

1700 G Street NW, Washington, DC 20552

April 27, 2021

Executive Summary of the April 2021 Amendments to the ATR/QM Rule

On April 27, 2021, the Consumer Financial Protection Bureau (Bureau) issued a final rule (the April 2021 Final Rule) extending the mandatory compliance date of the General Qualified Mortgage (QM) Final Rule¹ from July 1, 2021 to October 1, 2022. While the April 2021 Final Rule extends the General QM Final Rule’s mandatory compliance date, it does not change the General QM Final Rule’s effective date. The General QM Final Rule was effective on March 1, 2021.

For applications received on or after March 1, 2021 but before the mandatory compliance date of October 1, 2022, creditors that seek to originate General QM loans have the option of complying with either the revised, price-based General QM loan definition or the original, total monthly debt to total monthly income (DTI)-based General QM loan definition. Only the revised, price-based General QM loan definition is available for applications received on or after the October 1, 2022 mandatory compliance date.

Additionally, the April 2021 Final Rule affects the expiration of the Temporary GSE QM loan definition or “Patch.” Under the April 2021 Final Rule, the Temporary GSE QM loan definition will expire on October 1, 2022 or the date the applicable GSE exits conservatorship, whichever comes first. However, the practical availability of the Temporary GSE QM loan definition may be affected by policies or agreements created by parties other than the Bureau, such as the Preferred Stock Purchase Agreements (PSPAs),

This is a Compliance Aid issued by the Consumer Financial Protection Bureau. The Bureau published a Policy Statement on Compliance Aids, available at <http://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/policy-statement-compliance-aids/>, that explains the Bureau’s approach to Compliance Aids.

¹ 85 FR 86308.

which include restrictions on GSE purchases that rely on the Temporary GSE QM loan definition after July 1, 2021.²

Additional Resources

The Bureau has released additional resources regarding the Ability-to-Repay (ATR)/QM Rule, which include updated charts and an updated small entity compliance guide. These resources are available at <http://www.consumerfinance.gov/policy-compliance/guidance/mortgage-resources/ability-repay-qualified-mortgage-rule>.

² See Part IV of the April 2021 Final Rule.