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[By Michael C. Flynn](#)

CFPB Acting Director Considering Delay in New Qualified Mortgage Rule

In a new blog, David Uejio, the Acting Director of the Consumer Financial Protection Bureau (CFPB) stated that he has instructed CFPB staff to “explore options for preserving the status quo with respect to QM and debt collection rules.” As Melissa Richards and I discussed in the recent Buchalter client alert summarizing the new Qualified Mortgage (QM) Rule (found here: <https://www.buchalter.com/wp-content/uploads/2020/12/Coming-in-2021-CFPB-Finalizes-Changes-to-Qualified-Mortgage-Definition-and-Creates-a-New-Seasoned-QM-Loan-Category-.pdf>), the new QM rule changed the requirements for the general definition of a QM and created a new “seasoned QM” category for mortgage loans held in portfolio.

Acting Director Uejio’s blog indicated that his focus on the new QM rule is a part of his “assessing regulatory actions taken by the previous leadership and adjusting as necessary and appropriate those not in line with our consumer protection mission and mandate,” which includes key priorities such as COVID-19 hardship protections and racial equity.

While the CFPB examines a possible delay to the implementation of the QM rule, removing existing regulations or creating a different QM rule could be a lengthy process. Meanwhile, the possibility of the current new rule’s implementation being delayed, or the rule eventually being undone, creates real uncertainty as lenders move to build out processes to implement the rule. The issues also reach out to areas such as secondary market loan sale purchase and sale agreements and due diligence.

Through Client Alerts, Buchalter will continue to provide updates as the CFPB works through this issue. Our Mortgage Banking Industry Group is available to help lenders understand and address issues related to this rule and others. Please reach out to our Mortgage Banking Industry Group if you have any questions about this or other mortgage-related issues.



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