



Attorneys At Law

8584 Katy Freeway, Suite 420

Houston, TX 77024

Phone: 713-871-0005

Fax: 713-871-1358

Partners

Gregory S. Graham <sup>1</sup>

Shawn P. Black <sup>2</sup>

Ryan Black <sup>3</sup>

Senior Lawyers

David F. Dulock

Diane M. Gleason

Daniel S. Engle <sup>4</sup>

Margaret A. Noles

Associates

Nick Stevens <sup>5</sup>

Sydney Davis

Mehreen Nadeem

Ambria Wilmore

Of Counsel

David M. Tritter

Calvin C. Mann, Jr.

Thomas E. Black, Jr. <sup>6</sup>

Retired Partner(s)

Calvin C. Mann, Jr.

Thomas E. Black, Jr. <sup>6</sup>

<sup>1</sup> Also Licensed in Georgia

<sup>2</sup> Also Licensed in Kentucky and New York

<sup>3</sup> Also Licensed in District of Columbia

<sup>4</sup> Also Licensed in New York

<sup>5</sup> Also Licensed in Oklahoma

<sup>6</sup> Also Licensed in New York and Washington

December 13, 2021

**To:** Clients and Friends

**From:** David F. Dulock

**Subject:** Updated Exemption Thresholds for Consumer Credit Transactions and Higher-Priced Mortgage Loan Appraisals

In the November 30, 2021 issue of the *Federal Register* (86 FR 67851, [click here](#)), the Board of Governors of the Federal Reserve System (“Board”) and the Bureau of Consumer Financial Protection (“CFPB”) published final rules increasing the threshold for consumer credit transactions exempt from the Truth In Lending Act. Also in the November 30, 2021 issue of the *Federal Register* (86 FR 67843, [click here](#)), the Board, the CFPB and the Office of the Comptroller of the Treasury (“OCC”) published final rules increasing the threshold exemption from required appraisals for higher-priced mortgage loans. In both instances, the final rules will take effect on January 1, 2022.

For consumer credit transactions, the final rules increase the exemption threshold to \$61,000, effective from January 1, 2022 through December 31, 2022. The Board’s 2022 exemption threshold may be found in comment 3(b)-3.xiii. to §226.3(b) of Regulation Z. The CFPB’s 2022 exemption threshold may be found in comment 3(b)-3.xiii. to §1026.3(b) of Regulation Z. **Mortgage industry stakeholders are reminded that this exemption does not apply to loans secured by real property or by personal property used or expected to be used as a principal dwelling. These loans, as well as private educational loans, will continue to be covered under TILA regardless of the loan amount.**

For the appraisal exemption threshold for higher-priced mortgage loans, the final rules increase the exemption threshold to \$28,500, effective from January 1, 2022 through December 31, 2022. The Board’s 2022 exemption threshold may be found in comment 43(b)(2)-3.ix. to §226.43(b) of Regulation Z. The CFPB’s 2022 exemption threshold may be found in comment 35(c)(2)(ii)-3.ix. to §1026.35(c)(2)(ii) of Regulation Z. The OCC’s 2022 exemption threshold may be found in comment 34.203(b)(2)-3.ix. to §34.203(b)(2) of 12 CFR Part 34-Real Estate Lending and Appraisals. Under this final rule, higher-priced mortgage loans of \$28,500 or less will be exempt from the appraisal requirements of these Federal regulations, as applicable.

**This Memorandum is provided as general information in regard to the subject matter covered, but no representations or warranty of the accuracy or reliability of the content of this information are made or implied. Opinions expressed in this memorandum are those of the author alone. In publishing this information, neither the author nor the law firm of Black, Mann & Graham L.L.P. is engaged in rendering legal services. While this information concerns legal and regulatory matters, it is not legal advice and its use creates no attorney-client relationship or any other basis for reliance on the information. Readers should not place reliance on this information alone but should seek independent legal advice regarding the law applicable to matters of interest or concern to them. The law firm of Black, Mann & Graham L.L.P. expressly disclaims any obligation to keep the content of this information current or free of errors.**