



Bulletin 2021-13

Updates in Response to the Amended Senior Preferred Stock Purchase Agreement (PSPA) – Government Loans and the CFPB Revised General QM Definition Rule

Issued 04/08/2021

TO: Freddie Mac Sellers**SUBJECT: UPDATES IN RESPONSE TO THE AMENDED SENIOR PREFERRED STOCK PURCHASE AGREEMENT (PSPA) – GOVERNMENT LOANS AND THE CFPB REVISED GENERAL QM DEFINITION RULE**

Freddie Mac, through the FHFA as its conservator, entered into a Letter Agreement dated January 14, 2021 (the "PSPA") with the Department of the Treasury to amend the Amended and Restated Preferred Stock Purchase Agreement. Under the [amended PSPA](#), we are required to establish a program on or before July 1, 2021 that is reasonably designed to ensure that the loans we purchase are limited to those set forth in the amended PSPA, subject to certain exceptions that may be granted by the FHFA. In accordance with FHFA guidance, we are announcing requirements related to loans originated under the Consumer Financial Protection Bureau's ("CFPB") temporary GSE qualified mortgage rule (such mortgages "QMs"; and such temporary CFPB rule, the "GSE Patch") in order to provide the industry time to implement any necessary changes.

Under the amended PSPA, Freddie Mac will no longer be permitted to purchase QMs under the GSE Patch. Due to the differences in dates referenced in the amended PSPA and the CFPB's QM final rule effective March 1, 2021 ("[Revised QM Rule](#)"), the FHFA provided guidance with respect to the effective dates of this PSPA prohibition.

With this Bulletin, Freddie Mac is announcing that all loans subject to the Revised QM Rule and originated under the prior QM Rule in reliance on the GSE Patch are ineligible for sale to Freddie Mac, unless the loan meets the general QM definition under the Revised QM Rule set forth in [12 CFR 1026.43\(e\)\(2\)](#) ("General QM definition").

We also are announcing today our continued ability to purchase government loans pursuant to FHFA guidance.

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective for Mortgages with Application Received Dates on or after July 1, 2021, and all Mortgages with Settlement Dates after August 31, 2021.

MORTGAGES ELIGIBLE FOR SALE TO FREDDIE MAC

As a result of the PSPA requirements, the following updates will go into effect on the dates shown above:

GSE Patch and Revised QM Rule originations

- All Mortgages subject to the Revised QM Rule must be originated under the requirements of the Revised QM Rule and continue to meet Freddie Mac Guide requirements
- Mortgages originated using the GSE Patch may not be sold to Freddie Mac if they are subject to the Revised QM Rule and do not meet its requirements. Mortgages originated using the original General QM definition (e.g., Appendix Q) are ineligible.

Government funded, guaranteed or insured Mortgages

The amended PSPA's list of permissible loans that may be purchased by Freddie Mac does not include QMs that are government funded, guaranteed or insured Mortgages. The FHFA provided Freddie Mac with an exception to allow the continued purchase of government loans that meet the QM requirements for "other agencies" ([12 CFR 1026.43\(e\)\(4\)](#)) in the CFPB's Revised QM Rule.

- The following government funded, guaranteed or insured Mortgages remain eligible for sale to Freddie Mac:
 - Section 502 GRH Mortgages ([Guide Section 4205.1](#))
 - Section 184 Native American Mortgages ([Section 4205.3](#))
 - FHA/VA Mortgages ([Section 4205.4](#))

ADDITIONAL UPDATES

We will be updating the Guide at a future date to implement these requirements.

At this time, Freddie Mac is continuing to work with the FHFA and Fannie Mae in assessing other impacts the amended PSPA and Revised QM Rule may have on our requirements, guidance and operational processes.

Additional details about the actual changes to our requirements and guidance noted above and potentially related to topics such as ARMs, Mortgages exempt from the Revised QM Rule, and Enhanced Relief Refinance[®] Mortgages will be provided in future Bulletins and Guide updates.

REMINDERS

Determination of regulatory compliance

Freddie Mac will not make the determination of whether a Mortgage, including a Mortgage assessed through Loan Product Advisor[®], complies with or is exempt from the Revised QM Rule or whether a Seller's designation of the status of a Mortgage under the Revised QM Rule is correct. These determinations of compliance with the Revised QM Rule and other applicable laws are the Seller's responsibility.

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,

Danny Gardner
Senior Vice President, Client and Community Engagement