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8584 Katy Freeway, Suite 420

Houston, TX 77024

Phone: 713-871-0005

Fax: 713-871-1358

Partners

Thomas E. Black, Jr.¹

Gregory S. Graham²

Shawn P. Black³

Regina M. Uhl⁴ ‡

Senior Lawyers

David F. Dulock

Diane M. Gleason

Associates

Peter B. Idziak³

Daniel S. Engle³

Nick Stevens

Sydney Davis

Of Counsel

David M. Tritter

Calvin C. Mann, Jr.

Retired Partner(s)

Calvin C. Mann, Jr.

¹ Also Licensed in Iowa, New York, and Washington

² Also Licensed in Georgia

³ Also Licensed in New York

⁴ Also Licensed in Kentucky and Illinois

‡ Board Certified- Residential Real Estate Law- Texas Board of Legal Specialization

To: Clients and Friends

From: David F. Dulock

Subject: Asset-size Thresholds Revised for HMDA and TILA in 2018

In the December 27, 2017 issue of the *Federal Register*, the following annually revised asset-size thresholds were published to be effective January 1, 2018:

Home Mortgage Disclosure Act/Regulation C (82 FR 61145, [click here](#))

The CFPB has added comment -2 under the definition “*Financial institution*” in §1003.2(g) of the Staff Commentary to Regulation C (12 CFR part 1003) to increase the asset-size exemption threshold for banks, savings associations, and credit unions for HMDA data collected in 2018 to \$45 million. Therefore, effective January 1, 2018, banks, savings associations, and credit unions with assets at or below \$45 million as of December 31, 2017, are exempt from collecting HMDA data for 2018. (*Note: An institution’s exemption from collecting HMDA data in 2018 does not affect its responsibility to report data it was required to collect in 2017.*)

Truth in Lending Act/Regulation Z (82 FR 61147 [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 increase 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 \$2.112 billion from \$2.069 billion. Therefore, effective January 1, 2018, creditors with assets of less than \$2.112 billion (including assets of its affiliates that regularly extended first-lien covered transactions during 2017) as of December 31, 2017, are exempt, if other requirements of Regulation Z also are met, from establishing escrow accounts for higher-priced mortgage loans consummated in 2018. This asset limit will also apply for higher-priced mortgage loans consummated by these creditors in 2019 for which the applications were received before April 1 of 2019.

The adjustment to the escrows asset-size exemption threshold will also increase 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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