



# CORRESPONDENT ANNOUNCEMENT 2021-9

June 7, 2021

## Revised Qualified Mortgage (QM)

first community mortgage

### Effective June 7, 2021

**Loan Eligibility for Fannie Mae and Freddie Mac Changes Due to PSPA and Revised QM Rule Implementation. All covered transactions will be required to comply with the APR to APOR spreads as required by the Revised General Qualified Mortgage rule.**

On January 14, 2021, Fannie Mae and Freddie Mac, through the FHFA as their conservator, entered into a Letter Agreement with the Department of Treasury to amend the Preferred Stock Purchase Agreement (“PSPA”). According to the amended PSPA - Fannie Mae and Freddie Mac will no longer be permitted to purchase Qualified Mortgages that fall under the Temporary Qualified Mortgage category, also known as the GSE patch.

On April 8, 2021, Fannie Mae and Freddie Mac published bulletins announcing changes to loan eligibility requirements due to the amended PSPA and revised General Qualified Mortgage Rule. All covered transactions under Regulation Z will be required to comply with the Revised General Qualified Mortgage Rule.

<b>Loan Amount</b>	<b>APR / APOR Threshold Limit</b>
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 6.5%

Any covered loan with an APR to APOR spread < 1.5% is QM Safe Harbor, all other QM loans as noted above are QM Rebuttal Presumption.

### Links to the Fannie Mae and Freddie Mac Bulletins Below:

[Fannie Mae LL-2021-09](#)

[Freddie Mac Bulletin 2021-13](#)

[Fannie Mae LL-2021-11](#)

[Freddie Mac Bulletin 2021-19](#)

### Timing

Covered loans with Application Dates on or after July 1, 2021, will be required to comply with the Revised General Qualified Mortgage Rule.

Loans with Application Dates prior to July 1, 2021, that are considered Qualified Mortgages under the Temporary QM (GSE Patch) must be delivered to FCM no later than July 16, 2021, and purchased no later than July 30, 2021.

**Note:** FHA, VA and RD QM Requirements remain unchanged with this announcement.