CHANGES IN ASSET SIZE REFERENCE

STATUTE	IMPACT
This reference document has been developed as a reference to management as the bank nears $1B in assets.	
HOME MORTGAGE DISCLOSURE ACT	BANK WILL BE REQUIRED TO COLLECT AND REPORT HMDA DATA 2018 Institutional Coverage: - Assets greater than $45 million (Will be adjusted at year-end) on the preceding December 31st - Origination of at least 25 home purchase loans, including refinancings of home purchase loans in each of two preceding calendar years OR origination of at least 100 open-end lines of credit in each of two preceding calendar years[1]
COMMUNITY REINVESTMENT ACT	BANK WILL NOT BE REQUIRED TO COLLECT AND REPORT CRA DATA UNTIL IT REACHES ASSET THRESHOLD FOR 2 CALENDAR YEARS BANK WILL CONTINUE TO BE CLASSIFIED AS AN INTERMEDIATE SMALL INSTITUTION *(Until it meets the asset size threshold for a large institution. The bank cannot be examined as a large institution until it has at least 1 full year of data collected)* Asset-Size Thresholds for CRA Exams: Small Institution: Assets of less than $1.252 billion as of December 31st of either of the prior 2 calendar years Intermediate Small Institution: **Assets of at least $313 million as of December 31st of both of the prior 2 calendar years and less than $1.252 billion as of December 31st of either of the prior 2 calendar years.** Large Institution: Assets of at least $1.252 billion as of December 31st as of the prior 2 calendar years
QUALIFIED MORTGAGE RULES Small Creditor Exemption	Small Creditor Definition - You, together with your affiliates, did not originate more than 2,000 1st lien covered transactions during the preceding calendar year - You, and your mortgage-originating affiliates, have less than $2 billion in assets, adjusted annually for inflation - You operate predominantly in rural or underserved areas (pertains to Balloon-Payment QMs) Why It Matters: In addition to general and temporary QMs, you may also originate small creditor QMs. You do not have to escrow for higher-priced mortgage loans. NOTE: S. 2155 raises the asset size threshold to $10B

[1] https://files.consumerfinance.gov/f/201510_cfpb_2018-hmda-institutional-coverage.pdf. Note: With the passage of S. 2155 there may be additional changes coming for HMDA coverage; however, the Bureau will need to issue implementing regulations before any changes are made.

STATUTE	IMPACT
MORTGAGE SERVICING RULES Small Servicer Exemption	**Small Servicer Exemption** You service, together with your affiliates 5,000 or fewer mortgage loans, for all of which you or your affiliate is the creditor or assignee; OR, are a Housing Finance Agency; OR, are a non-profit entity that services 5,000 or fewer mortgage loans, including those serviced on behalf of associated non-profit entities, all of which the servicer or associated servicer is the creditor **Why It Matters:** As a small servicer, you are exempt from the following provisions from the Dodd-Frank Mortgage Servicing Rules - Periodic statements (§1026.41) - Prohibition on purchasing force-placed insurance where a servicer could continue the consumer's existing hazard insurance coverage by advancing funds to escrow when the cost of force-placed insurance is less than the cost of advancing for hazard insurance (§1024.17) - General servicing policies, procedures and requirements (§1024.38) - Early intervention (§1024.39) - Continuity of contact (§1024.40) - Certain loss mitigation provisions (§1024.41) BANK WILL REMAIN A SMALL SERVICER UNTIL ORIGINATIONS MEET THRESHOLD.
MANDATORY FLOOD ESCROW RULES Small Lender Exemption	**Small Lender Definition** You have less than $1 billion in assets and, as of July 6, 2012, were not required by Federal or State law to escrow taxes or insurance for the term of a loan and did not have a policy of uniformly and consistently escrowing taxes and insurance **Why It Matters:** You are not required to establish escrow for borrowers whose properties, securing your loan, are located within flood zones BANK WILL BE REQUIRED TO ESCROW FOR FLOOD INSURANCE
REGULATION O	LENDING LIMITS AND REQUIREMENTS WILL NEED TO BE ADJUSTED WITH NEW ASSET SIZE

ADDITIONAL NOTES

There are statutes that the merged bank will need to comply with, outside of the scope of consumer compliance. These statutes include, but are not limited to: **The Sarbanes-Oxley Act and Legal Lending Limit size adjustments and incentive-based compensation provisions of section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.**

Broader compliance requirements come into play when the bank's asset size reaches **$10 billion**.