

Fed Letter



Manufacturing Survey released

The monthly Manufacturing Survey for the Tenth Federal Reserve District was released July 27, 2005. The survey asks plant managers about a variety of manufacturing indicators. The information is compiled into a snapshot of manufacturing in the District. Manufacturing activity in the Tenth District expanded moderately in July, and expectations for future factory production remained high. To view the current survey, visit <http://www.kansascityfed.org/mfgsurv/2005Jul07mfg.htm>.

Beige Book released

The latest edition of the Beige Book was released July 27, 2005. The Beige Book is a summary of current economic conditions in each Federal Reserve district. Nationally, economic activity continued to expand in all 12 districts in June and early July, with increases in the manufacturing and service sector activity and robust real estate activity. Locally, the Tenth District's economy expanded solidly during the same time period. The District's retailers reported increased sales. Manufacturing activity expanded moderately, and labor markets, despite moderate wage increases, remained strong.

For details about national and Tenth District economic activity, visit <http://www.federalreserve.gov/FOMC/BeigeBook/2005/20050727/10.htm>.

Payments System Research newsletter available

The latest issue of *Payments System Research Briefing* is now available. The August issue, "Who's Processing Your Payments?" examines the role and importance of nonbanks in the payments system, the heightened concerns over risk, and the adequacy of existing oversight programs.

The *Payments System Research Briefing* is now available on our website at <http://www.kansascityfed.org/FRFS/PSR/PSR-BriefingAug05.pdf>.

Holiday reminder

The Federal Reserve Bank of Kansas City will be closed **Monday, Oct. 10, 2005**, for Columbus Day. A listing of the holidays observed by the Federal Reserve System is available at www.frbservices.org. In the left column, click "Holiday Schedules."

Welcome new member bank

The Kansas City Fed is pleased to welcome the following state member bank to the Federal Reserve System in the Tenth District:

Rocky Mountain Bank

Rock Springs, Wyo.

Aug. 3

Regulatory developments

Proposed amendments to regulation E

On Aug. 19, the Federal Reserve Board published proposed amendments to Regulation E, which implements the Electronic Fund Transfer Act, and to the regulation's official staff commentary. The amendments clarify the disclosure obligations of automated teller machine (ATM) operators with respect to fees imposed on a consumer for initiating an electronic fund transfer or a balance inquiry at an ATM. The commentary interprets the requirements of Regulation E to facilitate compliance primarily by financial institutions that offer electronic fund transfer services to consumers.

Currently, the regulation provides that an ATM operator that charges a fee for initiating an electronic fund transfer or balance inquiry must post notices at ATMs that a fee will be imposed. The proposed revisions would clarify the intent of the rule that ATM operators can satisfy the requirement by providing a notice that a fee "may" be imposed if there are circumstances under which some consumers would not be charged for services. ATM operators must continue to provide the consumer with a separate notice, either on the screen of the ATM or on paper, that a fee will be imposed and the amount of the fee, before the consumer is committed to paying a fee.

Comments are due on or before **Oct. 7, 2005**.

Proposed rules on post-employment restrictions for senior examiners

On Aug. 4, the federal bank regulatory agencies issued proposed rules to implement a special post-employment restriction on certain senior examiners employed by an agency or Federal Reserve Bank, as required by the Intelligence Reform and Terrorism Prevention Act of 2004. Under the proposal, if an examiner serves as the senior examiner for a depository institution or depository institution holding company for two or more months during the examiner's final 12 months of employment with an agency or Reserve Bank, the examiner may not knowingly accept compensation as an employee, officer, director, or consultant from that institution, holding company, or from certain related entities. The restriction applies for one year after leaving the employment of the agency or Reserve Bank.

The agencies' proposed rules are substantively similar and vary slightly to reflect differences in the supervisory programs and jurisdictions of the agencies.

Comments are due by **Oct. 4, 2005**.

Truth in Lending thresholds revised

The Board has published its annual adjustment of the dollar amount that triggers additional disclosure requirements under the Truth in Lending Act for home mortgage loans that bear rates or fees above a certain amount. The dollar amount of the fee-based trigger has been adjusted from \$510 for 2005 to \$528 for 2006, based on the annual percentage change reflected in the Consumer Price Index. The adjustment is effective **Jan. 1, 2006**.

For more information, contact the Consumer Affairs Department in our Kansas City office at (800) 333-1010, extension 2488 (816-881-2488 locally), or in our Denver office at (800) 333-1020, extension 2605 (303-572-2605 locally).

Internet access

Regulatory developments like those above can be obtained from our website at www.kansascityfed.org. Point to "Banking Information" on the home page, then click "Regulations/Guidance" and select either of the first two categories, as appropriate.

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