

## INCORPORATION BY REFERENCE SYNOPSIS

In compliance with Section 67-5223(4), Idaho Code, the following is a synopsis of the differences between the materials previously incorporated by reference in this rule that are currently in full force and effect and newly revised or amended versions of these same materials that are being proposed for incorporation by reference under this rulemaking.

The following agency of the state of Idaho has prepared this synopsis as part of the proposed rulemaking for the chapter cited here:

### IDAPA 12 – DEPARTMENT OF FINANCE

#### 12.01.10.005 - RULES PURSUANT TO THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT

The Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.*, incorporates certain provisions of the federal Real Estate Settlement Procedures Act, codified in 12 U.S.C. section 2601 *et seq.*, the federal Truth in Lending Act, codified in 15 U.S.C. sections 1601 *et seq.* and Regulations X and Z as issued by the federal Consumer Financial Protection Bureau. Provisions of Regulations X and Z were amended during the past year and these amendments need to be incorporated into the Idaho rules. This is done to ensure the state rules are consistent with federal regulations and to provide one set of rules for industry to follow. Idaho industry is required to comply with all applicable new and updated federal rules whether or not the Department incorporates them by reference. The following is a summary of the rules adopted by the Consumer Financial Protection Bureau (Bureau).

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

**Date of final rule:** December 27, 2017

This final rule amends official commentary that interprets the requirements of 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 adjustment to the escrows asset-size exemption threshold will also increase a similar threshold for small-creditor portfolio and balloon-payment qualified mortgages. Balloon-payment qualified mortgages that satisfy all applicable criteria, including being made by creditors that have (together with certain affiliates) total assets below the threshold, are also excepted from the prohibition on balloon payments for high-cost mortgages.

*Anthony  
Polidore*

*1-25-18  
Incorporated by  
Reference  
docket no. 12-0110-1701  
attachment 1*

## **2. Appraisals for Higher-Priced Mortgage Loans Exemption Threshold Adjustment**

**Date of final rule:** November 9, 2017

This final rule amends official interpretations for regulations that implement section 129H of the Truth in Lending Act (TILA). Section 129H of TILA establishes special appraisal requirements for “higher-risk mortgages,” termed “higher-priced mortgage loans” or “HPMLs” in the agencies’ regulations. The OCC, the Board, the Bureau, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA) and the Federal Housing Finance Agency (FHFA) (collectively, the Agencies) issued joint final rules implementing these requirements, effective Jan. 18, 2014. The Agencies’ rules exempted, among other loan types, transactions of \$25,000 or less, and required that this loan amount be adjusted annually based on any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). If there is no annual percentage increase in the CPI-W, the OCC, the Board, and the Bureau will not adjust this exemption threshold from the prior year. However, in years following a year in which the exemption threshold was not adjusted, the threshold is calculated by applying the annual percentage increase in the CPI-W to the dollar amount that would have resulted, after rounding, if the decreases and any subsequent increases in the CPI-W had been taken into account. Based on the CPI-W in effect as of June 1, 2017, the exemption threshold will increase from \$25,500 to \$26,000 effective Jan. 1, 2018.

## **3. Truth in Lending (Regulation Z) Threshold Adjustments**

**Date of final rule:** November 9, 2017

This final rule amends the official interpretations and commentary for the agencies’ regulations that implement the Truth in Lending Act (TILA). The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended TILA by requiring that the dollar threshold for exempt consumer credit transactions be adjusted annually by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). If there is no annual percentage increase in the CPI-W, the Board and the Bureau will not adjust this exemption threshold from the prior year. However, in years following a year in which the exemption threshold was not adjusted, the threshold is calculated by applying the annual percentage change in the CPI-W to the dollar amount that would have resulted, after rounding, if the decreases and any subsequent increases in the CPI-W had been taken into account. Based on the annual percentage increase in the CPI-W as of June 1, 2017, the exemption threshold will increase from \$54,600 to \$55,800 effective Jan. 1, 2018.

## **4. Amendments to Mortgage Servicing Rules Under the Real Estate Settlement Procedures Act (Regulation X)**

**Date of interim final rule:** October 4, 2017

This interim final rule amends a provision of the Regulation X mortgage servicing rules issued in 2016 relating to the timing for mortgage servicers to provide modified written early

intervention notices to borrowers who have invoked their cease communication rights under the Fair Debt Collection Practices Act.

**5. Amendments to Federal Mortgage Disclosure Requirements under the Truth in Lending Act (Regulation Z).**

**Date of final rule:** July 7, 2017

This final rule modifies the federal mortgage disclosure requirements under the Real Estate Settlement Procedures Act and the Truth in Lending Act that are implemented in Regulation Z. This rule memorializes informal guidance on various issues and makes additional clarifications and technical amendments. This rule also creates tolerances for the total of payments, adjusts a partial exemption mainly affecting housing finance agencies and nonprofits, extends coverage of the TILA-RESPA integrated disclosure (integrated disclosure) requirements to all cooperative units, and provides guidance on sharing the integrated disclosures with various parties involved in the mortgage origination process.

**6. Amendments to the 2013 Mortgage Rules Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z); Correction.**

**Date of final rule:** June 27, 2017

This rule amends certain mortgage servicing rules issued in 2016 to make several non-substantive corrections. The corrections address two typographical errors, the authority citation for Regulation Z, and several amendatory instructions relating to certain official commentary to apply the correct effective date.

**7. Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z); Delay of Effective Date.**

**Date of final rule:** April 25, 2017

The rule represents a final rule to delay the Oct. 1, 2017 effective date of the rule governing Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z) (the Prepaid Accounts Final Rule) by six months, to April 1, 2018.



An Association of Mortgage Professionals

January 17, 2018

To: Senate Commerce and Human Resources Committee

Re: Department of Finance Docket No. 12-0110-1701

The Idaho Association of Mortgage Professionals supports the rule changes as proposed by the Idaho Department of Finance. These represent a mere updating of the statutes to stay in line with federal law.

IAMP works closely with the Department of Finance each year on many aspects of their operation, from legislation and rulemaking to licensing issues to education requirements. We enjoy a transparent relationship and always have the opportunity in advance to provide input on any upcoming changes.

We appreciate this relationship and will continue to provide input from the mortgage industry on state matters.

Sincerely,

A handwritten signature in black ink that reads 'Chuck Anderson'. The signature is written in a cursive, flowing style.

Chuck Anderson

President

IAMP

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