

QUALIFIED MORTGAGES

SAFE HARBOR vs. REBUTTABLE PRESUMPTION of COMPLIANCE WITH ABILITY-TO-REPAY RULE

General QM Rule	Temporary QM Rule for Conventional, VA, USDA, and Rural Housing Loans -- including Jumbo Loans (Temporary QM Rule is in effect until the later of: the date each Agency adopts its own QM Rule or January 10, 2021)	FHA QM Rule
SAFE HARBOR	SAFE HARBOR	SAFE HARBOR
verified income and debt obligations according to Regulation A Appendix Q, Standards for Determining Monthly Debt and Income	loan is underwritten to the Agency's u/w guidelines and is eligible for purchase or guarantee by the respective Agency	loan is underwritten to HUD's Title II FHA guidelines
underwritten to the highest interest rate that may apply during the first five years		
DTI does not exceed 43%		
loan term does not exceed 30 years	loan term does not exceed 30 years	loan term does not exceed 30 years
fully-amortizing regular payments	fully-amortizing regular payments	fully-amortizing regular payments
no risky features (e.g. , neg am, I/O, balloon payment)	no risky features (e.g. , neg am, I/O, balloon payment)	no risky features (e.g., neg am, I/O, balloon payment)
points and fees do not exceed 3%	points and fees do not exceed 3%	points and fees do not exceed 3%
	loan is not a Higher-Priced Covered Transaction* (HPCT)	APR does not exceed the APOR on the lock date by more than the annual MIP 1.15% (e.g. , 1.35% + 1.15% = 2.50%)
		loan is insured by HUD
REBUTTABLE PRESUMPTION**	REBUTTABLE PRESUMPTION**	REBUTTABLE PRESUMPTION
all of the above, except:	all of the above, except:	all of the above, except:
loan is a Higher-Covered Transaction* (HPCT)	loan is a Higher-Priced Covered Transaction* (HPCT)	APR exceeds the APOR on the lock date by more than the annual MIP + 1.15%
* APR exceeds the Average Prime Offer Rate (APOR) by 1.5% or more on the date the interest rate is locked		
**PRMG does not make jumbo loans that are Higher-priced Covered Transactions		