within or outside the United States or in any other way to place fresh or processed cranberries into the current of commerce within or outside the United States. This term includes all initial and subsequent handling of cranberries or processed cranberries up to, but not including, the retail level.

§ 926.10 Acquire.

Acquire means to obtain cranberries by any means whatsoever for the purpose of handling cranberries.

§ 926.11 Processed cranberries or cranberry products.

Processed cranberries or cranberry products means cranberries which have been converted from fresh cranberries into canned, frozen, or dehydrated cranberries or other cranberry products by any commercial process.

§ 926.12 Producer-handler.

Producer-handler means any person who is a producer of cranberries for market and handles such cranberries.

§ 926.13 Processor.

Processor means any person who receives or acquires fresh or frozen cranberries or cranberries in the form of concentrate from handlers, producer-handlers, importers, brokers or other processors and uses such cranberries or concentrate, with or without other ingredients, in the production of a product for market.

§ 926.14 Broker.

Broker means any person who acts as an agent of the buyer or seller and negotiates the sale or purchase of cranberries or cranberry products.

§ 926.15 Importer.

Importer means any person who causes cranberries or cranberry products produced outside the United States to be brought into the United States with the intent of entering the cranberries or cranberry products into the current of commerce.

§ 926.16 Reports.

(a) Each handler, producer-handler, processor, broker, and importer engaged in handling or importing cranberries or cranberry products who is not subject to the reporting requirements of the Federal cranberry marketing order, (7 CFR part 926) shall, in accordance with § 926.17, file promptly with the Committee reports of sales, acquisitions, and inventory information on fresh cranberries and cranberry products using forms supplied by the Committee.

(b) Upon the request of the Committee, with the approval of the Secretary, each handler, producer-handler, processor, broker, and importer engaged in handling or importing cranberries or cranberry products who is not subject to the Federal cranberry marketing order (7 CFR part 926) shall furnish to the Committee such other information with respect to fresh cranberries and cranberry products acquired and disposed of by such entity as may be necessary to meet the objectives of the Act.

§ 926.17 Reporting requirements.

Handlers, producer-handlers, importers, processors, and brokers not subject to the Federal cranberry marketing order (7 CFR part 926) shall be required to submit four times annually, for each fiscal period reports regarding sales, acquisitions, movement for further processing, and dispositions of fresh cranberries and cranberry products using forms supplied by the Committee. An Importer Cranberry Inventory Report Form shall be required to be completed by importers and brokers. This report shall indicate the name, address, variety acquired, the amount sold to and received by brokers, processors, and handlers, and the beginning and ending inventories of cranberries held by the importer for each applicable fiscal period. A Handler/Processor Cranberry Inventory Report Form shall be completed by handlers, producer-handlers, and processors and shall indicate the name, address, variety acquired, domestic/foreign sales, acquisitions, and beginning and ending inventories.

§ 926.18 Records.

Each handler, producer-handler, processor, broker, and importer shall maintain such records of all fresh cranberries and cranberry products acquired, imported, handled, withheld from handling, and otherwise disposed of during the fiscal period to substantiate the required reports. All such records shall be maintained for not less than three years after the termination of the fiscal year in which the transactions occurred or for such lesser period as the Committee may direct.

§ 926.19 Confidential information.

All reports and records furnished or submitted pursuant to this part which include data or information constituting a trade secret or disclosing the trade position or financial condition, or business operations from whom received, shall be in the custody and control of the authorized agents of the Committee, who shall disclose such information to no person other than the Secretary.

§ 926.20 Verification of reports and records.

For the purpose of assuring compliance and checking and verifying records and reports required to be filed by handlers, producer-handlers, processors, brokers, and importers, USDA or the Committee, through its duly authorized agents, shall have access to any premises where applicable records are maintained, where cranberries and cranberry products are received, acquired, stored, handled, and otherwise disposed of and, at any time during reasonable business hours, shall be permitted to inspect such handler, producer-handler, processor, broker, and importer premises, and any and all records of such handlers, producer-handlers, processors, brokers, and importers. The Committee's authorized agents shall be the manager of the Committee and other staff under the supervision of the Committee manager.

§ 926.21 Suspension or termination.

The provisions of this part shall be suspended or terminated whenever there is no longer a Federal cranberry marketing order in effect.

Dated: April 6, 2004.

A.J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 04–8212 Filed 4–9–04; 8:45 am]

BILLING CODE 3410–02–P

FEDERAL RESERVE SYSTEM

12 CFR Part 222

[Regulation V; Docket No. R–1187]

Fair Credit Reporting

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Proposed rule.

SUMMARY: The Board is proposing to amend Regulation V that implements the Fair Credit Reporting Act (FCRA or Act), 15 U.S.C. 1681 *et seq.* The Board would add a model form to Regulation V that financial institutions may use to comply with the notice requirement relating to furnishing negative information contained in section 217 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act). Section 217 of the FACT Act amends the FCRA to provide that if any financial institution (1) extends credit and regularly and in the ordinary course of business furnishes information to a nationwide consumer reporting agency, and (2) furnishes negative information to such an agency regarding credit

extended to a customer, the institution must provide a clear and conspicuous notice about furnishing negative information, in writing, to the customer. Section 217 defines the term ''financial institution'' to have the same meaning as in the Gramm-Leach-Bliley Act (GLB Act), 15 U.S.C. 6801 *et seq.*, which generally is ''any institution the business of which is engaging in financial activities as described in section 4(k) of the Bank Holding Company Act of 1956.'' 15 U.S.C. 6809(3). The Board's model form could be used by all financial institutions, as defined by section 217.

DATES: Comments must be received by May 9, 2004.

ADDRESSES: Comments should refer to Docket No. R–1187 and may be mailed to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551. Please consider submitting your comments through the Board's Web site at *www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm,* by e-mail to *regs.comments@federalreserve.gov,* or by fax to the Office of the Secretary at 202/452–3819 or 202/452–3102. Rules proposed by the Board and other Federal agencies may also be viewed and commented on at *www.regulations.gov.*

All public comments are available from the Board's Web site at *www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm* as submitted, except as necessary for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP–500 of the Board's Martin Building (20th and C Streets, NW.) between 9 a.m. and 5 p.m. on weekdays.

FOR FURTHER INFORMATION CONTACT: Krista P. DeLargy, Senior Attorney; David A. Stein, Counsel; Minh-Duc T. Le or Ky Tran-Trong, Senior Attorneys; Division of Consumer and Community Affairs, (202) 452–3667 or (202) 452–2412; Thomas E. Scanlon, Counsel, Legal Division, (202) 452–3594, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

I. Background

On December 4, 2003, the President signed into law the FACT Act, which amends the FCRA. Pub. L. 108–159, 117 Stat. 1952. In general, the FACT Act enhances the ability of consumers to combat identity theft, increases the accuracy of consumer reports, and allows consumers to exercise greater control regarding the type and amount of marketing solicitations they receive. The FACT Act also restricts the use and disclosure of sensitive medical information. To bolster efforts to improve financial literacy among consumers, the FACT Act creates a new Financial Literacy and Education Commission empowered to take appropriate actions to improve the financial literacy and education programs, grants, and materials of the Federal government. Lastly, the FACT Act establishes uniform national standards in key areas of regulation regarding consumer report information.

Section 217 of the FACT Act requires that if any financial institution (1) extends credit and regularly and in the ordinary course of business furnishes information to a nationwide consumer reporting agency, and (2) furnishes negative information to such an agency regarding credit extended to a customer, the institution must provide a clear and conspicuous notice about furnishing negative information, in writing, to the customer. Section 217 defines the term ''negative information'' to mean information concerning a customer's delinquencies, late payments, insolvency, or any form of default.

Section 217 specifies that an institution must provide the required notice to the customer prior to, or no later than 30 days after, furnishing the negative information to a nationwide consumer reporting agency. After providing the notice, the institution may submit additional negative information to a nationwide consumer reporting agency with respect to the same transaction, extension of credit, account, or customer without providing additional notice to the customer. If a financial institution has provided a customer with a notice prior to the furnishing of negative information, the institution is not required to furnish negative information about the customer to a nationwide consumer reporting agency. A financial institution generally may provide the notice about furnishing negative information on or with any notice of default, any billing statement, or any other materials provided to the customer, so long as the notice is clear and conspicuous. Section 217 specifically provides, however, that the notice may not be included in the initial disclosures provided under section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)). Section 217 also provides certain safe harbors for institutions concerning their efforts to comply with the notice requirement.

Section 217 requires the Board to publish, after notice and comment, a concise model form not to exceed 30 words in length that financial institutions may, but are not required to, use to comply with the notice requirement. The model form must be issued in final form within 6 months of the date of enactment of the FACT Act, or June 4, 2004. In addition, section 217 provides that a financial institution shall not be liable for failure to perform the duties required by this section if, at the time of the failure, the institution maintained reasonable policies and procedures to comply with the section or the institution reasonably believed that the institution was prohibited by law from contacting the customer.

Under section 217, the term ''financial institution'' is defined broadly to have the same meaning as in section 509 of the GLB Act, which generally defines financial institution to mean ''any institution the business of which is engaging in financial activities as described in section 4(k) of the Bank Holding Company Act of 1956,'' whether or not affiliated with a bank. 15 U.S.C. 6809(3). Thus, the term ''financial institution'' includes not only institutions regulated by the Board and other federal banking agencies, but also includes other financial entities, such as merchant creditors and debt collectors that extend credit and report negative information. 16 CFR 313.3(k), 65 FR 33646, 33655 (May 24, 2000).

In this rulemaking, the Board is proposing a model form that financial institutions may use to comply with the notice requirement under section 217. In addition, the Board proposes to amend Regulation V to specify that although the regulation generally applies only to the financial institutions that the Board regulates, the model form relating to furnishing negative information may be used by all financial institutions, as that term is defined by section 217.

II. Section by Section

Section 222.1 Purpose, Scope, and Effective Dates

Proposed paragraph 222.1(b)(2) describes the scope of the Board's Regulation V, which implements the FCRA. Generally, the Board's Regulation V covers the institutions under the Board's jurisdiction. 15 U.S.C. 1681s(e). Nonetheless, the Board's proposed paragraph (b)(2) specifies that the Board's proposed model form in Appendix B relating to furnishing of negative information may be used by all financial institutions (as that term is defined in section 509 of the GLB Act)

to comply with the notice requirement contained in section 217 of the FACT Act.

Appendix B—Model Notice of Furnishing Negative Information

The Board is proposing in Appendix B a model form that financial institutions may use to comply with the requirement to provide notice about furnishing negative information to a consumer reporting agency under section 217 of the FACT Act. Because a financial institution is allowed to send the notice relating to furnishing negative information prior to, or within 30 days after, it furnishes negative information, the proposed model form contains alternative language that a financial institution may use, depending on when the notice is given.

III. Solicitation of Comments Regarding the Use of ''Plain Language''

Section 722 of the GLB Act requires the Board to use ''plain language'' in all proposed and final rules published after January 1, 2000. The Board invites comments on whether the proposed rules are clearly stated and effectively organized, and how the Board might make the proposed text easier to understand.

IV. Initial Regulatory Flexibility Analysis

In accordance with section 3(a) of the Regulatory Flexibility Act, the Board has reviewed the proposed amendments to Regulation V. The proposed amendments are not expected to have any significant impact on small entities. A final regulatory flexibility analysis will be prepared and will consider comments received during the public comment period.

V. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3506; 5 CFR part 1320, Appendix A.1), the Board reviewed the proposed rule under the authority delegated to the Board by the Office of Management and Budget (OMB). The Federal Reserve may not conduct or sponsor, and an organization is not required to respond to, this information collection unless it displays a currently valid OMB control number. The control number will be obtained from OMB after the public comment period has ended.

The collection of information that is proposed by this rulemaking is found in section 217 of the FACT Act, Pub. L. 108–159, 117 Stat. 1952. This information is mandatory for financial institutions. The respondents are financial institutions as defined as in the privacy provisions of the GLB Act. The term ''financial institution'' includes not only institutions regulated by the Board and other federal banking agencies, but also includes other financial entities, such as merchant creditors and debt collectors that extend credit and report negative information.

The proposed revisions to the FCRA would provide financial institutions with a general model form (provided in Appendix B) that they may use to comply with the notice requirement under section 217 of the FACT Act relating to furnishing negative information. It is expected that providing a notice to consumers would not significantly burden the financial institutions; the standardized, machine-generated notice is generally mailed to consumers. Financial institutions would face a one-time burden to reprogram and update systems to include the new notice requirement. With respect to financial institutions, approximately 30,000 furnish information to consumer reporting agencies. The estimated time to update systems is approximately 8 hours (one business day); therefore, the total annual burden is estimated to be 240,000 hours. This total annual burden represents approximately 5 percent of the total Federal Reserve System paperwork burden.

Because the records would be maintained at state member banks and the notices are not provided to the Federal Reserve, no issue of confidentiality arises under the Freedom of Information Act.

Comments are invited on: a. whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility; b. the accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the cost of compliance; c. ways to enhance the quality, utility, and clarity of the information to be collected; and d. ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology. Comments on the collection of information should be sent to Michelle Long, Acting Federal Reserve Board Clearance Officer, Division of Research and Statistics, Mail Stop 41, Board of Governors of the Federal Reserve System, Washington, DC 20551, with copies of such comments sent to the Office of Management and Budget, Paperwork Reduction Project (7100—to be obtained), Washington, DC 20503.

List of Subjects in 12 CFR Part 222

Banks, banking, Holding companies, state member banks.

For the reasons set forth in the preamble, the Board proposes to amend Regulation V, 12 CFR part 222, as set forth below:

PART 222—FAIR CREDIT REPORTING (REGULATION V)

1. The authority citation for part 222 is revised to read as follows:

Authority: 15 U.S.C. 1681s; Secs. 3 and 217, Pub. L. 108–159; 117 Stat. 1953, 1986–88.

2. Section 222.1 is revised by adding a new paragraph (b) to read as follows:

Subpart A—General Provisions

§ 222.1 Purpose, scope, and effective dates.

* * * * *

(b) *Scope.*

(1) [Reserved]

(2) *Institutions covered.*

(i) Except as otherwise provided in paragraph (b)(2), these regulations apply to banks that are members of the Federal Reserve System (other than national 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, organizations operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601 *et seq.*, and 611 *et seq.*), and bank holding companies and affiliates of such holding companies.

(ii) Financial institutions, as that term is defined in section 509 of the Gramm-Leach-Bliley Act (12 U.S.C. 6809), may use the model form in Appendix B of this part to comply with the notice requirement in section 623(a)(7) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(7)).

* * * * *

3. Part 222 is revised by adding a new Appendix B to read as follows:

Appendix A—[Reserved]

Appendix B—Model Notice of Furnishing Negative Information

We [may provide]/[have provided] information to credit bureaus about an insolvency, delinquency, late payment, or default on your account to include in your credit report.

By order of the Board of Governors of the Federal Reserve System, April 6, 2004.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. 04–8194 Filed 4–9–04; 8:45 am]

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