(2) Purchasers or assignees. A purchaser or assignee of a credit contract with a consumer is not subject to the requirements of this part and is not required to provide the risk-based pricing notice described in §640.3(a) or (c), or satisfy the requirements for and provide the notice required under one of the exceptions in §640.5(d), (e), or (f).

(3) Examples. (i) A consumer obtains credit to finance the purchase of an automobile. If the motor vehicle dealer is the person to whom the loan obligation is initially payable, such as where the motor vehicle dealer is the original creditor under a retail installment sales contract, the motor vehicle dealer must provide the risk-based pricing notice to the consumer (or satisfy the requirements for and provide the notice required under one of the exceptions noted in paragraph (b) of this section), even if the motor vehicle dealer immediately assigns the loan to a bank or finance company. The bank or finance company, which is an assignee, has no duty to provide a risk-based pricing notice to the consumer. However, the motor vehicle dealer immediately assigns the loan to a bank or finance company and is not the assignee of the loan, then the motor vehicle dealer must provide the risk-based pricing notice to the consumer (or satisfy the requirements for and provide the notice required under one of the exceptions noted in paragraph (b) of this section), even if the motor vehicle dealer immediately assigns the loan to a bank or finance company. The bank or finance company, which is an assignee, has no duty to provide a risk-based pricing notice to the consumer. If a bank or finance company is the person to whom the loan obligation is initially payable, the bank or finance company must provide the risk-based pricing notice to the consumer (or satisfy the requirements for and provide the notice required under one of the exceptions noted in paragraph (b) of this section) based on the terms offered by that bank or finance company only. The motor vehicle dealer has no duty to provide a risk-based pricing notice to the consumer. However, the bank or finance company may comply with this rule if the motor vehicle dealer has agreed to provide notices to consumers before consummation pursuant to an arrangement with the bank or finance company, as permitted under §640.4(c).

(c) Multiple consumers—(1) Risk-based pricing notices. In a transaction involving two or more consumers who are granted, extended, or otherwise provided credit, a motor vehicle dealer must provide a notice to each consumer to whom the requirements of §640.3(a) or (c), or (e), or (f), or the notice required under one of the exceptions in §640.5(d), (e), or (f). Whether the consumers have the same address or not, the motor vehicle dealer must provide a separate notice to each consumer. Each separate notice must contain only the credit score(s) of the consumer to whom the notice is provided, and the credit score(s) of the other consumer. If the consumers have the same address, the notice does not include a credit score(s), a motor vehicle dealer may satisfy the requirements by providing a single notice addressed to both consumers.

(2) Credit score disclosure notices. In a transaction involving two or more consumers who are granted, extended, or otherwise provided credit, a motor vehicle dealer must provide a separate notice to each consumer to satisfy the exceptions in §640.5(d), (e), or (f). Whether the consumers have the same address or not, the motor vehicle dealer must provide a separate notice to each consumer. Each separate notice must contain only the credit score(s) of the consumer to whom the notice is provided, and not the credit score(s) of the other consumer.

(3) Examples. (i) Two consumers jointly apply for credit with a creditor. The creditor obtains credit scores on both consumers. Based in part on the credit scores, the creditor grants credit to the consumers on material terms that are materially less favorable than the most favorable terms available to other consumers from the creditor. The creditor provides risk-based pricing notices to satisfy its obligations under this subpart. The creditor must provide a separate risk-based pricing notice to each consumer whether the consumers have the same address or not. Each risk-based pricing notice must contain only the credit score(s) of the consumer to whom the notice is provided.

(ii) Two consumers reside at the same address. The creditor obtains credit scores on each of the two consumer applicants. The creditor grants credit to the consumers. The creditor provides credit score disclosure notices to satisfy its obligations under this part. Even though the two consumers reside at the same address, the creditor must provide a separate credit score disclosure notice to each of the consumers. Each notice must contain only the credit score of the consumer to whom the notice is provided.

By direction of the Commission, Commissioner Slaughter and Commissioner Wilson not participating.

April J. Tabor,
Acting Secretary.

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POSTAL REGULATORY COMMISSION

39 CFR Part 3050

[Docket No. RM2020-13; Order No. 5694]

Periodic Reporting

AGENCY: Postal Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission is acknowledging a recent filing requesting the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports (Proposal Six). This document informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: Comments are due: November 24, 2020.

ADDRESSES: Submit comments electronically via the Commission’s Filing Online system at http://www.prc.gov. Those who cannot submit comments electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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Postal Service states that accrued labor costs in these three cost pools totaled $2.3 billion in FY 2019. Id. at 1.

The main factor determining labor requirements for sorting operations is the number of pieces inducted into the operation for processing, total pieces fed (TPF) in the Management Operating Data System (MODS). Id. at 2;

Variability Report at 7. In automated distribution operations, the actual number of handlings are directly counted by the sorting equipment and automatically transmitted from the equipment to the Web End-of-Run (WebEOR) system. Petition, Proposal Six at 2. MODS collects and aggregates piece handlings and runtime data through automated interfaces with WebEOR. Id. Labor usage or workhour data by operation are derived from time clock rings reported to MODS through the Time and Attendance Collection System. Id.; Variability Report at 15.

Currently, In-Office Cost System tallies are used to partition the mail processing cost pools into activities assumed to be 100-percent volume-variable, and other activities assumed to be non-volume-variable. Id. The basis for such determination was an assumption that mail processing costs should vary in proportion to the volume of mail or articles processed. See Variability Report at 4. For the operations that are the subject of this analysis, the associated mail processing costs were taken to be 99.1-percent volume-variable in FY 2019 under the accepted methodology. Id.

This methodology has been in use since Docket No. R71–1, and its origins predate the Postal Reorganization Act and the development of the automated mail processing technologies in this proposal. Petition, Proposal Six at 2. The Postal Service states that the Commission previously declined to adopt any empirical models for mail processing variability, citing data and econometric issues. Id. at 3. However, the Postal Service explains that several factors merit re-examination, including volume changes, the reliability of automated counts of mailpiece handlings, and the availability of machine utilization data. Id. at 4.

Proposal. The proposed methodology is based on econometric analysis of workhour and workload data collected by the Postal Service on an ongoing basis. Id. at 1. Specifically, the estimation of the proposed variabilities employs monthly MODS datasets compiled into a multi-year panel dataset. Id. at 5. The variabilities are derived from a regression equation of the natural logarithm, where workhours are used as a dependent variable and the TPF (current and lagged) as well as seasonal dummy variables are used as explanatory variables. Id. The regression sample periods cover the most recent 4 fiscal years and would be rolled forward to allow for re-estimating the variabilities annually. Id. The variabilities estimated for the three cost pools during a FY 2016–FY 2019 sample period are 0.976 for DBCS, 0.774 for AFSM 100, and 0.804 for FSS. Id. at 6.

Impact. The proposed methodology would permit re-estimation of the variabilities because the underlying data are produced in the course of Postal Service operations and are already included in the Annual Compliance Report. Id. at 1–2. The Postal Service concludes that the proposed methodology would reduce FY 2019 volume-variable labor costs for the three cost pools by 8.3 percent overall. Id. at 6. The Postal Service also states that, including piggybacks, the proposal reduces measured volume-variable and product-specific costs in the Cost and Revenue Analysis C Report by 0.79 percent. Id. The Postal Service provides a table showing the effects of the proposed variabilities on product unit costs. Id. at 6–8. In a separate table filed under seal, the Postal Service shows the impacts of the proposal on individual Competitive products.2

III. Notice and Comment


IV. Ordering Paragraphs

It is ordered:


2. Comments by interested persons in this proceeding are due no later than November 24, 2020.3


3 The Commission reminds interested persons that its revised and reorganized Rules of Practice and Procedure became effective April 20, 2020, and should be used in filings with the Commission after April 20, 2020. The new rules are available on the Commission’s website and can be found in Order No. 5407. See Docket No. RM2019–13, Order Reorganizing Commission Regulations and Amending Rules of Practice, January 16, 2020 (Order No. 5407).