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To: Clients and Friends

From: David F. Dulock

Subject: Asset-size Thresholds Revised for HMDA and TILA

In the December 23, 2015 issue of the *Federal Register*, the following annually revised asset-size thresholds were published to be effective January 1, 2016:

Home Mortgage Disclosure Act (80 FR 79673, [click here](#))

The CFPB has revised comment -2 under the definition “*Financial institution*” in §1003.2 of the Staff Commentary to Regulation C (12 CFR part 1003) to keep the asset-size exemption threshold for banks, savings associations, and credit unions for HMDA data collection in 2016 the same as it was for 2015. Therefore, effective January 1, 2016, banks, savings associations, and credit unions with assets at or below \$44 million as of December 31, 2015, are exempt from collecting HMDA data for 2016. (*Note: An institution’s exemption from collecting HMDA data in 2016 does not affect its responsibility to report data it was required to collect in 2015.*)

Truth in Lending Act (80 FR 79674, [click here](#))

The CFPB has revised comment 35(b)(2)(iii)-1.iii.E of the Official Interpretations to §1026.35 of Regulation Z (12 CFR part 1026) to decrease the asset-size threshold for certain creditors to qualify for an exemption to the requirement to establish an escrow account for a higher-priced mortgage loan to \$2.052 billion from \$2.060 billion. Therefore, effective January 1, 2016, creditors with assets of less than \$2.052 billion (including assets of affiliates that regularly extended first lien covered transactions during 2015) as of December 31, 2015, are exempt, if other requirements of Regulation Z also are met, from establishing escrow accounts for higher-priced mortgage loans consummated in 2016. This asset limit will also apply for higher-priced mortgage loans consummated by these creditors in 2017 for which the applications were received before April 1 of 2017.

The adjustment to the escrow exemption asset-size threshold will also decrease a similar threshold for small-creditor portfolio and balloon-payment qualified mortgages. Balloon-payment qualified mortgages that satisfy all applicable criteria, including being made by creditors that have (together with certain affiliates) total assets below the asset-size threshold, are also exempt from the prohibition on balloon payments for high-cost mortgages.

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