

guage and be presented in a format designed to allow consumers to readily understand the terms of the accounts offered.

(Pub. L. 102-242, title II, §264, Dec. 19, 1991, 105 Stat. 2335.)

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 4305 of this title.

### § 4304. Disclosure requirements for certain accounts

The Board shall require, in regulations which the Board shall prescribe, such modification in the disclosure requirements under this chapter relating to annual percentage yield as may be necessary to carry out the purposes of this chapter in the case of—

- (1) accounts with respect to which determination of annual percentage yield is based on an annual rate of interest that is guaranteed for a period of less than 1 year;
- (2) variable rate accounts;
- (3) accounts which, pursuant to law, do not guarantee payment of a stated rate;
- (4) multiple rate accounts; and
- (5) accounts with respect to which determination of annual percentage yield is based on an annual rate of interest that is guaranteed for a stated term.

(Pub. L. 102-242, title II, §265, Dec. 19, 1991, 105 Stat. 2336; Pub. L. 102-550, title XVI, §1604(e)(2)(A), Oct. 28, 1992, 106 Stat. 4084.)

#### AMENDMENTS

1992—Pub. L. 102-550 made technical amendment to references to “this chapter” wherever appearing to reflect correction of corresponding provision of original act.

#### EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-550 effective as if included in the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. 102-242, as of Dec. 19, 1991, see section 1609(a) of Pub. L. 102-550, set out as a note under section 191 of this title.

### § 4305. Distribution of schedules

#### (a) In general

A schedule required under section 4303 of this title for an appropriate account shall be—

- (1) made available to any person upon request;
- (2) provided to any potential customer before an account is opened or a service is rendered; and
- (3) provided to the depositor, in the case of any time deposit which has a maturity of more than 30 days<sup>1</sup> is renewable at maturity without notice from the depositor, at least 30 days before the date of maturity.

#### (b) Distribution in case of certain initial deposits

If—

- (1) a depositor is not physically present at an office of a depository institution at the time an initial deposit is accepted with respect to an account established by or for such person; and

- (2) the schedule required under section 4303(a) of this title has not been furnished previously to such depositor,

the depository institution shall mail the schedule to the depositor at the address shown on the records of the depository institution for such account no later than 10 days after the date of the initial deposit.

#### (c) Distribution of notice of certain changes

If—

- (1) any change is made in any term or condition which is required to be disclosed in the schedule required under section 4303(a) of this title with respect to any account; and
- (2) the change may reduce the yield or adversely affect any holder of the account,

all account holders who may be affected by such change shall be notified and provided with a description of the change by mail at least 30 days before the change takes effect.

#### (d) Distribution in case of accounts established by more than 1 individual or by a group

If an account is established by more than 1 individual or for a person other than an individual, any distribution described in this section with respect to such account meets the requirements of this section if the distribution is made to 1 of the individuals who established the account or 1 individual representative of the person on whose behalf such account was established.

#### (e) Notice to account holders as of effective date of regulations

For any account for which the depository institution delivers an account statement on a quarterly or more frequent basis, the depository institution shall include on or with the first regularly scheduled mailing sent after the end of the 6-month period beginning on the date of publication of regulations issued by the Board in final form, a statement that the account holder has the right to request an account schedule containing the terms, charges, and interest rates of the account, and that the account holder may wish to request such an account schedule.

(Pub. L. 102-242, title II, §266, Dec. 19, 1991, 105 Stat. 2337; Pub. L. 102-550, title XVI, §1604(e)(1), Oct. 28, 1992, 106 Stat. 4084; Pub. L. 104-208, div. A, title II, §2604(d), Sept. 30, 1996, 110 Stat. 3009-471.)

#### AMENDMENTS

1996—Subsec. (a)(3). Pub. L. 104-208 inserted “has a maturity of more than 30 days” after “deposit which”.

1992—Subsec. (e). Pub. L. 102-550 substituted “on or with the first regularly scheduled mailing sent after the end of the 6-month period beginning on the date of publication” for “on or with any regularly scheduled mailing posted or delivered within 180 days after publication”.

#### EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-550 effective as if included in the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. 102-242, as of Dec. 19, 1991, see section 1609(a) of Pub. L. 102-550, set out as a note under section 191 of this title.

<sup>1</sup> So in original. Probably should be followed by “and”.

**§ 4306. Payment of interest****(a) Calculated on full amount of principal**

Interest on an interest-bearing account at any depository institution shall be calculated by such institution on the full amount of principal in the account for each day of the stated calculation period at the rate or rates of interest disclosed pursuant to this chapter.

**(b) No particular method of compounding interest required**

Subsection (a) of this section shall not be construed as prohibiting or requiring the use of any particular method of compounding or crediting of interest.

**(c) Date by which interest must accrue**

Interest on accounts that are subject to this chapter shall begin to accrue not later than the business day specified for interest-bearing accounts in section 4005 of this title, subject to subsections (b) and (c) of such section.

(Pub. L. 102-242, title II, § 267, Dec. 19, 1991, 105 Stat. 2338; Pub. L. 102-550, title XVI, § 1604(e)(2)(B), (C), Oct. 28, 1992, 106 Stat. 4084.)

**AMENDMENTS**

1992—Subsecs. (a), (c). Pub. L. 102-550 made technical amendment to references to “this chapter” to reflect correction of corresponding provision of original act.

**EFFECTIVE DATE OF 1992 AMENDMENT**

Amendment by Pub. L. 102-550 effective as if included in the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. 102-242, as of Dec. 19, 1991, see section 1609(a) of Pub. L. 102-550, set out as a note under section 191 of this title.

**§ 4307. Periodic statements**

Each depository institution shall include on or with each periodic statement provided to each account holder at such institution a clear and conspicuous disclosure of the following information with respect to such account:

- (1) The annual percentage yield earned.
- (2) The amount of interest earned.
- (3) The amount of any fees or charges imposed.
- (4) The number of days in the reporting period.

(Pub. L. 102-242, title II, § 268, Dec. 19, 1991, 105 Stat. 2338.)

**§ 4308. Regulations****(a) In general****(1) Regulations required**

Before the end of the 9-month period beginning on December 19, 1991, the Board, after consultation with each agency referred to in section 4309(a) of this title and public notice and opportunity for comment, shall prescribe regulations to carry out the purpose and provisions of this chapter.

**(2) Effective date of regulations**

The regulations prescribed under paragraph (1) shall take effect not later than 9 months after publication in final form.

**(3) Contents of regulations**

The regulations prescribed under paragraph (1) may contain such classifications, differen-

tiations, or other provisions, and may provide for such adjustments and exceptions for any class of accounts as, in the judgment of the Board, are necessary or proper to carry out the purposes of this chapter, to prevent circumvention or evasion of the requirements of this chapter, or to facilitate compliance with the requirements of this chapter.

**(4) Date of applicability**

The provisions of this chapter shall not apply with respect to any depository institution before the effective date of regulations prescribed by the Board under this subsection (or by the National Credit Union Administration Board under section 4311(b)<sup>1</sup> of this title, in the case of any depository institution described in clause (iv) of section 461(b)(1)(A) of this title).

**(b) Model forms and clauses****(1) In general**

The Board shall publish model forms and clauses for common disclosures to facilitate compliance with this chapter. In devising such forms, the Board shall consider the use by depository institutions of data processing or similar automated machines.

**(2) Use of forms and clauses deemed in compliance**

Nothing in this chapter may be construed to require a depository institution to use any such model form or clause prescribed by the Board under this subsection. A depository institution shall be deemed to be in compliance with the disclosure provisions of this chapter if the depository institution—

- (A) uses any appropriate model form or clause as published by the Board; or
- (B) uses any such model form or clause and changes it by—
  - (i) deleting any information which is not required by this chapter; or
  - (ii) rearranging the format,

if in making such deletion or rearranging the format, the depository institution does not affect the substance, clarity, or meaningful sequence of the disclosure.

**(3) Public notice and opportunity for comment**

Model disclosure forms and clauses shall be adopted by the Board after duly given notice in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5.

(Pub. L. 102-242, title II, § 269, Dec. 19, 1991, 105 Stat. 2338; Pub. L. 102-550, title IX, § 957(b), title XVI, § 1604(e)(2)(D)–(H), Oct. 28, 1992, 106 Stat. 3897, 4084.)

**REFERENCES IN TEXT**

Section 4311(b) of this title, referred to in subsec. (a)(4), was in the original “section 12(b)”, probably meaning section 12(b) of Pub. L. 102-242, and was translated as meaning section 272(b) of Pub. L. 102-242, to reflect the probable intent of Congress.

**AMENDMENTS**

1992—Pub. L. 102-550, § 1604(e)(2)(D)–(H), made technical amendment to references to “this chapter” wher-

<sup>1</sup> See References in Text note below.