

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

January 13, 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

**Annual Asset-Size Exemption Threshold Adjustments in Regulations C and Z**

**Applicability to Community Banking Organizations:** This guidance applies to all state member banks, including those with \$10 billion or less in consolidated assets.

On December 30, 2013, the Consumer Financial Protection Bureau (CFPB) adjusted the asset-size exemption thresholds in Regulation C, which implements the Home Mortgage Disclosure Act (HMDA), and in Regulation Z, which implements the Truth in Lending Act.

Increase in HMDA Asset-Size Exemption Threshold

Based on the adjustment, the asset-size exemption for banks, savings associations, and credit unions will increase to \$43 million. As a result, institutions with assets of \$43 million or less as of December 31, 2013, are exempt from collecting HMDA data in 2014. As noted in the CFPB's [press release](#), an institution's exemption from collecting data in 2014 does not affect its responsibility to report the data it was required to collect in 2013.

Increase in Higher-Priced Mortgage Loan (HPML) Asset-Size Threshold

The HPML asset-size exemption threshold, which was established as part of the 2013 Escrow Final Rule, is increased from \$2 billion in 2013 to \$2.028 billion in 2014.

- As a result, creditors with assets of \$2.028 billion or less as of December 31, 2013, that also meet other requirements of Regulation Z will be exempt from the requirement to establish escrow accounts for higher-priced mortgage loans in 2014.
- The adjustment to this threshold will also increase the threshold for small-creditor and balloon payment Qualified Mortgages under Regulation Z.

The revised HPML asset-size exemption threshold was effective January 1, 2014, and will apply to whether a creditor is eligible for the exemption in 2014. For additional information regarding this adjustment, please refer to the CFPB's [press release](#).

**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