Federal Reserve System

Pt. 213, App. A

civil liability provisions of sections 130, 131, and 185 of the act.

APPENDIX A TO PART 213—MODEL FORMS

A-1 Model Open-End or Finance Vehicle Lease Disclosures
A-2 Model Closed-End or Net Vehicle Lease Disclosures
A-3 Model Furniture Lease Disclosures
# Federal Consumer Leasing Act Disclosures

<table>
<thead>
<tr>
<th>Date</th>
<th>Lessee(s)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Amount Due at Lease Signing or Delivery</th>
<th>Monthly Payments</th>
<th>Other Charges</th>
<th>Total of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Itemized below)*</td>
<td>Your first monthly payment of $ [ ] is due on the [ ] of each month. The total of your monthly payments is $ [ ]</td>
<td>Disposition fee (if you do not purchase the vehicle) $ [ ]</td>
<td>$ [ ]</td>
</tr>
<tr>
<td>$ [ ]</td>
<td></td>
<td></td>
<td>$ [ ]</td>
</tr>
</tbody>
</table>

*Itemization of Amount Due at Lease Signing or Delivery*

<table>
<thead>
<tr>
<th>Amount Due at Lease Signing or Delivery</th>
<th>How the Amount Due at Lease Signing or Delivery will be paid:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized cost reduction $ [ ]</td>
<td>Net trade-in allowance $ [ ]</td>
</tr>
<tr>
<td>First monthly payment</td>
<td>Rebates and noncash credits</td>
</tr>
<tr>
<td>Refundable security deposit</td>
<td>Amount to be paid in cash</td>
</tr>
<tr>
<td>Title fees</td>
<td>Total $ [ ]</td>
</tr>
<tr>
<td>Registration fees</td>
<td>Total $ [ ]</td>
</tr>
</tbody>
</table>

Your monthly payment is determined as shown below:

Gross capitalized cost. The agreed upon value of the vehicle ($ [ ] ) and any items you pay over the lease term (such as service contracts, insurance, and any outstanding prior credit or lease balance) $ [ ]

If you want an itemization of this amount, please check this box. [ ]

- Capitalized cost reduction. The amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost
- Adjusted capitalized cost. The amount used in calculating your base monthly payment
- Residual value. The value of the vehicle at the end of the lease used in calculating your base monthly payment
- Depreciation and any amortized amounts. The amount charged for the vehicle's decline in value through normal use and for other items paid over the lease term
- Total of base monthly payments. The depreciation and any amortized amounts plus the rent charge
- Lease payments. The number of payments in your lease
- Base monthly payment
- Monthly sales/usage tax
- Total monthly payment $ [ ]

Rent and other charges. The total amount of rent and other charges imposed in connection with your lease $ [ ]

Early Termination. You may have to pay a substantial charge if you end this lease early. The charge may be up to several thousand dollars. The actual charge will depend on when the lease is terminated. The earlier you end the lease, the greater this charge is likely to be.

Excessive Wear and Use. You may be charged for excessive wear based on our standards for normal use [and for mileage in excess of ______ miles per year at the rate of ______ per mile].

Purchase Option at End of Lease Term. [You have an option to purchase the vehicle at the end of the lease term for $ [ ] (and a purchase option fee of $ [ ] )] [You do not have an option to purchase the vehicle at the end of the lease term].

Other Important Terms. See your lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.
Federal Reserve System

Pt. 213, App. A

Appendix A-1 Model Open-End or Finance Vehicle Lease Disclosures

[The following provisions are the nonsegregated disclosures required under Regulation M.]

<table>
<thead>
<tr>
<th>Description of Leased Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Make Model Body Style Vehicle ID #</td>
</tr>
</tbody>
</table>

Official Fees and Taxes. The total amount you will pay for official and license fees, registration, title, and taxes over the term of your lease, whether included with your monthly payments or assessed otherwise: $__________.

Insurance. The following types and amounts of insurance will be acquired in connection with this lease:

_________ We (lessor) will provide the insurance coverage quoted above for a total premium cost of $__________.

_________ You (lessee) agree to provide insurance coverage in the amount and types indicated above.

End of Term Liability. (a) The residual value ($)_________ of the vehicle is based on a reasonable, good faith estimate of the value of the vehicle at the end of the lease term. If the actual value of the vehicle at that time is greater than the residual value, you will have no further liability under this lease, except for other charges already incurred [and are entitled to a credit or refund of any surplus.] If the actual value of the vehicle is less than the residual value, you will be liable for any difference up to $_________ (3 times the monthly payment). For any difference in excess of that amount, you will be liable only (X):

1. Excessive use or damage [as described in paragraph ___________], [representing more than normal wear and use] resulted in an unusually low value at the end of the term.

2. The matter is not otherwise resolved and we win a lawsuit against you seeking a higher payment.

3. You voluntarily agree with us after the end of the lease term to make a higher payment.

Should we bring a lawsuit against you, we must prove that our original estimate of the value of the leased property at the end of the lease term was reasonable and was made in good faith. For example, we might prove that the actual value was less than the original estimated value, although the original estimate was reasonable, because of an unanticipated decline in value for that type of vehicle. We must also pay your attorney's fees.

(b) If you disagree with the value we assign to the vehicle, you may obtain, at your own expense, from an independent third party acceptable to both of us, a professional appraisal of the _________ value of the leased vehicle which could be realized at sale. The appraised value shall then be used as the actual value.

Standards for Wear and Use. The following standards are applicable for determining unreasonable or excess wear and use of the leased vehicle:

Maintenance.

[You are responsible for the following maintenance and servicing of the leased vehicle: _________].

[We are responsible for the following maintenance and servicing of the leased vehicle: _________].

Warranties. The leased vehicle is subject to the following express warranties:

Early Termination and Default. (a) You may terminate this lease before the end of the lease term under the following conditions:

The charge for such early termination is:

(b) We may terminate this lease before the end of the lease term under the following conditions:

Upon such termination we shall be entitled to the following charge(s) for:

(c) To the extent these charges take into account the value of the vehicle at termination, if you disagree with the value we assign to the vehicle, you may obtain, at your own expense, from an independent third party acceptable to both of us, a professional appraisal of the _________ value of the leased vehicle which could be realized at sale. The appraised value shall then be used as the actual value.

Security Interest. We reserve a security interest of the following type in the property listed below to secure performance of your obligations under this lease:

Late Payments. The charge for late payments is:

Option to Purchase Leased Property Prior to the End of the Lease. [You have an option to purchase the leased vehicle prior to the end of the term. The price will be [_______] [the method of determining the price].] [You do not have an option to purchase the leased vehicle.]
**Federal Consumer Leasing Act Disclosures**

<table>
<thead>
<tr>
<th>Amount Due at Lease Signing or Delivery</th>
<th>Monthly Payments</th>
<th>Other Charges (not part of your monthly payment)</th>
<th>Total of Payments (The amount you will have paid by the end of the lease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Itemized below)*</td>
<td>Your first monthly payment of $ __________, followed by $ __________, due on the first of each month. The total of your monthly payments is $ __________.</td>
<td>Disposition fee (if you do not purchase the vehicle) $ __________</td>
<td>Total $ __________</td>
</tr>
</tbody>
</table>

*Itemization of Amount Due at Lease Signing or Delivery*

| Capitalized cost reduction | $ __________ | Net trade-in allowance | $ __________ |
| First monthly payment | $ __________ | Rebates and noncash credits | $ __________ |
| Refundable security deposit | $ __________ | Amount to be paid in cash | $ __________ |
| Title fees | $ __________ | | $ __________ |
| Registration fees | $ __________ | | $ __________ |
| **Total** | $ __________ | | $ __________ |

Your monthly payment is determined as shown below:

1. Gross capitalized cost. The agreed upon value of the vehicle ($ __________ ) and any items you pay over the lease term (such as service contracts, insurance, and any outstanding prior credit or lease balance) $ __________.

If you want an itemization of this amount, please check this box. □

- Capitalized cost reduction. The amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost $ __________.
- Adjusted capitalized cost. The amount used in calculating your base monthly payment $ __________.
- Residual value. The value of the vehicle at the end of the lease used in calculating your base monthly payment $ __________.
- Depreciation and any amortized amounts. The amount charged for the vehicle's decline in value through normal use and for other items paid over the lease term $ __________.
- Total of base monthly payments. The depreciation and any amortized amounts plus the rent charge $ __________.
- Lease payments. The number of payments in your lease $ __________.
- Base monthly payment $ __________.
- Monthly sales/use tax $ __________.
- Total monthly payment $ __________.

**Early Termination.** You may have to pay a substantial charge if you end this lease early. The charge may be up to several thousand dollars. The actual charge will depend on when the lease is terminated. The earlier you end the lease, the greater this charge is likely to be.

**Excessive Wear and Use.** You may be charged for excessive wear based on our standards for normal use (and for mileage in excess of ______ miles per year at the rate of ______ per mile).

**Purchase Option at End of Lease Term.** (You have an option to purchase the vehicle at the end of the lease term for $ ______ [and a purchase option fee of $ ______].) [You do not have an option to purchase the vehicle at the end of the lease term.]

**Other Important Terms.** See your lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.
Federal Reserve System

Appendix A-2 Model Closed-End or Net Vehicle Lease Disclosures

[The following provisions are the nonsegregated disclosures required under Regulation M.]

<table>
<thead>
<tr>
<th>Year</th>
<th>Make</th>
<th>Model</th>
<th>Body Style</th>
<th>Vehicle ID #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Official Fees and Taxes. The total amount you will pay for official and license fees, registration, title, and taxes over the term of your lease, whether included with your monthly payments or assessed otherwise: $___________.

Insurance. The following types and amounts of insurance will be acquired in connection with this lease:

_________ We (lessee) will provide the insurance coverage quoted above for a total premium cost of $_________.

_________ You (lessor) agree to provide insurance coverage in the amount and types indicated above.

Standards for Wear and Use. The following standards are applicable for determining unreasonable or excess wear and use of the leased vehicle:

Maintenance.
(You are responsible for the following maintenance and servicing of the leased vehicle:

_________]

(We are responsible for the following maintenance and servicing of the leased vehicle:

_________]

Warranties. The leased vehicle is subject to the following express warranties:

Early Termination and Default. (a) You may terminate this lease before the end of the lease term under the following conditions:

The charge for such early termination is:

(b) We may terminate this lease before the end of the lease term under the following conditions:

Upon such termination we shall be entitled to the following charge(s) for:

(c) To the extent these charges take into account the value of the vehicle at termination, if you disagree with the value we assign to the vehicle, you may obtain, at your own expense, from an independent third party acceptable to both of us, a professional appraisal of the value of the leased vehicle which could be realized at sale. The appraised value shall then be used as the actual value.

Security Interest. We reserve a security interest in the following type in the property listed below to secure performance of your obligations under this lease:

Late Payments. The charge for late payments is:

Option to Purchase Leased Property Prior to the End of the Lease. [You have an option to purchase the leased vehicle prior to the end of the term. The price will be [$_________]. [You do not have an option to purchase the leased vehicle.]

487
Federal Consumer Leasing Act Disclosures

Date ________________
Lessor(s) ________________ Lessee(s) ________________

<table>
<thead>
<tr>
<th>Item</th>
<th>Color</th>
<th>Description of Leased Property</th>
<th>Stock #</th>
<th>Mfg.</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amount Due at Lease Signing or Delivery

<table>
<thead>
<tr>
<th>First monthly payment $</th>
<th>Refundable security deposit $</th>
<th>Delivery/Installation fee $</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total $</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Monthly Payments

Your first monthly payment of $ _______ is due on _______, followed by _______ payments of $ _______ due on the _______ of each month. The total of your monthly payments is $ _______.

Other Charges (not part of your monthly payment)

<table>
<thead>
<tr>
<th>Pick-up fee</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total $</td>
<td></td>
</tr>
</tbody>
</table>

Total of Payments (The amount you will have paid by the end of the lease)

| $ |

Purchase Option at End of Lease Term. [You have an option to purchase the leased property at the end of the lease term for $ _______] [You do not have an option to purchase the leased property at the end of the lease term.]

Other Important Terms. See your lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.

The following provisions are the non-aggregated disclosures required under Regulation M.

Official Fees and Taxes. The total amount you will pay for official fees, and taxes over the term of your lease, whether included with your monthly payments or assessed otherwise: $ _______.

Insurance. The following types and amounts of insurance will be acquired in connection with this lease:

- We (lessee) will provide the insurance coverage quoted above for a total premium cost of $ _______.
- You (lessee) agree to provide insurance coverage in the amount and types indicated above.

Standards for Wear and Use. The following standards are applicable for determining unreasonable or excess wear and use of the leased property:

Maintenance.

- You are responsible for the following maintenance and servicing of the leased property:
  [__________]
- We are responsible for the following maintenance and servicing of the leased property:
  [__________]

Warranties. The leased property is subject to the following express warranties:

Early Termination and Default. (a) You may terminate this lease before the end of the lease term under the following conditions:

- The charge for such early termination is: _______.
(b) We may terminate this lease before the end of the lease term under the following conditions:

Upon such termination we shall be entitled to the following charge(s) for: _______.
APPENDIX B TO PART 213—FEDERAL ENFORCEMENT AGENCIES

The following list indicates which federal agency enforces Regulation M (12 CFR part 213) for particular classes of business. Any questions concerning compliance by a particular business should be directed to the appropriate enforcement agency. Terms that are not defined in the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the meaning given to them in the International Banking Act of 1978 (12 U.S.C. 3101).

1. National banks and federal branches and federal agencies of foreign banks
   - District office of the Office of the Comptroller of the Currency for the district in which the institution is located.

2. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act
   - Federal Reserve Bank serving the District in which the institution is located.

3. Nonmember insured banks and insured state branches of foreign banks
   - Federal Deposit Insurance Corporation Regional Director for the region in which the institution is located.

4. Savings institutions insured under the Savings Association Insurance Fund of the FDIC and federally chartered savings banks insured under the Bank Insurance Fund of the FDIC (but not including state-chartered savings banks insured under the Bank Insurance Fund)
   - Office of Thrift Supervision regional director for the region in which the institution is located.

5. Federal credit unions
   - Regional office of the National Credit Union Administration serving the area in which the federal credit union is located.

6. Air carriers
   - Assistant General Counsel for Aviation Enforcement and Proceedings, Department of Transportation, 400 Seventh Street, S.W., Washington, DC 20590

7. Those subject to Packers and Stockyards Act
   - Nearest Packers and Stockyards Administration area supervisor.

   - Farm Credit Administration, 490 L’Enfant Plaza, S.W., Washington, DC 20578

9. All other lessors (lessors operating on a local or regional basis should use the address of the FTC regional office in which they operate)

APPENDIX C TO PART 213—ISSUANCE OF STAFF INTERPRETATIONS

Officials in the Board’s Division of Consumer and Community Affairs are authorized to issue official staff interpretations of this Regulation M (12 CFR part 213). These interpretations provide the formal protection afforded under section 130(f) of the act. Except in unusual circumstances, interpretations will not be issued separately but will be incorporated in an official commentary to Regulation M (Supplement I of this part), which will be amended periodically. No staff interpretations will be issued approving lessor’s forms, statements, or calculation tools or methods.

SUPPLEMENT I TO PART 213—OFFICIAL STAFF COMMENTARY TO REGULATION M

Introduction

1. Official status. The commentary in Supplement I is the vehicle by which the Division of Consumer and Community Affairs of