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To: Clients and Friends

From: David F. Dulock

Subject: Regulation Z HOEPA and Qualified Mortgage Annual Threshold Adjustments

In the November 2, 2021, issue of the *Federal Register* (86 FR 60357, [click here](#)), the Consumer Financial Protection Bureau established the following 2022 thresholds for high-cost and qualified mortgages under §§1026.32 and 1026.43, respectively.

HOEPA (High-cost Mortgages) 2022 Threshold Adjustments

- Effective January 1, 2021, a consumer loan secured by the consumer’s principal dwelling and not otherwise exempt is a high-cost mortgage based on the total points and fees payable by the consumer under §1026.32(a)(1)(ii) if the points and fees exceed: (A) 5 percent of the total loan amount for a loan with a loan amount of **\$22,969** or more, or (B) the lesser of 8 percent of the total loan amount or **\$1,148** for a loan with a loan amount of less than **\$22,969**. Comment 32(a)(1)(ii)–1.viii is added to reflect the new **\$1,148** threshold amount for 2022. Comment 32(a)(1)(ii)–3.viii is added to reflect the new **\$22, 969** threshold loan amount for 2022.

Qualified Mortgages 2022 Threshold Adjustments

- Effective January 1, 2021, for purposes of determining whether a covered transaction is a qualified mortgage under §1026.43(e), a covered transaction is not a qualified mortgage unless the transaction’s total points and fees in §1026.43(e)(3)(i) do not exceed: (A) 3 percent of the total loan amount for a loan amount greater than or equal to **\$114,847**; (B) **\$3,445**; for a loan amount greater than or equal **\$68,908** but less than **\$114,847**; (C) 5 percent of the total loan amount for a loan amount greater than or equal to **\$22,969** but less than **\$68,908**; (D) **\$1,148** for a loan amount greater than or equal to **\$14,356** but less than **\$22,969**; and (E) 8 percent of the total loan amount for a loan amount less than **\$14,356**. Comment 43(e)(3)(ii)–1.viii is added to reflect the new threshold amounts for 2022.

The above threshold adjustments are effective January 1, 2022 and will require updates to your software calculations for high-cost and qualified mortgages closing on and after the effective date.

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