



July 16, 2020

To: Clients and Friends

From: David F. Dulock

Subject: CFPB Proposed Rule to Extend GSE Qualified Mortgage Sunset Date

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In the July 10, 2020 issue of the *Federal Register* (85 FR 41448, [click here](#)) the Bureau of Consumer Financial Protection (Bureau) published a proposed rule, with a request for public comment, that proposes to extend the January 10, 2021 sunset date in §1026.43(e)(4)(iii)(B) of Regulation Z for qualified mortgages (QMs) eligible to be purchased or guaranteed by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation (collectively GSEs), while operating under the conservatorship or receivership of the Federal Housing Finance Agency (FHFA), pursuant to §1026.43(e)(4)(ii)(A) (Temporary GSE QM loans).

The Bureau proposes to amend §1026.43(e)(4)(iii)(B) to replace the January 10, 2021 sunset date with a provision that extends the Temporary GSE QM loan definition to expire upon the effective date of final amendments to the General QM loan definition in §1026.43(e)(2). The General QM loan definition is the subject of a separate proposed rule published simultaneous with this proposed rule in another section of the above cited *Federal Register* that will be subject of a separate firm memorandum. The Bureau is not proposing to amend the provision in §1026.43(e)(4)(ii)(A) that the Temporary GSE QM loan category would expire if either of the GSEs exit conservatorship.

In summary, this means the Temporary GSE QM loan category will not expire on January 10, 2021 if both GSEs are still operating under FHFA conservatorship or receivership on that date; and assuming both GSEs are still operating under FHFA conservatorship or receivership after January 10, 2021 and before the effective date of a final rule amending the General QM loan definition, the Temporary GSE QM loan category will continue in effect until the effective date of a final rule amending the General QM loan definition. In the preamble to the proposed rule the subject of this memorandum, the Bureau states that it does not intend to issue a final rule amending the General QM loan definition early enough for it to take effect before April 1, 2021 and that the Bureau proposes a six-month interval between publication of the final rule in the *Federal Register* and the final rule's effective date.

Comments on the proposed rule must be received by the Bureau on or before August 10, 2020, be identified by Docket No. CFPB-2020-0021 or RIN 3170-AA98, include the Bureau's name and be submitted by any of the following methods:

• *Federal eRulemaking Portal*: <https://www.regulations.gov>. Follow the instructions for submitting comments.

• *Email*: 2020-NPRM-ATRQM-SunsetDate@cfpb.gov. Include Docket No. CFPB-2020-0021 or RIN 3170-AA98 in the subject line of the message.

• *Mail/Hand Delivery/Courier*: Comment Intake—QM Extension of Sunset Date, Bureau of Consumer Financial Protection, 1700 G Street NW, Washington, DC 20552.

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