

to repay the loan. 12 CFR 226.51. This requirement is based on a provision of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit CARD Act), Public Law 111–24, 123 Stat. 1734 (2009). Concern has been expressed by some card issuers and also some members of Congress that these rules may have the unintended consequence of precluding some individuals, especially non-working spouses, from obtaining credit they are capable of repaying. Should this section of Regulation Z be amended, and, if so, how?

#### *Electronic Disclosures*

The inherited regulations require that certain disclosures, including periodic statements and receipts under Regulations E and Z, be provided to consumers in writing in a form that they may keep. The Electronic Signatures in Global and National Commerce Act (E-Sign Act) (15 U.S.C. 7001 *et seq.*) permits disclosures that must be provided in writing to be provided electronically if the provider meets certain requirements, including obtaining the consumer's consent. Some parts of the inherited regulations permit certain disclosures to be provided electronically or in writing. Should the Bureau permit other disclosures now required to be in writing to be delivered in electronic form?

In addition, mobile banking has become more prevalent and widely used by consumers since the E-Sign Act was adopted. For mobile banking applications, should the Bureau consider allowing certain disclosures to be provided by text messaging, even though text messages are not readily retainable and, if so, under what circumstances and with what safeguards?

#### *Interstate Land Sales Full Disclosure Act*

The Interstate Land Sales Full Disclosure Act (ILSA) (15 U.S.C. 1701 *et seq.*) imposes reporting, disclosure, and anti-fraud protections on some interstate land sales. Commentators have questioned whether improvements in consumers' access to information about these sales warrant changes to reporting and disclosure requirements. They have also indicated that technological changes may warrant updates to the form and manner of reporting and disclosure. Changes in state property regulations in past decades may also warrant changes to ILSA regulations. For these or other reasons, what changes to implementing regulations, if any, should the Bureau make?

Dated: November 29, 2011.

#### **Raj Date,**

*Special Advisor to the Secretary of the Treasury on the Consumer Financial Protection Bureau.*

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## **DEPARTMENT OF THE TREASURY**

### **Internal Revenue Service**

#### **26 CFR Part 1**

**[REG–130777–11]**

**RIN 1545–BK45**

#### **Treasury Inflation-Protected Securities Issued at a Premium**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations that provide guidance on the tax treatment of Treasury Inflation-Protected Securities issued with more than a de minimis amount of premium. The text of those regulations also serves as the text of these proposed regulations. This document also provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by March 5, 2012. Outlines of topics to be discussed at the public hearing scheduled for March 28, 2012, must be received by March 7, 2012.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–130777–11), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–130777–11), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG–130777–11).

#### **FOR FURTHER INFORMATION CONTACT:**

Concerning the proposed regulations, William E. Blanchard, (202) 622–3950; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Oluwafunmilayo (Funmi) Taylor, (202) 622–7180 (not toll-free numbers).

#### **SUPPLEMENTARY INFORMATION:**

#### **Background and Explanation of Provisions**

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR part 1) relating to section 1275. The temporary regulations provide that the coupon bond method described in § 1.1275–7(d) applies to Treasury Inflation-Protected Securities (TIPS) issued with more than a de minimis amount of premium. The temporary regulations apply to TIPS issued on or after April 8, 2011. The text of the temporary regulations also serves as the text of these proposed regulations. In addition to comments on the text of the temporary regulations, the IRS and the Treasury Department request comments on whether the rules in the temporary regulations should be extended to other types of inflation-indexed debt instruments.

#### **Special Analyses**

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses.

#### **Comments and Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and the Treasury Department specifically request comments on the clarity of the proposed rule and how it may be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for March 28, 2012, beginning at 10 a.m. in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC. Due to building security procedures, visitors must enter through the Constitution Avenue entrance. In addition, all visitors must present photo identification to enter the

building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit written or electronic comments by March 5, 2012 and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by March 7, 2012. A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

#### Drafting Information

The principal author of these regulations is William E. Blanchard, Office of Associate Chief Counsel (Financial Institutions and Products). However, other personnel from the IRS and the Treasury Department participated in their development.

#### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

#### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

**Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

**Par. 2.** Section 1.1275-7 is revised to read as follows:

#### § 1.1275-7 Inflation-indexed debt instruments.

[The text of the proposed amendments to § 1.1275-7 is the same as the text for § 1.1275-7T(i) through (k) published elsewhere in this issue of the **Federal Register**].

**Steven T. Miller,**

*Deputy Commissioner for Services and Enforcement.*

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#### DEPARTMENT OF THE TREASURY

#### Alcohol and Tobacco Tax and Trade Bureau

#### 27 CFR Part 9

[Docket No. TTB-2011-0011; Notice No. 125]

RIN 1513-AB83

#### Proposed Establishment of the Inwood Valley Viticultural Area

**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes to establish the 28,298-acre "Inwood Valley" viticultural area in Shasta County, California. TTB designates viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase. TTB invites comments on this proposed addition to its regulations.

**DATES:** TTB must receive your comments on or before February 3, 2012.

**ADDRESSES:** Please send your comments on this notice to one of the following addresses:

- <http://www.regulations.gov> (via the online comment form for this notice as posted within Docket No. TTB-2011-0011 at "Regulations.gov," the Federal e-rulemaking portal);
- *U.S. Mail:* Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 14412, Washington, DC 20044-4412; or
- *Hand delivery/courier in lieu of mail:* Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Suite 200-E, Washington, DC 20005.

See the Public Participation section of this notice for specific instructions and requirements for submitting comments, and for information on how to request a public hearing.

You may view copies of this notice, selected supporting materials, and any comments TTB receives about this proposal at <http://www.regulations.gov> within Docket No. TTB-2011-0011. A link to that docket is posted on the TTB Web site at [http://www.ttb.gov/wine/wine\\_rulemaking.shtml](http://www.ttb.gov/wine/wine_rulemaking.shtml) under Notice No. 125. You also may view copies of this notice, all related petitions, maps or other supporting materials, and any comments TTB receives about this proposal by appointment at the TTB Information Resource Center, 1310 G Street NW., Washington, DC 20005.

Please call 202-453-2270 to make an appointment.

**FOR FURTHER INFORMATION CONTACT:** Elisabeth C. Kann, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Box 12, Washington, DC 20005; phone (202) 453-1039, ext. 002.

#### SUPPLEMENTARY INFORMATION:

#### Background on Viticultural Areas

##### *TTB Authority*

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), authorizes the Secretary of the Treasury to prescribe regulations for the labeling of wine, distilled spirits, and malt beverages. The FAA Act provides that these regulations should, among other things, prohibit consumer deception and the use of misleading statements on labels, and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the regulations promulgated under the FAA Act.

Part 4 of the TTB regulations (27 CFR part 4) allows the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) sets forth standards for the preparation and submission of petitions for the establishment or modification of American viticultural areas and lists the approved American viticultural areas.

##### *Definition*

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region having distinguishing features as described in part 9 of the regulations and a name and a delineated boundary as established in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to its geographic origin. The establishment of viticultural areas allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of a viticultural area is neither an approval nor an endorsement by TTB of the wine produced in that area.

##### *Requirements*

Section 4.25(e)(2) of the TTB regulations outlines the procedure for