

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fi 2. *Leap year.* Institutions that use a daily rate of 1/366 to pay interest on an account during a leap year may calculate the annual percentage yield using 365 or 366 days in a leap year, as follows:

i. Institutions may use 365 days in all cases.

ii. For time accounts, institutions must use 365 if the account term includes days in a nonleap year.*fi*

Part II. *Annual Percentage Yield Earned for Periodic Statements*

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A. *General Formula*

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2. *Rounding.* The interest earned figure used to calculate the annual percentage yield earned must be rounded to two decimals and reflect the amount actually paid, if at the end of the statement period the institution only accrues interest on two decimals. For example*fi* :*fi* [, if]

fi i. If*fi* the interest earned for a statement period is \$20.074 and the institution pays the consumer \$20.07, the institution must use \$20.07 (not \$20.074) to calculate the annual percentage yield earned *fi* if the institution does not accrue interest on the \$20.074 if interest is credited to the account, or on the \$.004 if interest is paid by check or transfer to another account for the next statement period*fi* .

fi ii. If an institution accrues interest on the .004 for the next statement period, \$20.074 may be used to calculate the annual percentage yield earned for the statement period.

iii.*fi* For accounts paying interest based on the daily balance method that compound and credit interest quarterly, and send monthly statements, the institution may, but need not, round accrued interest to two decimals for calculating the annual percentage yield earned on the first two monthly statements issued during the quarter. [However, on the quarterly statement the interest earned figure must reflect the amount actually paid].

fi 3. *Leap year.* Institutions that use a daily rate of 1/366 to pay interest on an account

during a leap year may calculate the annual percentage yield earned using 365 or 366 days during the leap year.*fi*

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By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, December 1, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 95-29712 Filed 12-5-95; 8:45 am]

BILLING CODE 6210-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 95-AWP-41]

Proposed Establishment of Class E Airspace; North Las Vegas Air Terminal, NV.

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to establish a Class E airspace area at North Las Vegas Air Terminal, Las Vegas, NV. The development of a Global Positioning System (GPS) Standard Instrument Approach Procedure (SIAP) to Runway (RWY) 12 has made this proposal necessary. The intended effect of this proposal is to provide adequate controlled airspace for Instrument Flight Rules (IFR) operations at North Las Vegas Air Terminal, Las Vegas, NV.

DATES: Comments must be received on or before January 5, 1996.

ADDRESSES: Send comments on the proposal in triplicate to: Federal Aviation Administration, Attn: Manager, System Management Branch, AWP-530, Docket No. 95-AWP-41, Air Traffic Division, PO Box 92007, Worldway Postal Center, Los Angeles, California, 90009.

The official docket may be examined in the Office of the Assistant Chief Counsel, Western Pacific Region, Federal Aviation Administration, Room 6007, 15000 Aviation Boulevard, Lawndale, California, 90261.

An informal docket may also be examined during normal business at the Office of the Manager, System Management Branch, Air Traffic Division at the above address.

FOR FURTHER INFORMATION CONTACT: Scott Speer, Airspace Specialist, System Management Branch, AWP-530, Air Traffic Division, Western-Pacific Region, Federal Aviation