**Summary of Content Changes
2024.4 Update – December 2024**

**General Notes**

As usual, this quarterly update contains policy revisions related to threshold changes that occur every year, as further outlined in more detail below:

1. [Regulation Z – Appraisals for HPMLs Exemption Threshold](https://www.federalregister.gov/documents/2024/10/15/2024-23277/appraisals-for-higher-priced-mortgage-loans-exemption-threshold) is reviewed each year and is typically adjusted based on inflation. HPMLs under this threshold are not required to have an appraisal conducted under the rules. The loan amount for 2025 increased to $33,500.
2. [Regulation Z – High-Cost Mortgage Loan Fee Threshold](https://www.federalregister.gov/documents/2024/12/02/2024-27553/truth-in-lending-regulation-z-annual-threshold-adjustments-credit-cards-hoepa-and-qualified). Credit unions originating a high-cost mortgage have loans with points and fees that exceed thresholds established by the CFPB. These are adjusted annually. Effective on January 1, 2025, a transaction is high-cost if its points and fees exceed:
	1. 5% of the total loan amount for a loan greater than or equal to $26,968.
	2. 8% of the total loan amount or $1,348 (whichever is less) for a loan amount less than $26,968.
3. [Regulation Z – Qualified Mortgage Thresholds.](https://www.govinfo.gov/content/pkg/FR-2024-12-02/pdf/2024-27553.pdf?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov)  Under the ability to repay rules, credit unions are provided with a safe harbor if they originate a qualified mortgage. Among other criteria, the loan is considered a qualified mortgage if the loan’s points and fees are below certain thresholds. Those thresholds are adjusted annually. Effective on January 1, 2025:

|  |  |
| --- | --- |
| **Loan Amount** | **Points and Fees Limit** |
| **$134,841 or more** | **3%** |
| **$80,905 - $134,840** | **$4,045** |
| **$26,968 - $80,904** | **5%** |
| **$16,855 - $26,967** | **$1,348** |
| **Less than $16,855** | **8%** |

In addition, for the “general qualified mortgage” category, the loan’s APR cannot exceed the threshold over the APOR for a comparable transaction as of the date by which the interest rate is set:

* 1. 2.25% or more for a first-lien loan with an amount greater than or equal to $134,841;
	2. 3.5% or more for a first-lien loan with an amount equal to $80,905 but less than $134,841;
	3. 6.5% or more for a first-lien loan with an amount less than $80,905;
	4. 6.5% or more for a first-lien loan secured by a manufactured home with a loan amount less than $134,841;
	5. 3.5% or more for a subordinate-lien loan with an amount greater than or equal to $80,905; or
	6. 6.5% or more for a subordinate-lien loan with an amount less than $80,905.
1. [IRS – Health Savings Accounts (HSA) Contribution Limits.](https://www.irs.gov/pub/irs-drop/rp-24-25.pdf)  These limits are adjusted by the IRS annually. Credit unions should ensure contributions to HSAs do not exceed these limits. For January 1, 2025, contributions must be no more than $4,300 for an individual high-deductible plan and $8,550 for a family plan. This is an increase from 2024.
2. [Regulation M – Consumer Leasing.](https://www.federalregister.gov/documents/2024/10/15/2024-23275/truth-in-lending-regulation-z)  The threshold for determining if a contract is considered a consumer lease is adjusted annually. While there are no policies within CU PolicyPro to reflect this threshold, we are providing the reference for information only. The amount will increase from the prior year for 2025 to $71,900.
3. [Regulation Z – Asset Size Exemption](https://www.govinfo.gov/content/pkg/FR-2024-12-23/pdf/2024-30653.pdf?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov) There is a threshold change for credit unions that qualify for an exemption to the requirement for establishing an escrow account for higher-priced mortgage loans (HPMLs). This asset size threshold is $2.717 billion for 2025. Credit unions under this asset size and that meet other criteria, may be exempt from this requirement.
4. [Regulation C – Home Mortgage Disclosure Act Asset Size Exemption Threshold](https://files.consumerfinance.gov/f/documents/cfpb_HMDA-Threshold-Adjustment-Final-Rule-to-Doc-Owner_2024-12.pdf) is $58 million for 2025. Credit unions are exempt from the HMDA reporting requirements if they have assets below this threshold.
5. [Regulation D – Reserve Requirements of Depository Institutions](https://www.federalregister.gov/documents/2024/11/20/2024-26981/reserve-requirements-of-depository-institutions) have been updated for 2025, even though the reserve ratios are still set at zero. These changes take effect on December 20, 2024.

In addition to the annual updates, [Regulation CC](https://files.consumerfinance.gov/f/documents/cfpb_regulation-cc-threshold-adjustments_final-rule_2024-05.pdf) was updated back in 2019 impacting the monetary limits within the regulation, which are now tied to the consumer price index. These monetary limits, including the limits for check holds, will adjust every 5 years. These new thresholds are effective on July 1, 2025. The model policy has been updated in this update to allow credit unions enough time to adopt the changes prior to the effective date.

|  |  |  |
| --- | --- | --- |
| **Applicable Limits** | **Existing Amount** | **New Amount on 7-01-2025** |
| Next Day Availability | $225 | $275 |
| Cash Withdrawal | $450 | $550 |
| New Account | $5,525 | $6,725 |
| Large Deposit | $5,525 | $6,725 |
| Repeatedly Overdrawn | $5,525 | $6,725 |
| Civil Liability Minimum and Maximum for Individual Action | $100, $1,100 | $125, $1,350 |
| Civil Liability for Maximum for Class Action | $552,500 | $672,950 |

**2210.14 – Health Savings Accounts**

**2024-4**

Each year the [IRS changes](https://www.irs.gov/pub/irs-drop/rp-24-25.pdf) the contribution limits that can be made to health savings accounts for both individual and family plans. Those changes for 2025 are reflected in the revisions. **(Required)**

**Policy 2400 – Funds Availability**

**2024-4**

This policy was reviewed and updated to comply with the monetary thresholds changes within [Regulation CC](https://files.consumerfinance.gov/f/documents/cfpb_regulation-cc-threshold-adjustments_final-rule_2024-05.pdf) that become effective on July 1, 2025. Credit unions have the option of adopting the changes ahead of the effective date or waiting until the effective date. **(Required on July 1, 2025)**

**2615.11 – Real-Time Payment Options – Risk and Controls \*\*New Resource\*\***

**2024-4**

As credit unions continue to evolve their real-time payment options, examination scrutiny increases. This resource was developed as a starting point to assist credit unions in identifying risks and creating controls around the associated RTPs offered. This resource was created as a result of examination pressure and the [OCC’s Comptroller’s Handbook for Payment Systems](https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/payment-sys-funds-transfer-activities/pub-ch-payment-systems.pdf) was used as guidance. Credit unions offering real-time payments are encouraged to further customize and build out this tool for their organization. **(Recommended)**

**Policy 4120 – Information Security**

**2024-4**

These recommended changes are derived from our annual review and updates to the National Institute of Standards and Technology (NIST). Special Publication 800-53 (Revision 5) Security Controls and Assessment Procedures for Federal Information Systems and NIST Cybersecurity Framework (CSF 2.0). **(Recommended)**

**Policy 4125 – Incident Response**

**2024-4**

These recommended changes are derived from our annual review and updates to the National Institute of Standards and Technology (NIST). Special Publication 800-53 (Revision 5) Security Controls and Assessment Procedures for Federal Information Systems and NIST Cybersecurity Framework (CSF 2.0). **(Recommended)**

**Policy 7302 – Residential Real Appraisals**

**2024-4**

This policy was revised to reflect the higher priced mortgage loan appraisal exemption threshold. The [threshold changes each year based on the consumer price index](https://www.federalregister.gov/documents/2024/10/15/2024-23277/appraisals-for-higher-priced-mortgage-loans-exemption-threshold) and increased to $33,500 for 2025. In addition, this policy was updated to reference reconsiderations of value procedures. **(Required)**

**Policy 7330 – Residential Real Estate Loans**

**2024-4**

This policy was revised to adjust the [asset-based threshold](https://www.govinfo.gov/content/pkg/FR-2024-12-23/pdf/2024-30653.pdf?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov) for determining if a credit union is a small creditor under the rules. This threshold has increased over 2024. **(Required)**

**Policy 7350 – Ability to Repay**

**2024-4**

Policy 7350 was revised to comply with the annual changes made to the [points and fee thresholds](https://www.govinfo.gov/content/pkg/FR-2024-12-02/pdf/2024-27553.pdf?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov) to determine if a mortgage is considered a qualified mortgage under the rules, based on the Consumer Price Index. These changes become effective on January 1, 2025. Changes were also made to reflect the price-based thresholds for the general qualified mortgage definition, also effective on January 1, 2025. **(Required)**

**Policy 7351 – Small Creditor Ability to Repay**

**2024-4**

Policy 7351 was revised to comply with the annual changes made to the [points and fee thresholds](https://www.govinfo.gov/content/pkg/FR-2024-12-02/pdf/2024-27553.pdf?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov) to determine if a mortgage is considered a qualified mortgage under the rules, based on the Consumer Price Index. These changes become effective on January 1, 2025.

**(Required)**

**Policy 7370 – HOEPA Rule Requirement**

**2024-4**

The [thresholds for determining if a loan is covered under HOEPA](https://www.govinfo.gov/content/pkg/FR-2024-12-02/pdf/2024-27553.pdf?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov) were also adjusted for January 1, 2025 and these amounts were updated in the policy accordingly. **(Required)**

**Policy 9200 – Home Mortgage Disclosure Act**

**2024-4**

This policy was updated to reflect the [annual threshold change](https://files.consumerfinance.gov/f/documents/cfpb_HMDA-Threshold-Adjustment-Final-Rule-to-Doc-Owner_2024-12.pdf) to determine asset size coverage for the rule, which has increased to $58 million. Credit unions below this asset size, will not be required to report HMDA data. **(Required)**

**Policy 9220 – Home Ownership and Equity Protection Act**

**2024-4**

Similar to the changes made to Policy 7370, this policy was also revised to adjust the [thresholds for determining if a loan is covered under HOEPA](https://www.govinfo.gov/content/pkg/FR-2024-12-02/pdf/2024-27553.pdf?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov), effective January 1, 2025. **(Required)**

**Policy 9420 – Regulation D – Monetary Control Act**

**2024-4**

Even though the reserve requirements are still set at zero, the [reserve requirements thresholds](https://www.federalregister.gov/documents/2024/11/20/2024-26981/reserve-requirements-of-depository-institutions) amounts are updated each year. These changes are now reflected within the policy. **(Required)**