

guaranteed by or subsequently assigned to a natural person.

7. *Leases of personal property incidental to a service.* The following leases of personal property are deemed incidental to a service and thus are not subject to the regulation:

i. Home entertainment systems requiring the consumer to lease equipment that enables a television to receive the transmitted programming.

ii. Security alarm systems requiring the installation of leased equipment intended to monitor unlawful entries into a home and in some cases to provide fire protection.

iii. Propane gas service where the consumer must lease a propane tank to receive the service.

8. *Safe deposit boxes.* The lease of a safe deposit box is not a consumer lease under § 1013.2(e).

9. *Threshold amount.* A consumer lease is exempt from the requirements of this part if the total contractual obligation exceeds the threshold amount in effect at the time of consummation. The threshold amount in effect during a particular time period is the amount stated in comment 2(e)-11 for that period. The threshold amount is adjusted effective January 1 of each year by any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) that was in effect on the preceding June 1. Comment 2(e)-11 will be amended to provide the threshold amount for the upcoming year after the annual percentage change in the CPI-W that was in effect on June 1 becomes available. Any increase in the threshold amount will be rounded to the nearest \$100 increment. For example, if the annual percentage increase in the CPI-W would result in a \$950 increase in the threshold amount, the threshold amount will be increased by \$1,000.

However, if the annual percentage increase in the CPI-W would result in a \$949 increase in the threshold amount, the threshold amount will be increased by \$900. If a consumer lease is exempt from the requirements of this part because the total contractual obligation exceeds the threshold amount in effect at the time of consummation, the lease remains exempt regardless of a subsequent increase in the threshold amount.

10. *No increase in the CPI-W.* If the CPI-W in effect on June 1 does not increase from the CPI-W in effect on June 1 of the previous year, the threshold amount effective the following January 1 through December 31 will not change from the previous year. When this occurs, for the years that follow, the threshold is calculated based on the annual percentage change in the CPI-W applied to the dollar amount that would have resulted, after rounding, if decreases and any subsequent increases in the CPI-W had been taken into account.

i. *Net increases.* If the resulting amount calculated, after rounding, is greater than the current threshold, then the threshold effective January 1 the following year will increase accordingly.

ii. *Net decreases.* If the resulting amount calculated, after rounding, is equal to or less than the current threshold, then the threshold effective January 1 the following

year will not change, but future increases will be calculated based on the amount that would have resulted.

11. *Threshold.* For purposes of § 1013.2(e)(1), the threshold amount in effect during a particular period is the amount stated in the following for that period.

i. Prior to July 21, 2011, the threshold amount is \$25,000.

ii. From July 21, 2011, through December 31, 2011, the threshold amount is \$50,000.

iii. From January 1, 2012, through December 31, 2012, the threshold amount is \$51,800.

iv. From January 1, 2013, through December 31, 2013, the threshold amount is \$53,000.

v. From January 1, 2014, through December 31, 2014, the threshold amount is \$53,500.

vi. From January 1, 2015, through December 31, 2015, the threshold amount is \$54,600.

vii. From January 1, 2016, through December 31, 2016, the threshold amount is \$54,600.

viii. From January 1, 2017, through December 31, 2017, the threshold amount is \$54,600.

ix. From January 1, 2018, through December 31, 2018, the threshold amount is \$55,800.

x. From January 1, 2019, through December 31, 2019, the threshold amount is \$57,200.

xi. From January 1, 2020, through December 31, 2020, the threshold amount is \$58,300.

xii. From January 1, 2021, through December 31, 2021, the threshold amount is \$58,300.

xiii. From January 1, 2022, through December 31, 2022, the threshold amount is \$61,000.

xiv. From January 1, 2023, through December 31, 2023, the threshold amount is \$66,400.

xv. From January 1, 2024, through December 31, 2024, the threshold amount is \$69,500.

xvi. From January 1, 2025, through December 31, 2025, the threshold amount is \$71,900.

xvii. From January 1, 2026, through December 31, 2026, the threshold amount is \$73,400.

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By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority.

Benjamin W. McDonough,

Deputy Secretary of the Board.

Russell Vought,

Acting Director, Consumer Financial Protection Bureau.

[FR Doc. 2025-22813 Filed 12-12-25; 8:45 am]

BILLING CODE 6210-01-P; 4810-25-P

FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Docket No. R-1880]

RIN 7100-AH10

CONSUMER FINANCIAL PROTECTION BUREAU

12 CFR Part 1026

Truth in Lending (Regulation Z)

AGENCY: Board of Governors of the Federal Reserve System (Board) and Consumer Financial Protection Bureau (Bureau).

ACTION: Final rules, official interpretations.

SUMMARY: The Board and the Bureau (collectively, Agencies) are publishing final rules amending the official interpretations 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). Based on the annual percentage increase in the CPI-W as of June 1, 2025, the exemption threshold will increase from \$71,900 to \$73,400 effective January 1, 2026. Because the Dodd-Frank Act also requires similar adjustments in the Consumer Leasing Act's threshold for exempt consumer leases, the Agencies are making similar amendments to each of their respective regulations implementing the Consumer Leasing Act elsewhere in the Rules section of this issue of the **Federal Register**.

DATES: This final rule is effective January 1, 2026.

FOR FURTHER INFORMATION CONTACT:

Board: Vivian W. Wong, Senior Counsel, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667. For users of text telephone systems (TTY) or any TTY-based Telecommunications Relay Services, please call 711 from any telephone, anywhere in the United States.

Bureau: Dave Gettler, Paralegal Specialist, Office of Regulations, at 202-435-7700 or at: <https://reginquiries.consumerfinance.gov/>. If you require this document in an alternative electronic format, please contact CFPB_Accessibility@cfpb.gov.

SUPPLEMENTARY INFORMATION: