

proposed rule, inflation has affected farming and marketing costs across the industry which requires the Board to raise the assessment rate to fund promotional activities that maintain and expand the market for watermelons. According to the Board's FOB and movement data, (which is available on their website: <https://www.watermelon.org/audiences/industry/assessment/>), the demand for watermelons has increased significantly since the last assessment increase from 4.3 billion pounds in 2008 to 5.5 billion pounds in 2023. The assessment increase is structured so importers pay nine cents per hundredweight, and handlers and producers split the cost each remitting four and a half cents per hundredweight. This is modeled by the current assessment structure of the Plan where importers pay six cents per hundredweight and handlers and procedures each remit three cents per hundredweight. The assessment rate structure borne on the industry is reflective of the production of the commodity. Additionally, four importers of watermelons left supportive comments for the assessment increase during the comment period, with one stating that the Board's efforts increase demand for watermelons in the United States which is evident as the number of watermelons imported from Mexico continue to grow.

Another commenter who stated opposition to the changes presented in the proposed rule voiced concern that importers of watermelons may not have equitable opportunities to address questions or concerns regarding the increase or other Board funded activities. The commenter asked if government officials of exporter countries were notified of the proposed assessment increase. AMS acknowledges this comment and notes that the proposed rule was published in the **Federal Register** to provide notice to all interested parties, including government officials of exporting countries, of the proposed modifications. The comment period provided an opportunity for industry members and the public alike to voice any concerns they may have with the proposed changes to the Plan. As with other interested parties, government officials had notice and opportunity to comment on the proposed assessment increase. No government officials commented on the proposed rule. Additionally, prior to the publication of the proposed rule, the Board conducted outreach to industry stakeholders, including those representing imported watermelons. For example, the Board

presented potential budgetary examples with the assessment increase to inform stakeholders, including importers, of the proposed assessment increase and activities that could be funded by the Board prior to the publication of the proposed rule. The Board presented at various state and regional association meetings, including the National Watermelon Association, which was attended by importers of watermelons, providing all growers equal opportunity to raise questions. In addition, the Board currently has nine importers members who represent the industry and help oversee the Board's policies and budget. AMS and the Board agree that transparency and communication to all stakeholders is critical, and accordingly, the Board notified the industry of the potential assessment increase through a variety of channels including industry-wide newsletters, regional and national conventions, and email correspondence.

AMS received two non-substantive comments. One of the unrelated comments was focused on pest control, and another voiced support for an athlete sponsored by the Board.

Accordingly, no changes were made to the rule as proposed, based on the comments received.

After consideration of all relevant material presented, including the information and recommendations submitted by the Board, the comments received, and other available information, it is hereby found that this rule, as hereinafter set forth, is consistent with and will effectuate the purposes of the Act.

#### List of Subjects in 7 CFR Part 1210

Administrative practice and procedure, Advertising, Agricultural research, Consumer information, Marketing agreements, Reporting and recordkeeping requirements, Watermelons.

For the reasons set forth in the preamble, the Agricultural Marketing Service amends part 1210, chapter XI of title 7 of the Code of Federal Regulations as follows:

#### PART 1210—WATERMELON RESEARCH AND PROMOTION PLAN

■ 1. The authority citation for part 1210 continues to read as follows:

**Authority:** 7 U.S.C. 4901–4916 and 7 U.S.C. 7401.

■ 2. Amend § 1210.515 by revising paragraphs (a) and (b) to read as follows:

##### § 1210.515 Levy of assessments.

(a) An assessment of four and a half cents per hundredweight shall be levied on all watermelons produced for

ultimate consumption as human food, and an assessment of four and a half cents per hundredweight shall be levied on all watermelons first handled for ultimate consumption as human food. An assessment of nine cents per hundredweight shall be levied on all watermelons imported into the United States for ultimate consumption as human food at the time of entry in the United States.

(b) The import assessment shall be uniformly applied to imported watermelons that are identified by the numbers 0807.11.30 and 0807.11.40 in the Harmonized Tariff Schedule of the United States or any other number used to identify fresh watermelons for consumption as human food. The U.S. Customs Service and Border Protection (Customs) will collect assessments on such watermelons at the time of entry and will forward such assessment as per the agreement between Customs and USDA. Any importer or agent who is exempt from payment of assessments may submit to the Board adequate proof of the volume handled by such importer for the exemption to be granted.

\* \* \* \* \*

**Erin Morris,**

*Associate Administrator, Agricultural Marketing Service.*

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## CONSUMER FINANCIAL PROTECTION BUREAU

### 12 CFR Part 1026

#### Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold

**AGENCY:** Consumer Financial Protection Bureau.

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

**SUMMARY:** The Consumer Financial Protection Bureau (CFPB) is amending the official commentary to its Regulation Z in order to make annual adjustments to the asset-size thresholds exempting certain creditors from the requirement to establish an escrow account for a higher-priced mortgage loan (HPML). The exemption threshold for creditors and their affiliates that regularly extended covered transactions secured by first liens is adjusted to \$2.717 billion and the exemption threshold for certain insured depository institutions and insured credit unions with assets of \$10 billion or less is adjusted to \$12.179 billion.

**DATES:** This rule is effective on January 1, 2025.

**FOR FURTHER INFORMATION CONTACT:** George Karithanom, Regulatory Implementation & Guidance Program Analyst, Office of Regulations, at (202) 435-7700 or at: <https://reginquiries.consumerfinance.gov>. If you require this document in an alternative electronic format, please contact *CFPB\_Accessibility@cfpb.gov*.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Section 129D of the Truth in Lending Act (TILA) generally requires creditors to establish escrow accounts for certain first-lien higher-priced mortgage loan transactions. However, TILA section 129D also permits the CFPB to exempt creditors from this higher-priced mortgage loan escrow requirement if they meet certain requirements, including any asset-size threshold that the CFPB may establish.

In the 2013 Escrows Final Rule,<sup>1</sup> the CFPB established an asset-size threshold of \$2 billion, which would 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.<sup>2</sup> In 2015, the CFPB revised the asset-size threshold for small creditors and how it applies. The CFPB included in the calculation of the asset-size threshold the assets of the creditor's affiliates that regularly extended covered transactions secured by first liens during the applicable period and added a grace period to allow an otherwise eligible creditor that exceeded the asset limit in the preceding calendar year (but not in the calendar year before the preceding year) to continue to operate as a small creditor with respect to transactions with applications received before April 1 of the current calendar year.<sup>3</sup> For 2024, the threshold was \$2.640 billion.

During the 12-month period ending in November 2024, the average of the CPI-W increased by 2.9 percent. As a result, the exemption threshold is increased to

\$2.717 billion for 2025.<sup>4</sup> Thus, if the creditor's assets together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2024 are less than \$2.717 billion on December 31, 2024, and it meets the other requirements of § 1026.35(b)(2)(iii), the creditor will be exempt from the escrow-accounts requirement for higher-priced mortgage loans in 2025 and will also be exempt from the escrow-accounts requirement for higher-priced mortgage loans for purposes of any loan consummated in 2026 with applications received before April 1, 2026. The adjustment to the escrows asset-size exemption threshold also will increase the threshold for small-creditor portfolio and balloon-payment qualified mortgages under Regulation Z. The requirements for small-creditor portfolio qualified mortgages at § 1026.43(e)(5)(i)(D) reference the asset threshold in § 1026.35(b)(2)(iii)(C). Likewise, the requirements for balloon-payment qualified mortgages at § 1026.43(f)(1)(vi) reference the asset threshold in § 1026.35(b)(2)(iii)(C). Under § 1026.32(d)(1)(ii)(C), balloon-payment qualified mortgages that satisfy all applicable criteria in § 1026.43(f)(1)(i) through (vi) and (f)(2), including being made by creditors that have (together with certain affiliates) total assets below the threshold in § 1026.35(b)(2)(iii)(C), are also excepted from the prohibition on balloon payments for high-cost mortgages.

In the 2018 Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA),<sup>5</sup> Congress directed the CFPB to issue regulations to add a new exemption from TILA's escrow requirement that exempts transactions by certain insured depository institutions and insured credit unions.<sup>6</sup> In 2021, the CFPB issued a final rule implementing this exemption in § 1026.35(b)(2)(vi) (2021 Escrows Rule).<sup>7</sup> The final rule exempted from the Regulation Z HPML escrow requirement any loan made by an insured depository institution or insured credit union and secured by a first lien on the principal dwelling of a consumer if: (1) the institution has assets of \$10 billion or less; (2) the

institution and its affiliates originated 1,000 or fewer loans secured by a first lien on a principal dwelling during the preceding calendar year; and (3) certain of the existing HPML escrow exemption criteria are met. In the 2021 Escrows Rule, the CFPB established an asset-size threshold of \$10 billion or less in § 1026.35(b)(2)(vi)(A), which will adjust automatically each year, 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, with rounding to the nearest million dollars. Unlike the asset threshold in § 1026.35(b)(2)(iii) and the other thresholds in § 1026.35(b)(2)(vi), affiliates are not considered in calculating compliance with this asset threshold. For calendar year 2024, the asset threshold was \$11.835 billion.

During the 12-month period ending in November 2024, the average of the CPI-W increased by 2.9 percent. As a result, the exemption threshold is increased to \$12.179 billion for 2025. Thus, a creditor that is an insured depository institution or insured credit union that during calendar year 2024 had assets of \$12.179 billion or less on December 31, 2024, satisfies this criterion for purposes of any loan consummated in 2025 and for purposes of any loan secured by a first lien on a principal dwelling of a consumer consummated in 2026 for which the application was received before April 1, 2026.

**II. Procedural Requirements**

*A. Administrative Procedure Act*

Under the Administrative Procedure Act (APA), notice and opportunity for public comment are not required if the CFPB 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 35(b)(2)(iii)-1 in Regulation Z is amended to update the exemption threshold in § 1026.35(b)(2)(iii), and comment 35(b)(2)(vi)(A)-1 in Regulation Z is amended to update the exemption threshold in § 1026.35(b)(2)(vi). The amendments in this final rule are technical and merely apply the formulae previously established in Regulation Z for determining any adjustments to the exemption thresholds. For these reasons, the CFPB has determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary. Therefore, the amendments are 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

<sup>1</sup> 78 FR 4726 (Jan. 22, 2013).

<sup>2</sup> See 12 CFR 1026.35(b)(2)(iii)(C).

<sup>3</sup> See 80 FR 59943, 59951 (Oct. 2, 2015). The CFPB also issued an interim final rule in March 2016 to revise certain provisions in Regulation Z to effectuate the Helping Expand Lending Practices in Rural Communities Act's amendments to TILA (Pub. L. 114-94, sec. 89003, 129 Stat. 1312, 1800-01 (2015)). The rule broadened the cohort of creditors that may be eligible under TILA for the special provisions allowing origination of balloon-payment qualified mortgages and balloon-payment high-cost mortgages, as well as for the escrow exemption. See 81 FR 16074 (Mar. 25, 2016).

<sup>4</sup> Adjusted dollar amounts throughout this final rule are calculated by applying the relevant consumer price index to the previous year's unrounded dollar amount before rounding to the nearest million dollars. Accordingly, applying the rounded consumer price index figures to the previous year's rounded dollar amounts may not add up to the total dollar amount shown.

<sup>5</sup> Public Law 115-174, 132 Stat. 1296 (2018).

<sup>6</sup> EGRRCPA sec. 108, 132 Stat. 1304-05; 15 U.S.C. 1639d(c)(2).

<sup>7</sup> 86 FR 9840 (Feb. 17, 2021).

date, except (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 CFPB has determined the amendments fall under the third exception to section 553(d). The CFPB finds that there is good cause to make the amendments effective on January 1, 2025. The amendments in this final rule are technical and non-discretionary, and they merely apply the method previously established in the agency's regulations for automatic adjustments to the threshold.

**B. Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA) does not apply to a rulemaking where a general notice of proposed rulemaking is not required.<sup>8</sup> As noted previously, the CFPB has determined that it is unnecessary to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirement relating to an initial and final regulatory flexibility analysis does not apply.

**C. Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995,<sup>9</sup> the CFPB reviewed this final rule. The CFPB has determined that this rule does not create any new information collections or substantially revise any existing collections.

**D. Congressional Review Act**

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the CFPB will submit a report containing this rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the United States prior to the rule taking effect. The Office of Information and Regulatory Affairs (OIRA) has designated this rule as not a "major rule" as defined by 5 U.S.C. 804(2).

**List of Subjects in 12 CFR Part 1026**

Advertising, Banks, banking, Consumer protection, Credit, Credit unions, Mortgages, National banks, Reporting and recordkeeping requirements, Savings associations, Truth-in-lending.

**Authority and Issuance**

For the reasons set forth above, the CFPB amends Regulation Z, 12 CFR part 1026, as set forth below:

**PART 1026—TRUTH IN LENDING (REGULATION Z)**

■ 1. The authority citation for Part 1026 continues to read as follows:

**Authority:** 12 U.S.C. 2601, 2603–2605, 2607, 2609, 2617, 3353, 5511, 5512, 5532, 5581; 15 U.S.C. 1601 *et seq.*

■ 2. In supplement I to part 1026, under § 1026.35—Requirements for Higher-Priced Mortgage Loans, revise Paragraph 35(b)(2)(iii) and Paragraph 35(b)(2)(vi)(A) to read as follows:

**Supplement I to Part 1026—Official Interpretations**

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**Subpart E—Special Rules for Certain Home Mortgage Transactions**

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*Section 1026.35—Requirements for Higher-Priced Mortgage Loans*

\* \* \* \* \*

35(b)(2) Exemptions.

\* \* \* \* \*

*Paragraph 35(b)(2)(iii).*

1. *Requirements for exemption.* Under § 1026.35(b)(2)(iii), except as provided in § 1026.35(b)(2)(v), a creditor need not establish an escrow account for taxes and insurance for a higher-priced mortgage loan, provided the following four conditions are satisfied when the higher-priced mortgage loan is consummated:

i. During the preceding calendar year, or during either of the two preceding calendar years if the application for the loan was received before April 1 of the current calendar year, a creditor extended a first-lien covered transaction, as defined in § 1026.43(b)(1), secured by a property located in an area that is either "rural" or "underserved," as set forth in § 1026.35(b)(2)(iv).

A. In general, whether the rural-or-underserved test is satisfied depends on the creditor's activity during the preceding calendar year. However, if the application for the loan in question was received before April 1 of the current calendar year, the creditor may instead meet the rural-or-underserved test based on its activity during the next-to-last calendar year. This provides creditors with a grace period if their activity meets the rural-or-underserved test (in § 1026.35(b)(2)(iii)(A)) in one calendar year but fails to meet it in the next calendar year.

B. A creditor meets the rural-or-underserved test for any higher-priced mortgage loan consummated during a calendar year if it extended a first-lien covered transaction in the preceding calendar year secured by a property located in a rural-or-underserved area. If the creditor does not meet the rural-or-underserved test in the preceding calendar year, the creditor meets

this condition for a higher-priced mortgage loan consummated during the current calendar year only if the application for the loan was received before April 1 of the current calendar year and the creditor extended a first-lien covered transaction during the next-to-last calendar year that is secured by a property located in a rural or underserved area. The following examples are illustrative:

1. Assume that a creditor extended during 2016 a first-lien covered transaction that is secured by a property located in a rural or underserved area. Because the creditor extended a first-lien covered transaction during 2016 that is secured by a property located in a rural or underserved area, the creditor can meet this condition for exemption for any higher-priced mortgage loan consummated during 2017.

2. Assume that a creditor did not extend during 2016 a first-lien covered transaction secured by a property that is located in a rural or underserved area. Assume further that the same creditor extended during 2015 a first-lien covered transaction that is located in a rural or underserved area. Assume further that the creditor consummates a higher-priced mortgage loan in 2017 for which the application was received in November 2017. Because the creditor did not extend during 2016 a first-lien covered transaction secured by a property that is located in a rural or underserved area, and the application was received on or after April 1, 2017, the creditor does not meet this condition for exemption. However, assume instead that the creditor consummates a higher-priced mortgage loan in 2017 based on an application received in February 2017. The creditor meets this condition for exemption for this loan because the application was received before April 1, 2017, and the creditor extended during 2015 a first-lien covered transaction that is located in a rural or underserved area.

ii. The creditor and its affiliates together extended no more than 2,000 covered transactions, as defined in § 1026.43(b)(1), secured by first liens, that were sold, assigned, or otherwise transferred by the creditor or its affiliates to another person, or that were subject at the time of consummation to a commitment to be acquired by another person, during the preceding calendar year or during either of the two preceding calendar years if the application for the loan was received before April 1 of the current calendar year. For purposes of § 1026.35(b)(2)(iii)(B), a transfer of a first-lien covered transaction to "another person" includes a transfer by a creditor to its affiliate.

A. In general, whether this condition is satisfied depends on the creditor's activity during the preceding calendar year. However, if the application for the loan in question is received before April 1 of the current calendar year, the creditor may instead meet this condition based on activity during the next-to-last calendar year. This provides creditors with a grace period if their activity falls at or below the threshold in one calendar year but exceeds it in the next calendar year.

B. For example, assume that in 2015 a creditor and its affiliates together extended

<sup>8</sup> 5 U.S.C. 603(a), 604(a).

<sup>9</sup> 44 U.S.C. 3506; 5 CFR part 1320.

1,500 loans that were sold, assigned, or otherwise transferred by the creditor or its affiliates to another person, or that were subject at the time of consummation to a commitment to be acquired by another person, and 2,500 such loans in 2016. Because the 2016 transaction activity exceeds the threshold but the 2015 transaction activity does not, the creditor satisfies this condition for exemption for a higher-priced mortgage loan consummated during 2017 if the creditor received the application for the loan before April 1, 2017, but does not satisfy this condition for a higher-priced mortgage loan consummated during 2017 if the application for the loan was received on or after April 1, 2017.

C. For purposes of § 1026.35(b)(2)(iii)(B), extensions of first-lien covered transactions, during the applicable time period, by all of a creditor's affiliates, as "affiliate" is defined in § 1026.32(b)(5), are counted toward the threshold in this section. "Affiliate" is defined in § 1026.32(b)(5) as "any company that controls, is controlled by, or is under common control with another company, as set forth in the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*)." Under the Bank Holding Company Act, a company has control over a bank or another company if it directly or indirectly or acting through one or more persons owns, controls, or has power to vote 25 per centum or more of any class of voting securities of the bank or company; it controls in any manner the election of a majority of the directors or trustees of the bank or company; or the Federal Reserve Board determines, after notice and opportunity for hearing, that the company directly or indirectly exercises a controlling influence over the management or policies of the bank or company. 12 U.S.C. 1841(a)(2).

iii. As of the end of the preceding calendar year, or as of the end of either of the two preceding calendar years if the application for the loan was received before April 1 of the current calendar year, the creditor and its affiliates that regularly extended covered transactions secured by first liens, together, had total assets that are less than the applicable annual asset threshold.

A. For purposes of § 1026.35(b)(2)(iii)(C), in addition to the creditor's assets, only the assets of a creditor's "affiliate" (as defined by § 1026.32(b)(5)) that regularly extended covered transactions (as defined by § 1026.43(b)(1)) secured by first liens, are counted toward the applicable annual asset threshold. *See* comment 35(b)(2)(iii)–1.ii.C for discussion of definition of "affiliate."

B. Only the assets of a creditor's affiliate that regularly extended first-lien covered transactions during the applicable period are included in calculating the creditor's assets. The meaning of "regularly extended" is based on the number of times a person extends consumer credit for purposes of the definition of "creditor" in § 1026.2(a)(17). Because covered transactions are "transactions secured by a dwelling," consistent with § 1026.2(a)(17)(v), an affiliate regularly extended covered transactions if it extended more than five covered transactions in a calendar year. Also consistent with § 1026.2(a)(17)(v), because a covered transaction may be a high-cost mortgage

subject to § 1026.32, an affiliate regularly extends covered transactions if, in any 12-month period, it extends more than one covered transaction that is subject to the requirements of § 1026.32 or one or more such transactions through a mortgage broker. Thus, if a creditor's affiliate regularly extended first-lien covered transactions during the preceding calendar year, the creditor's assets as of the end of the preceding calendar year, for purposes of the asset limit, take into account the assets of that affiliate. If the creditor, together with its affiliates that regularly extended first-lien covered transactions, exceeded the asset limit in the preceding calendar year—to be eligible to operate as a small creditor for transactions with applications received before April 1 of the current calendar year—the assets of the creditor's affiliates that regularly extended covered transactions in the year before the preceding calendar year are included in calculating the creditor's assets.

C. If multiple creditors share ownership of a company that regularly extended first-lien covered transactions, the assets of the company count toward the asset limit for a co-owner creditor if the company is an "affiliate," as defined in § 1026.32(b)(5), of the co-owner creditor. Assuming the company is not an affiliate of the co-owner creditor by virtue of any other aspect of the definition (such as by the company and co-owner creditor being under common control), the company's assets are included toward the asset limit of the co-owner creditor only if the company is controlled by the co-owner creditor, "as set forth in the Bank Holding Company Act." If the co-owner creditor and the company are affiliates (by virtue of any aspect of the definition), the co-owner creditor counts all of the company's assets toward the asset limit, regardless of the co-owner creditor's ownership share. Further, because the co-owner and the company are mutual affiliates the company also would count all of the co-owner's assets towards its own asset limit. *See* comment 35(b)(2)(iii)–1.ii.C for discussion of the definition of "affiliate."

D. A creditor satisfies the criterion in § 1026.35(b)(2)(iii)(C) for purposes of any higher-priced mortgage loan consummated during 2016, for example, if the creditor (together with its affiliates that regularly extended first-lien covered transactions) had total assets of less than the applicable asset threshold on December 31, 2015. A creditor that (together with its affiliates that regularly extended first-lien covered transactions) did not meet the applicable asset threshold on December 31, 2015, satisfies this criterion for a higher-priced mortgage loan consummated during 2016 if the application for the loan was received before April 1, 2016, and the creditor (together with its affiliates that regularly extended first-lien covered transactions) had total assets of less than the applicable asset threshold on December 31, 2014.

E. Under § 1026.35(b)(2)(iii)(C), the \$2,000,000,000 asset threshold adjusts automatically each year based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for

each 12-month period ending in November, with rounding to the nearest million dollars. The CFPB will publish notice of the asset threshold each year by amending this comment. For calendar year 2025, the asset threshold is \$2,717,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2024 has total assets of less than \$2,717,000,000 on December 31, 2024, satisfies this criterion for purposes of any loan consummated in 2025 and for purposes of any loan consummated in 2026 for which the application was received before April 1, 2026. For historical purposes:

1. For calendar year 2013, the asset threshold was \$2,000,000,000. Creditors that had total assets of less than \$2,000,000,000 on December 31, 2012, satisfied this criterion for purposes of the exemption during 2013.

2. For calendar year 2014, the asset threshold was \$2,028,000,000. Creditors that had total assets of less than \$2,028,000,000 on December 31, 2013, satisfied this criterion for purposes of the exemption during 2014.

3. For calendar year 2015, the asset threshold was \$2,060,000,000. Creditors that had total assets of less than \$2,060,000,000 on December 31, 2014, satisfied this criterion for purposes of any loan consummated in 2015 and, if the creditor's assets together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2014 were less than that amount, for purposes of any loan consummated in 2016 for which the application was received before April 1, 2016.

4. For calendar year 2016, the asset threshold was \$2,052,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2015 had total assets of less than \$2,052,000,000 on December 31, 2015, satisfied this criterion for purposes of any loan consummated in 2016 and for purposes of any loan consummated in 2017 for which the application was received before April 1, 2017.

5. For calendar year 2017, the asset threshold was \$2,069,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2016 had total assets of less than \$2,069,000,000 on December 31, 2016, satisfied this criterion for purposes of any loan consummated in 2017 and for purposes of any loan consummated in 2018 for which the application was received before April 1, 2018.

6. For calendar year 2018, the asset threshold was \$2,112,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2017 had total assets of less than \$2,112,000,000 on December 31, 2017, satisfied this criterion for purposes of any loan consummated in 2018 and for purposes of any loan consummated in 2019 for which the application was received before April 1, 2019.

7. For calendar year 2019, the asset threshold was \$2,167,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered

transactions during calendar year 2018 had total assets of less than \$2,167,000,000 on December 31, 2018, satisfied this criterion for purposes of any loan consummated in 2019 and for purposes of any loan consummated in 2020 for which the application was received before April 1, 2020.

8. For calendar year 2020, the asset threshold was \$2,202,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2019 had total assets of less than \$2,202,000,000 on December 31, 2019, satisfied this criterion for purposes of any loan consummated in 2020 and for purposes of any loan consummated in 2021 for which the application was received before April 1, 2021.

9. For calendar year 2021, the asset threshold was \$2,230,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2020 had total assets of less than \$2,230,000,000 on December 31, 2020, satisfied this criterion for purposes of any loan consummated in 2021 and for purposes of any loan consummated in 2022 for which the application was received before April 1, 2022.

10. For calendar year 2022, the asset threshold was \$2,336,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2021 had total assets of less than \$2,336,000,000 on December 31, 2021, satisfied this criterion for purposes of any loan consummated in 2022 and for purposes of any loan consummated in 2023 for which the application was received before April 1, 2023.

11. For calendar year 2023, the asset threshold was \$2,537,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2022 had total assets of less than \$2,537,000,000 on December 31, 2022, satisfied this criterion for purposes of any loan consummated in 2023 and for purposes of any loan consummated in 2024 for which the application was received before April 1, 2024.

12. For calendar year 2024, the asset threshold was \$2,640,000,000. A creditor that together with the assets of its affiliates that regularly extended first-lien covered transactions during calendar year 2023 had total assets of less than \$2,640,000,000 on December 31, 2023, satisfied this criterion for purposes of any loan consummated in 2024 and for purposes of any loan consummated in 2025 for which the application was received before April 1, 2025.

iv. The creditor and its affiliates do not maintain an escrow account for any mortgage transaction being serviced by the creditor or its affiliate at the time the transaction is consummated, except as provided in § 1026.35(b)(2)(iii)(D)(1) and (2). Thus, the exemption applies, provided the other conditions of § 1026.35(b)(2)(iii) (or, if applicable, the conditions for the exemption in § 1026.35(b)(2)(vi)) are satisfied, even if the creditor previously maintained escrow accounts for mortgage loans, provided it no longer maintains any such accounts except as provided in § 1026.35(b)(2)(iii)(D)(1) and (2).

Once a creditor or its affiliate begins escrowing for loans currently serviced other than those addressed in § 1026.35(b)(2)(iii)(D)(1) and (2), however, the creditor and its affiliate become ineligible for the exemption in § 1026.35(b)(2)(iii) and (vi) on higher-priced mortgage loans they make while such escrowing continues. Thus, as long as a creditor (or its affiliate) services and maintains escrow accounts for any mortgage loans, other than as provided in § 1026.35(b)(2)(iii)(D)(1) and (2), the creditor will not be eligible for the exemption for any higher-priced mortgage loan it may make. For purposes of § 1026.35(b)(2)(iii) and (vi), a creditor or its affiliate “maintains” an escrow account only if it services a mortgage loan for which an escrow account has been established at least through the due date of the second periodic payment under the terms of the legal obligation.

\* \* \* \* \*

Paragraph 35(b)(2)(vi)(A).

1. The asset threshold in § 1026.35(b)(2)(vi)(A) will adjust automatically each year, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million dollars. Unlike the asset threshold in § 1026.35(b)(2)(iii) and the other thresholds in § 1026.35(b)(2)(vi), affiliates are not considered in calculating compliance with this threshold. The CFPB will publish notice of the asset threshold each year by amending this comment. For calendar year 2025, the asset threshold is \$12,179,000,000. A creditor that is an insured depository institution or insured credit union that during calendar year 2024 had assets of \$12,179,000,000 or less on December 31, 2024, satisfies this criterion for purposes of any loan consummated in 2025 and for purposes of any loan secured by a first lien on a principal dwelling of a consumer consummated in 2026 for which the application was received before April 1, 2026. For historical purposes:

1. For calendar year 2021, the asset threshold was \$10,000,000,000. Creditors that had total assets of 10,000,000,000 or less on December 31, 2020, satisfied this criterion for purposes of any loan consummated in 2021 and for purposes of any loan secured by a first lien on a principal dwelling of a consumer consummated in 2022 for which the application was received before April 1, 2022.

2. For calendar year 2022, the asset threshold was \$10,473,000,000. Creditors that had total assets of \$10,473,000,000 or less on December 31, 2021, satisfied this criterion for purposes of any loan consummated in 2022 and for purposes of any loan secured by a first lien on a principal dwelling of a consumer consummated in 2023 for which the application was received before April 1, 2023.

3. For calendar year 2023, the asset threshold was \$11,374,000,000. A creditor that is an insured depository institution or insured credit union that during calendar year 2022 had assets of \$11,374,000,000 or less on December 31, 2022, satisfied this criterion for purposes of any loan

consummated in 2023 and for purposes of any loan secured by a first lien on a principal dwelling of a consumer consummated in 2024 for which the application was received before April 1, 2024.

4. For calendar year 2024, the asset threshold is \$11,835,000,000. A creditor that is an insured depository institution or insured credit union that during calendar year 2023 had assets of \$11,835,000,000 or less on December 31, 2023, satisfied this criterion for purposes of any loan consummated in 2024 and for purposes of any loan secured by a first lien on a principal dwelling of a consumer consummated in 2025 for which the application was received before April 1, 2025.

\* \* \* \* \*

**Brian Shearer,**

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Docket No. FAA–2024–2104; Airspace Docket No. 23–ANM–38]

RIN 2120-AA66

#### Establishment of Class E Airspace; Austin Airport, Austin, NV

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action establishes Class E airspace extending upward from 700 feet above the surface at Austin Airport, Austin, NV. The airport is transitioning from visual flight rules (VFR) to instrument flight rules (IFR), and these actions support the safety and management of IFR operations at the airport.

**DATES:** Effective date 0901 UTC, February 20, 2025. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

**ADDRESSES:** A copy of the Notice of Proposed Rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed online at [www.regulations.gov](http://www.regulations.gov) using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year.

FAA Order JO 7400.11], Airspace Designations and Reporting Points, and