

MPF Announcement:

2021-42

Date:

June 9, 2021

Alert:

Clarification
New Policy
Policy Update
Reminder
Training Information

Audience:

Compliance/Legal
Program Management
Origination
Quality Control
Servicing
Underwriting

Product:

MPF Direct
MPF Government MBS
MPF Traditional
MPF Xtra[®]

Effective Date:

July 1, 2021

MPF Program Updates for Revised Qualified Mortgage Rule

Reference

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

Visit the [MPF Website](#) to review and register for upcoming complimentary [MPF Webinars](#).

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In [MPF Announcement 2021-41](#), the MPF Program provided some updates on implementation and compliance dates regarding the Revised Qualified Mortgage (“QM”) rule. This announcement provides further details related to implementation and compliance with the Revised QM rule for **MPF Traditional**.

Any policy detailed below that conflicts with MPF Guide provisions or prior MPF Announcements, is deemed to supersede such provisions or announcements. Until the policies described in this announcement are incorporated into the MPF Guides in a future publication, PFIs must abide by the policies provided for in this announcement.

Effective Date

Effective for MPF Traditional Conventional Mortgage Loans with Application Dates on or after July 1, 2021, the MPF Program will only accept mortgage loans that comply with the Revised QM Rule published on December 20, 2020. The requirements detailed in [MPF Announcement 2021-41](#) will apply as follows:

- PFIs can begin applying these policies immediately but must apply them to all loans with application dates on or after July 1, 2021.

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- Single-closing construction-to-permanent loans with application dates prior to July 1, 2021 that meet the current QM rule (and do not meet Revised QM rule) can be delivered on or before **February 28, 2022**.
- ATR Covered loans with application dates prior to July 1, 2021 may be delivered after August 31, 2021 provided the loans otherwise meet the **Revised** QM Rule and the MPF Program revised QM policies.

Assumptions

Assumptions may or may not be subject to the Revised QM Rule depending on the circumstances. PFIs must refer to the regulation for the applicable requirements.

Representations and warranties

PFIs will be responsible for representations and warranties related to the requirements as announced by the MPF program, for the life of the loan. The MPF Program, the MPF Provider and the applicable MPF Bank's rights to exercise remedies related to violations of these requirements will not be waived.

Compliance

The MPF Program, the MPF Provider and the MPF Bank will not make the determination of whether a loan complies with or is exempt from TILA, ATR, or the Revised QM Rule, or whether a PFI's designation of a loan under the Revised QM Rule is correct. These determinations of compliance with the Revised QM Rule and other applicable laws are the PFI's responsibility.

Existing Waivers

This announcement and any related future MPF Guide provisions supersede the terms of any waiver or exception granted to a PFI with terms that are inconsistent with the requirements of this announcement and any related future Guide updates.

Loan delivery and quality control

Certain delivery and quality control measures will be addressed in a future communication.