

Disclosure is also required in two other circumstances:

- a. when a renewal notice is sent for those cards that have a renewal fee,
- b. when credit insurance is offered by the card issuer and the issuer decides to change insurers.

Most of the information that must be disclosed under this law must be in the form of a table prescribed by the Board of Governors of the Federal Reserve System (see Appendix 6). Note that the Board has regulatory authority with respect to this Act.

The Act requires the disclosure of four cost elements associated with credit cards:

- a. annual percentage rate (APR),
- b. annual or periodic fees and transaction fees,
- c. grace period, and
- d. name of the balance calculation method.

The Board of Governors of the Federal Reserve System has identified several methods of calculating the balance as common. A card issuer who uses one of these methods may meet the disclosure requirements by giving the name of the method used; card issuers who use another method not included on the Board's list must provide an explanation of the method used. The following methods have been identified by the Board:

- a. Average daily balance
 - including new purchases or
 - excluding new purchases,
- b. Two-cycle average daily balance
 - including new purchases or
 - excluding new purchases,
- c. Adjusted balance, and
- d. Previous balance.

The new law preempts state credit and charge card disclosure laws. As the Board's Press Release with the amendments to Regulation Z (Truth in