

**Federal Reserve System****12 CFR Chapter II**

For the reasons set forth in the preamble, the Board of Governors of the Federal Reserve System amends part 228 of chapter II of title 12 of the Code of Federal Regulations as follows:

**PART 228—COMMUNITY REINVESTMENT (REGULATION BB)**

■ 5. The authority citation for part 228 continues to read as follows:

**Authority:** 12 U.S.C. 321, 325, 1828(c), 1842, 1843, 1844, and 2901 *et seq.*

■ 6. In § 228.12, revise paragraph (u)(1) to read as follows:

**§ 228.12 Definitions.**

\* \* \* \* \*

(u) *Small bank*—(1) *Definition.* *Small bank* means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.202 billion. *Intermediate small bank* means a small bank with assets of at least \$300 million as of December 31 of both of the prior two calendar years and less than \$1.202 billion as of December 31 of either of the prior two calendar years.

\* \* \* \* \*

**Federal Deposit Insurance Corporation  
12 CFR Chapter III***Authority and Issuance*

For the reasons set forth in the preamble, the Board of Directors of the Federal Deposit Insurance Corporation amends part 345 of chapter III of title 12 of the Code of Federal Regulations to read as follows:

**PART 345—COMMUNITY REINVESTMENT**

■ 7. The authority citation for part 345 continues to read as follows:

**Authority:** 12 U.S.C. 1814–1817, 1819–1820, 1828, 1831u and 2901–2908, 3103–3104, and 3108(a).

■ 8. In § 345.12, revise paragraph (u)(1) to read as follows:

**§ 345.12 Definitions.**

\* \* \* \* \*

(u) *Small bank*—(1) *Definition.* *Small bank* means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.202 billion. *Intermediate small bank* means a small bank with assets of at least \$300 million as of December 31 of both of the prior two calendar years and less than \$1.202 billion as of December 31 of either of the prior two calendar years.

\* \* \* \* \*

Dated: December 18, 2013.

**Amy S. Friend,**  
*Senior Deputy Comptroller and Chief Counsel.*

By order of the Board of Governors of the Federal Reserve System, under delegated authority, December 19, 2013.

**Robert deV. Frierson,**

*Secretary of the Board.*

By order of the Board of Directors.

Dated at Washington, DC, this 19th day of December, 2013.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 2013–30960 Filed 12–27–13; 8:45 am]

**BILLING CODE 4810–33–P; 6210–01–P; 6714–01–P**

**BUREAU OF CONSUMER FINANCIAL PROTECTION****12 CFR Part 1003****Home Mortgage Disclosure (Regulation C): Adjustment to Asset-Size Exemption Threshold**

**AGENCY:** Bureau of Consumer Financial Protection.

**ACTION:** Final rule; official commentary.

**SUMMARY:** The Bureau of Consumer Financial Protection (Bureau) is publishing a final rule amending the official commentary that interprets the requirements of the Bureau's Regulation C (Home Mortgage Disclosure) to reflect a change in the asset-size exemption threshold for banks, savings associations, and credit unions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The exemption threshold is adjusted to increase to \$43 million from \$42 million. The adjustment is based on the 1.4 percent increase in the average of the CPI-W for the 12-month period ending in November 2013. Therefore, banks, savings associations, and credit unions with assets of \$43 million or less as of December 31, 2013, are exempt from collecting data in 2014.

**DATES:** This final rule is effective January 1, 2014.

**FOR FURTHER INFORMATION CONTACT:** David Friend, Counsel, Office of Regulations, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552 at (202) 435–7700.

**SUPPLEMENTARY INFORMATION:****I. Background**

The Home Mortgage Disclosure Act of 1975 (HMDA) (12 U.S.C. 2801–2810) requires most mortgage lenders located

in metropolitan areas to collect data about their housing-related lending activity. Annually, lenders must report those data to the appropriate Federal agencies and make the data available to the public. The Bureau's Regulation C (12 CFR part 1003) implements HMDA.

Prior to 1997, HMDA exempted certain depository institutions as defined in HMDA (*i.e.*, banks, savings associations, and credit unions) with assets totaling \$10 million or less as of the preceding year-end. In 1996, HMDA was amended to expand the asset-size exemption for these depository institutions. 12 U.S.C. 2808(b). The amendment increased the dollar amount of the asset-size exemption threshold by requiring a one-time adjustment of the \$10 million figure based on the percentage by which the CPI-W for 1996 exceeded the CPI-W for 1975, and it provided for annual adjustments thereafter based on the annual percentage increase in the CPI-W, rounded to the nearest multiple of \$1 million dollars.

The definition of “financial institution” in Regulation C provides that the Bureau will adjust the asset threshold based on the year-to-year change in the average of the CPI-W, not seasonally adjusted, for each 12-month period ending in November, rounded to the nearest million. 12 CFR 1003.2. For 2013, the threshold was \$42 million. During the 12-month period ending in November 2013, the CPI-W increased by 1.4 percent. As a result, the exemption threshold is increased to \$43 million. Thus, banks, savings associations, and credit unions with assets of \$43 million or less as of December 31, 2013, are exempt from collecting data in 2014. An institution's exemption from collecting data in 2014 does not affect its responsibility to report data it was required to collect in 2013.

**II. Procedural Requirements***Administrative Procedure Act*

Under the Administrative Procedure Act (APA), notice and opportunity for public comment are not required if the Bureau finds that notice and public comment are impracticable, unnecessary, or contrary to the public interest. 5 U.S.C. 553(b)(B). Pursuant to this final rule, comment 1003.2 (Financial institution)—2 in Regulation C, supplement I is amended to update the exemption threshold. The amendment in this final rule is technical and nondiscretionary, and it merely applies the formula established by Regulation C for determining any adjustments to the exemption threshold.

For these reasons, the Bureau has determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary and the amendment is adopted in final form.

Section 553(d) of the APA generally requires publication of a final rule not less than 30 days before its effective date, except for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) as otherwise provided by the agency for good cause found and published with the rule. 5 U.S.C. 553(d). At a minimum, the Bureau believes the amendments fall under the third exception to section 553(d). The Bureau finds that there is good cause to make the amendments effective on January 1, 2014. The amendment in this notice is technical and non-discretionary, and it applies the method previously established in the agency's regulations for determining adjustments to the threshold.

*Regulatory Flexibility Act*

Because no notice of proposed rulemaking is required, the Regulatory Flexibility Act does not require an initial or final regulatory flexibility analysis. 5 U.S.C. 603(a), 604(a).

**List of Subjects in 12 CFR Part 1003**

Banks, Banking, Credit unions, Mortgages, National banks, Savings associations, Reporting and recordkeeping requirements.

**Authority and Issuance**

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection amends 12 CFR part 1003 as set forth below:

**PART 1003—HOME MORTGAGE DISCLOSURE (REGULATION C)**

■ 1. The authority citation for part 1003 continues to read as follows:

**Authority:** 12 U.S.C. 2803, 2804, 2805, 5512, 5581.

■ 2. In Supplement I to part 1003, under *Section 1003.2—Definitions*, under the definition “*Financial institution*”, paragraph 2 is revised to read as follows:

**Supplement I to Part 1003—Staff Commentary**

\* \* \* \* \*

*Section 1003.2—Definitions*

\* \* \* \* \*

*Financial institution.*

\* \* \* \* \*

2. *Adjustment of exemption threshold for banks, savings associations, and credit*

*unions.* For data collection in 2014, the asset-size exemption threshold is \$43 million. Banks, savings associations, and credit unions with assets at or below \$43 million as of December 31, 2013, are exempt from collecting data for 2014.

\* \* \* \* \*

Dated: December 24, 2013.

**Richard Cordray,**

*Director, Bureau of Consumer Financial Protection.*

[FR Doc. 2013–31223 Filed 12–26–13; 11:15 am]

**BILLING CODE 4810-AM-P**

**BUREAU OF CONSUMER FINANCIAL PROTECTION**

**12 CFR Part 1026**

**Truth in Lending (Regulation Z): Adjustment to Asset-Size Exemption Threshold**

**AGENCY:** Bureau of Consumer Financial Protection.

**ACTION:** Final rule; official commentary.

**SUMMARY:** The Bureau is amending the official commentary that interprets the requirements of the Bureau's Regulation Z (Truth in Lending) to reflect a change in the asset size threshold for certain creditors to qualify for an exemption to the requirement to establish an escrow account for a higher-priced mortgage loan based on the annual percentage change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period ending in November. The exemption threshold is adjusted to increase to \$2.028 billion from \$2 billion. The adjustment is based on the 1.4 percent increase in the average of the CPI-W for the 12-month period ending in November 2013. Therefore, creditors with assets of \$2.028 billion or less as of December 31, 2013, are exempt, if other requirements of Regulation Z also are met, from establishing escrow accounts for higher-priced mortgage loans in 2014.

**DATES:** This final rule is effective January 1, 2014.

**FOR FURTHER INFORMATION CONTACT:** David Friend, Counsel, Office of Regulations, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552 at (202) 435-7700.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended TILA section 129D(a) to contain a general requirement that an escrow account be

established by a creditor to pay for property taxes and insurance premiums for certain first-lien higher-priced mortgage loan transactions. Section 1461 of the Dodd-Frank Act also generally permits an exemption from the higher-priced mortgage loan escrow requirement for a creditor that: (1) Operates predominantly in rural or underserved areas; (2) together with all affiliates, has total annual mortgage loan originations that do not exceed a limit set by the Bureau; (3) retains its mortgage obligations in portfolio; and (4) meets any asset-size threshold and any other criteria as the Bureau may establish.

In the 2013 Escrows Final Rule, 78 FR 4726 (January 22, 2013), the Bureau established such an asset-size threshold of \$2,000,000,000, which will adjust automatically each year, based on the year-to-year change in the average of the CPI-W for each 12-month period ending in November, with rounding to the nearest million dollars. See 12 CFR 1026.35(b)(2)(iii)(C). For 2013, the threshold was \$2 billion. During the 12-month period ending in November 2013, the average CPI-W increased by 1.4 percent. As a result, the exemption threshold is increased to \$2.028 billion for 2014. Thus, loans made by creditors with assets of \$2.028 billion or less as of December 31, 2013, that meet the other requirements of 12 CFR 1026.35(b)(2)(iii) will be exempt in 2014 from the escrow-accounts requirement for higher-priced mortgage loans.

**II. Procedural Requirements**

*Administrative Procedure Act*

Under the Administrative Procedure Act (APA), notice and opportunity for public comment are not required if the Bureau finds that notice and public comment are impracticable, unnecessary, or contrary to the public interest. 5 U.S.C. 553(b)(B). Pursuant to this final rule, supplement I and comment 35(b)(2)(iii)-1 in Regulation Z, are amended to update the exemption threshold. The amendment in this final rule is technical and nondiscretionary, and it merely applies the formulas established by Regulation X for determining any adjustments to the exemption threshold. For these reasons, the Bureau has determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary and the amendment is adopted in final form.

Section 553(d) of the APA generally requires publication of a final rule not less than 30 days before its effective date, except for (1) a substantive rule which grants or recognizes an