

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

December 31, 2014

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Adjustment to the Appraisals for Higher-Priced Mortgage Loans Exemption Threshold

On December 23, 2014, the Federal Reserve Board announced the annual adjustment of the dollar amount used to determine whether a small loan is exempt from the special appraisal requirements that apply to higher-priced mortgage loans.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 amended the Truth in Lending Act to require creditors to obtain a written appraisal based on a physical visit of the home's interior before making a higher-priced mortgage loan. The rules implementing this requirement contain an exemption for loans of \$25,000 or less and also provide that the exemption threshold will be adjusted annually based on the annual percentage change reflected in the Consumer Price Index.

The exemption threshold is being adjusted to \$25,500 effective January 1, 2015, based on the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as of June 1, 2014.

The *Federal Register* notice is attached.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(801) 322-7853

Federal Register Notice

[Appraisals for Higher-Priced Mortgage Loans Exemption Threshold Adjustment – Final Rule](#)