

Federal Reserve System

§ 230.4

opened, unless the deposit is subject to an early withdrawal penalty of at least seven days' interest on amounts withdrawn.

(v) *Variable-rate account* means an account in which the interest rate may change after the account is opened, unless the institution contracts to give at least 30 calendar days advance written notice of rate decreases.

[57 FR 43376, Sept. 21, 1992, as amended at 58 FR 15081, Mar. 19, 1993; 59 FR 52658, Oct. 19, 1994]

EFFECTIVE DATE NOTE: At 70 FR 29593, May 24, 2005, §230.2 was amended by revising paragraph (b), effective July 1, 2006. For the convenience of the user, the revised text is set forth as follows:

§ 230.2 Definitions.

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(b) *Advertisement* means a commercial message, appearing in any medium, that promotes directly or indirectly:

- (1) The availability or terms of, or a deposit in, a new account; and
- (2) For purposes of §230.8(a) and §230.11 of this part, the terms of, or a deposit in, a new or existing account.

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§ 230.3 General disclosure requirements.

(a) *Form.* Depository institutions shall make the disclosures required by §§230.4 through 230.6 and §230.10 of this part, as applicable, clearly and conspicuously, in writing, and in a form the consumer may keep. Disclosures for each account offered by an institution may be presented separately or combined with disclosures for the institution's other accounts, as long as it is clear which disclosures are applicable to the consumer's account.

(b) *General.* The disclosures shall reflect the terms of the legal obligation of the account agreement between the consumer and the depository institution. Disclosures may be made in languages other than English, provided the disclosures are available in English upon request.

(c) *Relation to Regulation E (12 CFR part 205).* Disclosures required by and provided in accordance with the Electronic Fund Transfer Act (15 U.S.C. 1601) and its implementing Regulation

E (12 CFR part 205) that are also required by this part may be substituted for the disclosures required by this part.

(d) *Multiple consumers.* If an account is held by more than one consumer, disclosures may be made to any one of the consumers.

(e) *Oral response to inquiries.* In an oral response to a consumer's inquiry about interest rates payable on its accounts, the depository institution shall state the annual percentage yield. The interest rate may be stated in addition to the annual percentage yield. No other rate may be stated.

(f) *Rounding and accuracy rules for rates and yields—(1) Rounding.* The annual percentage yield, the annual percentage yield earned, and the interest rate shall be rounded to the nearest one-hundredth of one percentage point (.01%) and expressed to two decimal places. For account disclosures, the interest rate may be expressed to more than two decimal places.

(2) *Accuracy.* The annual percentage yield (and the annual percentage yield earned) will be considered accurate if not more than one-twentieth of one percentage point (.05%) above or below the annual percentage yield (and the annual percentage yield earned) determined in accordance with the rules in appendix A of this part.

(g) *Electronic communication.* For rules governing the electronic delivery of disclosures, including the definition of electronic communication, see §230.10.0.

[57 FR 43376, Sept. 21, 1992, as amended by Reg. DD, 66 FR 17802, Apr. 4, 2001]

§ 230.4 Account disclosures.

(a) *Delivery of account disclosures—(1) Account opening.* (i) *General.* A depository institution shall provide account disclosures to a consumer before an account is opened or a service is provided, whichever is earlier. An institution is deemed to have provided a service when a fee required to be disclosed is assessed. Except as provided in paragraph (a)(1)(ii) of this section, if the consumer is not present at the institution when the account is opened or the service is provided and has not already