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Annual adjustment of fee-based trigger for additional mortgage loan disclosures

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Press Release

August 05, 2008

Annual adjustment of fee-based trigger for additional mortgage loan disclosures

For immediate release

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The Federal Reserve Board on Tuesday published its annual adjustment of the dollar amount of fees that triggers additional disclosure requirements under the Truth in Lending Act for home mortgage loans that bear rates or fees above a certain amount.

The dollar amount of the fee-based trigger has been adjusted to \$583 for 2009 based on the annual percentage change reflected in the Consumer Price Index that was in effect on June 1, 2008.

The adjustment is effective January 1, 2009. This adjustment does not affect the new rules adopted by the Board in July 2008 for "higher-priced mortgage loans." Coverage of mortgage loans under the July 2008 rules is determined using a different rate-based trigger.

The Home Ownership and Equity Protection Act of 1994 restricts credit terms such as balloon payments and requires additional disclosures when total points and fees payable by the consumer exceed the fee-based trigger (initially set at \$400 and adjusted annually) or 8 percent of the total loan amount, whichever is larger.

The Board's notice is attached.

Federal Register notice: [49 KB PDF](#) | [HTML](#)

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