

**Charts of Changes Relating to Small Creditors and Rural or Underserved Areas under TILA  
(Based on CFPB Regulatory Changes)**

***A. General Standards for Small Creditor Status***

<b>Item</b>	<b>Before Jan. 1, 2016</b>	<b>Jan. 1, 2016 – Mar. 31, 2016</b>	<b>Starting Mar. 31, 2016</b>
<b>Number of originations</b>	During preceding calendar year, your credit union and its affiliate(s) originated $\leq 500$ first lien mortgages total	During preceding calendar year, your credit union and its affiliate(s) originated $\leq 2,000$ first lien loans not kept in portfolio (loans held in portfolio no longer count towards the limit); a grace period applies until April 1 each year if your credit union met this condition in either of the previous two calendar years	No change from standards in place Jan. 1, 2016 – Mar. 31, 2016
<b>Assets</b>	Your credit union’s assets $< \$2$ billion (adjusted annually) at end of preceding calendar year (no consideration of affiliates)	Your credit union’s assets, together with the assets of all its affiliates that originate covered transactions, are $< \$2$ billion (adjusted annually) at end of preceding calendar year; a grace period applies until April 1 each year if your credit union met this condition in either of the previous two calendar years	No change from standards in place Jan. 1, 2016 – Mar. 31, 2016
<b>Originations in rural or underserved area</b>	During one of last three calendar years, $> 50$ percent loans originated in rural or underserved areas	No change from standards in place before Jan. 1, 2016	During previous calendar year, your credit union originated at least one mortgage loan in rural or underserved area; a grace period applies until April 1 each year if your credit union met this condition in either of the previous two calendar years
<b>Designation of rural area</b>	Rural areas determined by county and included on CFPB lists of “rural” and “underserved” counties, based on Office of Management and Budget and U.S. Dept. of Agriculture’s Economic Research Service determinations	Rural areas determined by county and included on CFPB lists of “rural” and “underserved” counties, based on Office of Management and Budget and U.S. Dept. of Agriculture’s Economic Research Service determinations; <u>or</u> by census block, per Census Bureau	Rural areas determined by county and included on CFPB lists of “rural” and “underserved” counties, based on OMB and U.S. Dept. of Agriculture’s Economic Research Service; <u>or</u> by census block, per Census Bureau; <u>or</u> as determined by CFPB upon application seeking rural designation of an area

Note: This document is intended to provide general information about the final rules discussed, but only the final rules and their official interpretations can provide comprehensive and definitive information regarding their requirements.

***B. Application of Standards to Specific Qualified Mortgage Types and Higher-Priced Mortgage Loan Escrow Exemption***

Item	Before Jan. 1, 2016	Jan. 1, 2016 – Mar. 31, 2016	Starting Mar. 31, 2016
<b>Small creditor QM standards<sup>1</sup></b>	500 first lien origination per year limit, <u>and</u> loans kept in portfolio for three years (or transferred to other small creditor), <u>and</u> your credit union's assets <\$2 billion	Unlimited originations kept in portfolio for three years and ≤2,000 first lien loans not kept in portfolio, <u>and</u> assets of your credit union and its affiliates that originate covered transactions together <\$2 billion	No change from Jan. 1, 2016 – Mar. 31, 2016, standards
<b>Temporary balloon standards for QMs and high-cost mortgages<sup>2</sup></b>	A loan with a balloon payment can be considered a QM if your credit union makes no more than 500 first lien originations per year, <u>and</u> keeps the loans in portfolio for three years (or transfers to another small creditor), and your credit union's assets <\$2 billion	Unlimited originations kept in portfolio for three years and ≤2,000 first lien loans not kept in portfolio, <u>and</u> assets of your credit unions and its affiliates that originate covered transactions together <\$2 billion	No change from Jan. 1, 2016 – Mar. 31, 2016, standards
<b>Permanent balloon standards for QMs and high-cost mortgages<sup>3</sup></b>	500 first lien origination per year limit and loans kept in portfolio for three years (or transferred to other small creditor), <u>and</u> your credit union's assets <\$2 billion, <u>and</u> >50 percent loans originated in rural or underserved areas	Unlimited originations kept in portfolio for three years and ≤2,000 first lien loans not kept in portfolio, <u>and</u> assets of your credit union and its affiliates that originate covered transactions together <\$2 billion	Unlimited originations kept in portfolio for three years and ≤2,000 first lien loans not kept in portfolio, <u>and</u> assets of your credit union and its affiliates that originate covered transactions together <\$2 billion, <u>and</u> your credit union originated at least 1 loan in a rural or underserved area
<b>HPML escrow exemption<sup>4</sup></b>	Loans must be kept in portfolio (in addition to requirements above), <u>and</u> your credit union generally does not escrow (except for escrows imposed for HPMLs between 4/1/2010 and 1/1/2014)	Loans must be kept in portfolio (in addition to originations, asset size and operating predominantly in rural or underserved area requirements), <u>and</u> your credit union generally does not escrow (except for escrows imposed for HPMLs on or after 4/1/2010 and before 5/1/2016 due to legal requirement only)	Loans must be kept in portfolio (in addition to originations, asset size and originating at least one mortgage loan in a rural or underserved area requirements), <u>and</u> your credit union generally does not escrow (except for escrows imposed for HPMLs on or after 4/1/2010 and before 5/1/2016 <u>due to legal requirement only</u> )

<sup>1</sup> Small creditor QMs are not subject to the 43 percent debt-to-income ratio limit that applies to general QMs, although the creditor must make a DTI or residual income analysis and other conditions apply.

<sup>2</sup> Before April 1, 2016, small creditors (as defined at the applicable time) that did not operate in a rural or underserved area could originate loans with balloon payments meeting QM requirements or that were high-cost mortgages. That exception applied to loans for which the small creditor received applications before April 1, 2016.

<sup>3</sup> QM and high-cost loans may include a balloon payment if your credit union meets these standards and other QM or high-cost standards.

<sup>4</sup> Qualifying small creditors are exempt from the requirement to establish and maintain an escrow account when originating a higher-priced mortgage loan.