



Recap of SFA's QM Roundtable on November 5th

- On Tuesday November 5th, SFA convened a members-only QM Roundtable to discuss the future of the mortgage market given the pending expiration of the GSEs QM Patch. Following the [inaugural SFA QM Symposium](#) held on June 25th, this second QM roundtable event was the culmination of QM Task Force calls that have been regularly occurring throughout 2019.
- During the recent November roundtable, SFA CEO Michael Bright laid out the current landscape, noting the industry's important role regardless of how the CFPB ultimately decides to implement the ATR-QM rule. If the CFPB lands in favor of a broad QM market, there may be a need for the industry to promote a broad understanding of terms and definitions in use by various market participants in order to prevent an erosion of credit quality. If the CFPB rule creates a narrow QM market, market participants will need greater clarity and certainty with how to comply with ATR requirements outside of QM protection. The industry can play a crucial role in helping to promote that clarity and certainty.
- A broad cross-section of SFA members participated at the roundtable, including originators, issuers, investors, rating agencies, diligence firms, law firms, servicers, and data and analytics providers. Discussion focused on current issues in both the QM and non-QM markets, including bank statement loans, asset depletion loans, and the application of expense ratios to borrowers' income. Participants also discussed ways in which the CFPB could provide more clarity via Official Commentary to the ATR-QM rule, as well as how to potentially increase private capital by limiting assignee liability when certain conditions are met.
- SFA members also discussed possible industry-led initiatives to fill the role currently played by the GSEs under the Patch, including the development of an industry self-regulating organization (SRO) that would promote industry-led standards, and use historical performance data to responsibly expand access to credit in accordance with the intent of the statute and rule promulgated by the CFPB. The QM Task Force remains committed to developing industry-led solutions with input from all market participants. If you would like to join SFA's QM Task Force, please contact Dallin.Merrill@StructuredFinance.org.