

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1026

[Docket No. CFPB-2020-0028]

RIN 3170-AA98

Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z): Seasoned QM Loan Definition; Extension of Comment Period

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice of proposed rulemaking; extension of comment period.

SUMMARY: On August 28, 2020, the Bureau of Consumer Financial Protection (Bureau) published in the *Federal Register* a Notice of Proposed Rulemaking (Seasoned QM Proposal) proposing to create a new category of qualified mortgages in Regulation Z for first-lien, fixed-rate covered transactions that have met certain performance requirements over a 36-month seasoning period, are held in portfolio until the end of the seasoning period, comply with general restrictions on product features and points and fees, and meet certain underwriting requirements. The 30-day comment period for the Seasoned QM Proposal is counted from the date of publication, which was August 28. Thus, the 30-day comment period was set to close on September 28, 2020, which this year is the date on which the Jewish holiday Yom Kippur falls. In response to a request that we change the due date in light of the holiday, the Bureau is extending the comment period for the Seasoned QM Proposal until October 1, 2020.

DATES: The comment period for the Seasoned QM Proposal published August 28, 2020, at 85 FR 53568, is extended. Responses to the Seasoned QM Proposal must now be received on or before October 1, 2020.

ADDRESSES: You may submit responsive information and other comments, identified by Docket No. CFPB-2020-0028, by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
 - *Email:* 2020-NPRM-SeasonedQM@cfpb.gov. Include Docket No. CFPB-2020-0028 in the subject line of the message.
 - *Mail/Hand Delivery/Courier:* Comment Intake, Bureau of Consumer Financial Protection, 1700 G Street, NW, Washington, DC 20552. Please note that due to circumstances associated with the COVID-19 pandemic, the Bureau discourages the submission of comments by mail, hand delivery, or courier.
 - *Instructions:* The Bureau encourages the early submission of comments. All submissions must include the document title and docket number. Because paper mail in the Washington, DC area and at the Bureau is subject to delay, and in light of difficulties associated with mail and hand deliveries during the COVID-19 pandemic, commenters are encouraged to submit comments electronically. In general, all comments received will be posted without change to <http://www.regulations.gov>. In addition, once the Bureau's headquarters reopens, comments will be available for public inspection and copying at 1700 G Street, NW, Washington, DC 20552, on official business days between the hours of 10 a.m. and 5 p.m. Eastern Time. At that time, you can make an appointment to inspect the documents by telephoning 202-435-9169.
- All submissions in response to the Seasoned QM Proposal, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Please do not include sensitive personal information in your submissions, such as account

numbers or Social Security numbers, or names of other individuals, or other information that you would not ordinarily make public, such as trade secrets or confidential commercial information.

Submissions will not be edited to remove any identifying or contact information, or other information that you would not ordinarily make public. If you wish to submit trade secret or confidential commercial information, please contact the individuals listed in the **FOR FURTHER INFORMATION CONTACT** section below. Information submitted to the Bureau will be treated in accordance with the Bureau's Rule on the Disclosure of Records and Information, 12 CFR part 1070 *et seq.*

FOR FURTHER INFORMATION CONTACT: For general inquiries and submission process questions, please call Ruth Van Veldhuizen, Counsel, or Joan Kayagil or Amanda Quester, Senior Counsels, Office of Regulations at 202-435-7700. If you require this document in an alternative electronic format, please contact *CFPB_Accessibility@cfpb.gov*.

SUPPLEMENTARY INFORMATION:

With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for QMs obtain certain protections from liability. Regulation Z contains several categories of QMs, including the General QM category and a temporary category (Temporary GSE QM loans) of loans that are eligible for purchase or guarantee by government-sponsored enterprises (GSEs) while they are operating under the conservatorship or receivership of the Federal Housing Finance Agency (FHFA). On August 18, 2020, the Bureau issued the Seasoned QM Proposal to create a new category of QMs (Seasoned QMs) for first-lien, fixed-rate covered transactions that have met certain performance requirements over a 36-month seasoning period, are held in portfolio until the end of the seasoning period, comply with

general restrictions on product features and points and fees, and meet certain underwriting requirements. The Bureau's primary objective with the Seasoned QM Proposal is to ensure access to responsible, affordable mortgage credit by adding a Seasoned QM definition to the existing QM definitions. The Seasoned QM Proposal was published in the *Federal Register* on August 28, 2020.¹

The Bureau provided for a 30-day comment period for the Seasoned QM Proposal. The 30-day comment period is counted from the date of publication, which was August 28. Thus, the 30-day public comment period was set to close on September 28, 2020. Subsequent to the issuance of the Seasoned QM Proposal, representatives from a consumer group asked the Bureau to extend the deadline for submission of comments because the originally established deadline of September 28, 2020 is the date this year of the Jewish holiday Yom Kippur. In response to this request, the Bureau is extending the comment period for the Seasoned QM Proposal to October 1, 2020.

Signing Authority

The Director of the Bureau, having reviewed and approved this document, is delegating the authority to electronically sign this document to Laura Galban, a Bureau Federal Register Liaison, for purposes of publication in the *Federal Register*.

Dated: September 21, 2020.

/s/ Laura Galban

Laura Galban,
Federal Register Liaison, Bureau of Consumer Financial Protection.

¹ 85 FR 53568 (Aug. 28, 2020).