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To: Clients and Friends

From: David F. Dulock

Subject: CFPB Final Rule Delays Mandatory Compliance Date for the March 1, 2021 General Qualified Mortgage Loan Definition

In the April 30, 2021 issue of the *Federal Register* ([86 FR 22844](#)), the Bureau of Consumer Financial Protection (Bureau) published a final rule that delays the mandatory compliance date for the March 1, 2021 General Qualified Mortgage Loan definition in §1026.43(e)(2) of Regulation Z (New General QM Loan Definition) published in the December 29, 2020 *Federal Register*, at 85 FR 86308. The New General QM Loan Definition is the subject of our February 25, 2021 memorandum located on the Resources page of our website ([click here](#)).

The March 1, 2021 effective date of the New General QM Loan Definition remains unchanged; however, this final rule delays the mandatory compliance date until October 1, 2022. This final rule is effective on June 30, 2021.

This final rule also makes the following amendments to the New General QM Loan Definition’s Official Interpretations in Supplement I to Part 1026, as follows:

- Under *Section 1026.43—Minimum Standards for Transactions Secured by a Dwelling*, revise introductory comment 43-2;
- Under *section 43(e)(2) Qualified mortgage defined—general*, add comment 43(2)-1;
- Under *section 43(e)(4) Qualified mortgage defined—other agencies*, revise comments 43(e)(4)-2 and 43(e)(4)-3.

Specifically, this final rule amends comments 43-2 and 43(e)(4)-2 and -3 to reflect a delay of the mandatory compliance date by changing the date “July 1, 2021” where it appears in those comments to “October 1, 2022.” **This final rule also adds comment 43(e)(2)-1 to clarify that both the original General QM loan definition and the New General QM loan Definition are available to creditors for transactions for which a creditor received an application on or after March 1, 2021, but prior to October 1, 2022.**

This final rule does not make any other changes to the New General QM loan Definition.

In the preamble to this final rule, the Bureau explains that because the Temporary GSE QM loan definition expires on the mandatory compliance date of the New General QM Loan Definition or the date the applicable GSE ceases to operate under conservatorship, whichever comes first, creditors seeking to originate QMs will have the additional option of complying with the Temporary GSE QM loan definition, if the application for the covered transaction was received before either October 1, 2022, or the date the applicable GSE ceases to operate under conservatorship, whichever comes first. The

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Bureau cautions, however, that the practical availability of the Temporary GSE QM loan definition may be affected by the January 14, 2021 amendments to the GSEs' Preferred Stock Purchase Agreements (PSPAs), which limit the GSEs' purchase of certain loans on or after July 1, 2021, including loans that are not qualified mortgages as defined by 12 CFR 1026.43(e)(2), (5), (6), (7) or (f) with certain exceptions. For information on this Temporary GSE QM loan definition PSPA issue, see Fannie Mae Lender Letter 2021-09 and Freddie Mac Bulletin 2021-13, both dated April 8, 2021, which are attached to our April 15, 2021 memorandum located on the Resources page of our website ([click here](#)).

Readers of this memorandum are advised to read our February 25, 2021, memorandum, which summarizes the substantive changes to the original General QM Loan definition made by the New General QM Loan Definition in order to understand all the changes made to the original General QM Loan definition.

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