CFPB adjusts HMDA data collection, TILA mortgage escrow thresholds

Wednesday, December 27, 2017

In notices published in today's Federal Register, the CFPB adjusted the thresholds of the asset-size exemptions for collecting HMDA data and establishing an escrow account for certain mortgage loans under TILA.

Pursuant to Regulation C, which implements HMDA, depository institutions with assets below an annually adjusted threshold are exempt from HMDA data collection requirements. In its notice, the CFPB increased the 2017 threshold of $44 million to $45 million for 2018. Thus, depository institutions with assets of $45 million or less as of December 31, 2017 will be exempt from collecting HMDA data in 2018. (An institution's exemption from collecting data in 2018 does not affect its duty to report data it was required to collect in 2017.)

Regulation Z, which implements TILA, requires creditors to establish an escrow account to pay property taxes and insurance premiums for certain first-lien higher-priced mortgages. The rule contains an exemption for creditors that operate predominantly in rural or underserved areas that meet certain other criteria, including an annually adjusted asset-size threshold. In its notice, the CFPB increased the 2017 threshold from $2.069 billion to $2.112 billion for 2018. Thus, loans made by creditors with assets of less than $2.112 billion on December 31, 2017 that operate predominantly in rural or underserved areas and meet the other exemption criteria will be exempt in 2018 from the TILA escrow account requirement for higher-priced mortgage loans. The adjustment will increase the similar Regulation Z threshold for small-creditor portfolio and balloon-payment qualified mortgages.