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To: Clients and Friends

From: Daniel S. Engle

Subject: 2024 Higher-Priced Mortgage Loan Appraisal Exemption Threshold Increase

On November 13, 2023, the Office of the Comptroller of the Currency, Treasury (OCC); the Board of Governors of the Federal Reserve System (FRB); and the Consumer Financial Protection Bureau (CFPB) announced ([click here](#)) that they are finalizing amendments to the official interpretations for their regulations that implement section 129H of the Truth in Lending Act to increase the amount of the higher-priced mortgage loan appraisal exemption threshold for 2024. As a reminder, while generally higher-priced mortgage loans are required to have an appraisal, there are exemptions to this rule, including an exemption for mortgage loans that are equal to or less than this threshold amount (see, for example, Section 1026.35(c)(2)(ii) of Regulation Z (CFPB regulation stating exemption)). This threshold amount was originally set at \$25,000 but is adjusted annually based on any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

The following changes will be made to the official interpretations of these regulations that implement the Truth in Lending Act due to an annual percentage increase in the CPI-W:

- Comment 203(b)(2)–3.xi to 12 CFR part 34, appendix C to subpart G (OCC);
- Comment 43(b)(2)–3.xi to Supplement I of 12 CFR part 226 (FRB); and
- Comment 35(c)(2)(ii)–3.xi to Supplement I of 12 CFR part 1026 (CFPB)

The updated higher-priced mortgage loan appraisal threshold amount for 2024 will be increased from \$31,000 to \$32,400, effective January 1, 2024.

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