§ 227.16 State exemptions.

(a) General rule. (1) An appropriate state agency may apply to the Board for a determination that:
   (i) There is a state requirement or prohibition in effect that applies to any transaction to which a provision of this subpart applies; and
   (ii) The state requirement or prohibition affords a level of protection to consumers that is substantially equivalent to, or greater than, the protection afforded by this subpart.

(2) If the Board makes such a determination, the provision of this subpart will not be in effect in that state to the extent specified by the Board in its determination, for as long as the state administers and enforces the state requirement or prohibition effectively.

(b) Applications. The procedures under which a state agency may apply for an exemption under this section are the same as those set forth in appendix B to Regulation Z (12 CFR part 226).

Subpart C [Reserved]