



IMPORTANT UPDATE BULLETIN 32 06302021

Issued to: All Channels
Date: 6-30-2021
Subject: Revised Qualified Mortgage (QM) Rule
Effective: July 1, 2021

Fannie Mae (FNMA) and Freddie Mac (FHLMC) have recently announced in multiple communications, the requirement to meet the **Revised Qualified Mortgage (QM) Rule definition** that became effective March 1, 2021. This is due to the senior Preferred Stock Purchase Agreement (PSPA). Under the PSPA, they will no longer accept GSE Patch/Temporary QM category loans that do not also meet the Revised General QM Rule.

Effective Thursday, July 1, 2021, GHMC will require the following to adhere to the Revised General QM Rule:

- **Loan applications dated on or after July 1, 2021** must comply to the Revised General QM Rule
- **Loan applications dated before July 1, 2021** that do **NOT** comply with the Revised General QM Rule **must be purchased by July 31st**
 - If not purchased by July 31st, loan will be required to adhere to the price-based Revised General QM Rule requirements.

Loans are considered QM Safe Harbor if the loan APR does not exceed APOR by 1.50% or more. The chart below shows the APR threshold limits for the corresponding loan amounts to qualify for QM Rebuttable Presumption:

Loan Amount	APR/APOR Threshold Limit
Greater Than or Equal to \$110,260	Less than 2.25%
Greater Than or Equal to \$66,156, but less than \$110,260	Less than 3.50%
Less than \$66,156	Less than 6.50%
Manufactured homes—Less than \$110,260	Less than 6.50%

In addition to the new requirements related to APR, in accordance with the standard underwriting requirements, we must consider and verify income, obligations, and debt-to-income (DTI) as follows:

- Prior to consummation, the creditor must make a reasonable and good faith determination of the borrowers' ability to repay the loan, based on a consideration of the borrowers' current or reasonably expected income, debt obligations and assets (other than the value of the subject property) so that a monthly DTI ratio or a monthly residual income amount (as appropriate) can be calculated.
- Any mortgage loan documents required with the underwriting of the loan must be received by the creditor prior to closing.

For further details, here are links to the applicable Fannie Mae and Freddie Mac Bulletins:

[FNMA Lender Letter \(LL-2021-09\)](#)

[FNMA Lender Letter \(LL-2021-11\)](#)

[FHLMC Bulletin 2021-13](#)

[FHLMC Bulletin 2021-19](#)

Please contact your Account Executive for assistance.

We appreciate your business!