

InfoSight Newsletter

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Happy New Year!



League InfoSight Highlight: Annual Threshold Changes and MORE

HAPPY NEW YEAR!!! We are so very excited for 2024 and all the changes that we plan to bring to our credit unions! Be on the lookout for more information on our plans and innovations for the year.

A new year also brings new thresholds changes for all the regulations tied to the consumer price index. Below is a summary of the changes, which have already been incorporated into both CU PolicyPro and InfoSight.

Regulation Z – Appraisals for HPMLs 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 2024 increased to \$32,400.

Regulation Z – High-Cost Mortgage Loan Fee Threshold. 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, 2024, a transaction is high-cost if its points and fees exceed:

- a. 5% of the total loan amount for a loan greater than or equal to \$26,092.
- b. 8% of the total loan amount or \$1,305 (whichever is less) for a loan amount less than \$26,092.

Regulation Z – Qualified Mortgage Thresholds. 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, 2024:

Loan Amount	Points and Fees
\$130,461 or more	3%
\$78,277 - \$130,461	\$3,914
\$26,092 - \$78,277	5%
\$16,308 - \$26,092	\$1,305
Less than \$16,308	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:

- 2.25% or more for a first-lien loan with an amount greater than or equal to \$130,461;

- 3.5% or more for a first-lien loan with an amount equal to \$78,277 but less than \$130,461;
- 6.5% or more for a first-lien loan with an amount less than \$78,277;
- 6.5% or more for a first-lien loan secured by a manufactured home with a loan amount less than \$130,461;
- 3.5% or more for a subordinate-lien loan with an amount greater than or equal to \$78,277; or
- 6.5% or more for a subordinate-lien loan with an amount less than \$78,277.

IRS – Health Savings Accounts (HSA) Contribution Limits. These limits are adjusted by the IRS annually. Credit unions should ensure contributions to HSAs do not exceed these limits. For January 1, 2024, contributions must be no more than \$4,150 for an individual plan and \$8,300 for a family plan. This is an increase from 2023.

Regulation M – Consumer Leasing. The threshold for determining if a contract is considered a consumer lease is adjusted annually. The amount will increase from the prior year for 2024 to \$69,500.

Regulation Z – Asset Size Exemption. 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 \$2.640 billion for 2024. Credit unions under this asset size and that meet other criteria, may be exempt from this requirement.

Regulation C – Home Mortgage Disclosure Act Asset Size Exemption Threshold is \$56 million for 2024. Credit unions are exempt from the HMDA reporting requirements if they have assets below this threshold.

Regulation D – Reserve Requirements of Depository Institutions have been updated for 2024, even though the reserve ratios are still set at zero.

Glory LeDu
CEO, League InfoSight and CU Risk Intelligence

In Celebration of MLK Day (1/15)

Martin Luther King Day is a holiday that celebrates the civil rights leader's life and legacy and is the only federal holiday designated as a National Day of Service, to encourage all Americans to volunteer to improve their communities.



"Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly."

— Letter from Birmingham Jail, April 16, 1963

Click to learn more about how you can participate and honor Dr. King's legacy.

News and Alerts!

Risk Alert from Go West: Credit Unions Should be Aware of Recent Social Media Trend Called, "Audit the Audits" – First Amendment Audits

A recent trend referred to as Audit the Audits of First Amendment Audits has become the 'thing' on social media. Primarily the videos are posted on YouTube and TikTok. The practice encourages its members to take pictures or videos from public spaces to 'test' their right to film in public. Often the videos are of financial institutions, restaurants, and government buildings. The public space 'passes' the test if the audit is uneventful.

The goal is to provoke a challenge to their 1st amendment right to take the pictures and hopefully have law enforcement called. The encounter is then put on social media with the intent of making those being recorded look unfavorable.

[Here is a recent example of one of these audits that happened in the Northwest.](#)

A GoWest member credit union in Colorado recently had a similar experience with a member of this group.

Credit unions should plan out their response if encountering a similar situation. Steps to take into consideration could include:

- Don't overreact. Auditors are trying to provoke a negative reaction that they can post on social media. A video of an employee responding calmly is not going to result in much traction. The best defense is simple patience.
- Educate staff members. All public-facing employees should have some familiarity with First Amendment audits and how to respond. Although the auditors often exceed their rights under the First Amendment, they do have the right to film public employees in public places.
- Closing blinds to protect the privacy of the credit union.
- Using privacy computer screen filters to prevent onlookers from viewing what is on the computer monitor.
- Not to engage, but if anyone does anything suspicious, alert authorities. Some auditors may engage in conduct that rises to the level of harassment.

Article used with permission from the GoWest Credit Union Association

Otsuka Sworn in as 25th NCUA Board Member

The Honorable Tanya Otsuka became the 25th Board Member of the National Credit Union Administration following a private swearing-in ceremony held at the agency's Alexandria, Virginia, headquarters.

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CFPB Blog: CFPB to distribute nearly \$6 million to consumers harmed by predatory loans to veterans

In December, the CFPB sent \$6 million in financial relief to consumers harmed by illegal lending practices targeting veterans. Five people and their companies misled veterans and other consumers into selling their pension and disability payments, which is illegal under federal and relevant state law. These transactions were instead illegal high-interest loans.

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FTC to Host Virtual Summit on Artificial Intelligence

The Federal Trade Commission's Office of Technology is hosting a virtual tech summit on January 25, 2024 that will bring together a diverse group of stakeholders to discuss key developments in the rapidly evolving field of artificial intelligence (AI), looking across the layers of technology related to AI.

The summit will bring together representatives from academia, industry, civil society organizations, and government to discuss the state of technology, emerging market trends, and real-world impacts of AI. The discussions will also explore how to cultivate a marketplace that allows both consumers and businesses, including startups and small businesses, to thrive.

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Questions, Comments, Concerns? We are here to help! Email us at info@leagueinfosight.com