

# RESCINDED

Transmittal – See OCC 2020-11

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## Appraisals for Higher-Priced Mortgage Loans: Small-Loan Exemption Threshold Revision

### Summary

On December 30, 2014, the Office of the Comptroller of the Currency (OCC) published in the *Federal Register* a revision to its higher-priced mortgage loan (HPML) appraisal rule. The revision adjusts the HPML exemption threshold for smaller loan transactions based on the annual percentage change in a measure of the consumer price index. The rule became effective January 1, 2015.

### Note for Community Banks

Community banks that engage in HPML transactions of \$25,500 or less should review these revisions to determine whether the transactions are exempt from certain appraisal requirements contained in the HPML rule.

### To

Chief Executive Officers of  
National Banks and Federal  
Savings Associations, All  
Department and Division Heads,  
All Examining Personnel, and  
Other Interested Parties

### Highlights

Beginning January 1, 2015, HPML transactions of \$25,500 or less are exempt from the special appraisal requirements contained in the OCC's HPML regulations.

### Background

Section 1471 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 amended the Truth in Lending Act to add special appraisal requirements for higher-risk mortgages. In 2013, the OCC issued final regulations implementing section 1471. As originally promulgated, the OCC's regulations exempted, among other loan types, loan transactions of \$25,000 or less and required that this loan amount be adjusted annually for inflation (12 CFR 34.203(b)(2)).

The OCC official staff interpretations, published with the regulations, provide that the OCC will adjust this exemption amount annually based on the year-to-year change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW) that was in effect on June 1 of the preceding year (12 CFR 34, appendix C to subpart G, comment 203(b)(2)-1).

Effective January 1, 2015, the adjusted exemption threshold amount is \$25,500. This adjustment is based on the CPIW index in effect on June 1, 2014, which was reported on May 15, 2014. The Bureau of Labor Statistics publishes consumer-based indices monthly but does not report a CPI change on June 1; adjustments are reported in the middle of the month. The adjustment reflects a 2 percent increase in the CPIW from April 2013 to April 2014.

## Further Information

Please contact Beth Knickerbocker, Counsel, Legislative and Regulatory Activities Division, at (202) 649-5490.

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## Related Link

- [“Appraisals for Higher-Priced Mortgage Loans Exemption Threshold Adjustment—Final Rule” \(PDF\)](#)

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