



Announcement: CWL2021-19

Issue Date: July 9, 2021

Effective Date: July 1, 2021

Attachment: none

CFPB QM Changes – General QM Final Rule

The Consumer Financial Protection Bureau (CFPB) issued a final rule amending the Ability-to-Repay/Qualified Mortgage Rule (ATR/QM Rule). The final rule replaces the existing 43% debt-to-income ratio limit with price-based thresholds, effective with loans originated on or after July 1, 2021.

Previously, all loans meeting the QM General definition must have been originated with a DTI ratio of 43% or less. This debt-to-income ratio requirement was replaced with an APR versus APOR price-based test. The other requirements of the QM General definition remain the same (i.e., points & fees limitations).

As an example, all first lien covered transactions with a loan amount greater than or equal to \$110,260 cannot have a variance between the APR and APOR greater than 2.25%. Additionally, if the APR is 1.5% or more higher than the APOR, the loan will continue to follow rebuttable presumption requirements as previously.

We have put together additional resources to assist with this change and encourage you to review for better understanding.

- [Ability-to-Repay/QM FAQs](#)
- [General QM Final Rule Job Aid](#)