



2905 Corporate Circle

Flower Mound, TX 75028

Phone: 972-353-4174

Fax: 972-221-9316

**Partners**

**Shawn P. Black** <sup>1</sup>

**Ryan Black** <sup>2</sup>

**Daniel S. Engle** <sup>3</sup>

**Steven Kubik**

**Senior Lawyers**

**Margaret A. Noles**

**Syndy Davis**

**Associates**

**Joshua Verkerk**

**Andrew Stokes**

**Of Counsel**

**David M. Tritter**

**Calvin C. Mann, Jr.**

**Gregory S. Graham** <sup>4</sup>

**Retired Partner(s)**

**Calvin C. Mann, Jr.**

**Thomas E. Black, Jr.\***

**Gregory S. Graham** <sup>4</sup>

<sup>1</sup> Also Licensed in Kentucky and New York

<sup>2</sup> Also Licensed in District of Columbia

<sup>3</sup> Also Licensed in New York

<sup>4</sup> Also Licensed in Georgia

\*Retired from the practice of law

October 7, 2024

**To:** Clients and Friends

**From:** Daniel S. Engle

**Subject:** 2025 Higher-Priced Mortgage Loan Appraisal Exemption Threshold Increase

On October 4, 2024, 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 2025. 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.xii to 12 CFR part 34, appendix C to subpart G (OCC);
- Comment 43(b)(2)–3.xii to Supplement I of 12 CFR part 226 (FRB); and
- Comment 35(c)(2)(ii)–3.xii to Supplement I of 12 CFR part 1026 (CFPB)

The updated higher-priced mortgage loan appraisal threshold amount for 2025 will be increased from \$32,400 to \$33,500, effective January 1, 2025.

**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.**