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## Revised General QM Rule Applies for Agency Loans

Truist Bank (Truist) aligns with the Revised General Qualified Mortgage (QM) Rule compliance requirement for Agency loans announced in Fannie Mae Lender Letters [LL-2021-09](#) and [LL-2021-11](#) and Freddie Mac Bulletins [2021-13](#) and [2021-19](#). With this communication, we provide information on:

- the effective date related to the purchase of Agency loans subject to the Revised General QM Rule requirements
- Truist's purchase cut-off dates for Agency loans originated relying on the Government-Sponsored Enterprise (GSE) Patch

### Notes:

- The Revised General QM Rule refers to the Consumer Finance Protection Bureau's (CFPB's) QM rule in Regulation Z, C.F.R. § 1026.43(e)(2), that became effective on March 1, 2021 (*optional compliance date*).
- GSE Patch refers to the CFPB's *temporary* QM rule definition in Regulation Z, C.F.R. § 1026.43(e)(4), that became effective January 10, 2014.
- At this time, there are no changes to the current QM requirements for Key, FHA, VA, and Rural Development loans.

### Effective Dates

- **July 1, 2021:** Agency loans with application dates on or after July 1, 2021 must comply with the Revised General QM Rule requirements.
- **August 6, 2021:** Agency loans originated relying on the existing GSE Patch, with application dates prior to July 1, 2021, that do **not** meet the Revised General QM Rule requirements must be purchased by Truist on or before August 6, 2021. (*See exception below for non-AUS and Desktop Underwriter® (DU®) single-closing construction-to-permanent (CP) loans with application dates prior to July 1, 2021*)
- **February 4, 2022:** Agency non-AUS and DU single-closing CP loans originated relying on the existing GSE Patch, with application dates prior to July 1, 2021, that do **not** meet the Revised General QM Rule requirements must be purchased by Truist on or before February 4, 2022.

### Background Information

The CFPB recently amended the QM requirements of the Ability to Repay rule. The CFPB's optional compliance period for the revised QM requirements became effective March 1, 2021, with mandatory compliance delayed from July 1, 2021 to October 1, 2022. However, due to recent changes to the Preferred Stock Purchase Agreement with the U.S. Department of Treasury, Fannie Mae and Freddie Mac (the GSEs) are still subject to the original mandatory Revised General QM Rule requirements compliance date of July 1, 2021 for Agency loans they purchase. Additionally, the GSEs are imposing delivery deadlines for Agency loans originated relying on the GSE Patch that do not meet the Revised General QM Rule requirements. In response, for Agency loans, Truist is aligning with the Revised General QM Rule compliance requirement announced by the GSEs and imposing purchase cut-off dates to comply with the GSEs' delivery deadlines.

### Bulletin Details

#### Agency Loans Subject to the Revised General QM Rule

To be eligible for purchase by Truist, Agency loans with application dates on or after July 1, 2021 must comply with the Revised General QM Rule requirements. This revised General QM Rule compliance requirement applies for Agency fixed rate and adjustable rate mortgages, for all Agency underwriting methods [i.e., non-AUS, DU, and Loan Product Advisor® (LPA<sup>SM</sup>)].

# Product Release

Information for Correspondent Lenders of Truist Bank  
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## Bulletin Details, continued

### Agency Loans Subject to the Revised General QM Rule, continued

Impacted Agency loan programs/loans include the following:

- Standard Agency
- Agency Plus
- Agency Plus Select
- HomeReady®
- Home Possible®
- Texas Section 50(a)(6)
- CorrAdvantage

Elimination of the GSE Patch and use of the new annual percentage rate (APR) to average prime offer rate (APOR) spread thresholds, including the short-term ARM QM APR calculation as required by the Revised General QM Rule, are the most notable impacts of this change for Agency loan originations. We urge Correspondent lenders to consult with their Compliance Officer or Legal Counsel for information, interpretation, and/or additional requirements related to the Revised General Qualified Mortgage Rule.

**Note:** Due to the CFPB's March 1, 2021 optional compliance date, Truist acknowledges that some Correspondent Lenders may have already started applying the Revised General QM Rule requirements to their pipeline of Agency loan originations. These loans originated in compliance with the Revised General QM Rule requirements are acceptable now for purchase by Truist.

### Purchase Deadlines for GSE Patch Loans

To meet Fannie Mae and Freddie Mac's delivery requirements, Agency loans originated relying on the existing GSE Patch, with application dates prior to July 1, 2021, that do **not** meet the Revised General QM Rule requirements must be purchased by Truist on or before August 6, 2021.

- **Exception:** Agency non-AUS and DU single-closing CP loans originated relying on the existing GSE Patch, with application dates prior to July 1, 2021, that do **not** meet the Revised General QM Rule requirements must be purchased by Truist on or before February 4, 2022.

GSE Patch loans with application dates prior to July 1, 2021 that also meet the Revised General QM Rule requirements are not subject to the purchase deadlines outlined above. See the table below for additional reference.

Agency Loans		
Application Date	Applicable QM Rule(s)	Truist's Purchase Deadline
Prior to July 1, 2021	Existing Temporary GSE QM Rule (GSE Patch)	<ul style="list-style-type: none"><li>• <b>August 6, 2021</b> (excludes non-AUS and DU single-closing CP loans)</li><li>• <b>February 4, 2022</b> for non-AUS and DU single-closing CP loans</li></ul>
	Revised General QM Rule	N/A
On and After July 1, 2021	Revised General QM Rule	N/A

### Revised Materials

We will publish the following impacted product materials, reflecting updates to support this change, on July 1, 2021.

- Section 1.05: Underwriting
- Section 1.35: Compliance Overview

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## Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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