



Happy New Year! It's that time again for annual threshold adjustments.

- The asset-size exemption threshold for institutions under Regulation C increased from \$50 million to \$54 million, effective January 1, 2023. Banks with assets of \$54 million or less as of December 31, 2022, are exempt from collecting data in 2023.

You can access the Regulation C notice [here](#).

- The asset-size thresholds exempting certain institutions from the requirement to establish an escrow account for a higher-priced mortgage loan (HPML). These changes reflect updates to the exemption from the escrow requirement in Regulation Z for creditors that, together with their affiliates that regularly extended covered transactions secured by first liens, had total assets of less than \$2 billion (adjusted annually for inflation).
- The exemption threshold for creditors and their affiliates that regularly extended covered transactions secured by first liens is adjusted to \$2.537 billion from \$2.336 billion, and the exemption threshold for certain insured depository institutions and insured credit unions with assets of \$10 billion or less is adjusted to \$11.374 billion from \$10.473 billion

You can access the Regulation Z notice [here](#).

- The annual adjustments for inflation to the Bureau's civil penalty amounts, as required by the Federal Civil Penalties Inflation Adjustment Act, as amended.
  - For the 2023 annual adjustment, the multiplier reflecting the "cost-of-living adjustment" is 1.07745.
  - Consumer Financial Protection Act
    - Tier 1 -\$6,813
    - Tier 2- \$34,065
    - Tier 3- \$1,362,567
  - Interstate Land Sales Full Disclosure Act \$2,374 per violation and \$2,372,677 annual cap
  - RESPA-\$111 per failure (\$223 per intentional failure), \$223,229 annual cap
  - SAFE Act-\$34,401 per violation
  - TILA-\$13,627 for the first violation and \$27,252 for subsequent violations

You can access the civil penalty notice [here](#).

- 2023 Dollar amounts for the annual threshold adjustments for Regulation Z, which implements the Truth in Lending Act.
  - For open-end consumer credit plans under TILA, the threshold that triggers requirements to disclose minimum interest charges will remain unchanged at \$1 in 2023.
  - For HOEPA loans, the adjusted total loan amount threshold for high-cost mortgages in 2023 will be \$24,866. The adjusted points-and-fees dollar trigger for high-cost mortgages in 2023 will be \$1,243.
  - For qualified mortgages under the general QM loan definition, the thresholds for the spread between the annual percentage rate and the average prime offer rate in 2023 will be:
    - 2.25 or more percentage points for a first-lien covered transaction with a loan amount greater than or equal to \$124,331;
    - 3.5 or more percentage points for a first-lien covered transaction with a loan amount greater than or equal to \$74,599 but less than \$124,331;
    - 6.5 or more percentage points for a first-lien covered transaction with a loan amount less than \$74,599;
    - 6.5 or more percentage points for a first-lien covered transaction secured by a manufactured home with a loan amount less than \$124,331;
    - 3.5 or more percentage points for a subordinate-lien covered transaction with a loan amount greater than or equal to \$74,599;
    - or
    - 6.5 or more percentage points for a subordinate-lien-covered transaction with a loan amount less than \$74,599.
  - For all categories of QMs, the thresholds for total points and fees in 2023 will be:
    - 3% of the total loan amount for a loan greater than or equal to \$124,331;
    - \$3,730 for a loan amount greater than or equal to \$74,599 but less than \$124,331;
    - 5% of the total loan amount for a loan greater than or equal to \$24,866 but less than \$74,599;
    - \$1,243 for a loan amount greater than or equal to \$15,541 but less than \$24,866;
    - and 8% of the total loan amount for a loan amount less than \$15,541.

You can access the TILA Threshold Adjustments Final Rule [here](#).

The adjustments listed above were effective on January 1, 2023, consistent with relevant statutory or regulatory provisions. The civil penalty adjustments are effective on January 15, 2023.

CCI suggests sharing this information with your lending team to ensure loan software, checklists, procedures, etc. are updated accordingly. If you have any threshold adjustment questions, feel free to reach out to the CCI team.