

"Which is What" in Consumer Mortgage Loans???

by Patti Blenden

It has become increasingly difficult to remember which consumer mortgage loans are impacted by what rules. We have provided a simple chart below to help you keep the major categories of rules and regulations delineated.

In addition to the various types of real estate securing the mortgage, we have divided the table between real estate secured

closed-end loans and open-end lines secured by residential real estate (home equity line of credit, HELOC) or line of credit (LOC) secured by non-residential real estate.

Reg Z Consumer Purpose Mortgage Category

| | ATR/QM (1) §1026.43 | HPCT (2) §1026.43 | HOEPA/HCML (3) §1026.32 | HPML (4) §1026.35 | TRID (5) §1026.19 |
|---|------------------------|----------------------|----------------------------|----------------------|----------------------|
| CLOSED-END | | | | | |
| Construction-only loan financing dwelling's initial construction and the land | | X (6) | | | X |
| Temporary or bridge loan | | X (6) | X (7) | X (8) | X |
| Primary residence purchase or construction/perm loan | X | X | X | X | X |
| Primary residence refinance | X | X | X | X | X |
| Primary residence home improvement loan | X | X | X | X | X |
| Secondary, vacation or other residence purchase or initial construction/perm loan | X | X | | | X |
| Secondary, vacation or other residence refinance | X | X | | | X |
| Secondary, vacation or other residence home improvement | X | X | | | X |
| Non-residential real estate of any kind | | | | | X |
| OPEN-END | | | | | |
| Temporary or bridge loan | | | X (7) | | |
| HELOC secured by primary residence | | | X | | |
| HELOC secured by secondary residence | | | | | |
| LOC secured by non-residential real estate | | | | | |

- (1) **ATR/QM:** Loans requiring Ability-to-Repay (ATR) underwriting standards and potentially are Qualified Mortgages (QM)
- (2) **HPCT:** Higher Priced Covered Transactions (HPCT) status to determine if and how much QM is priced above APOR
- (3) **HOEPA/HCML:** Loans required to be protected under Reg Z Section 32 provisions
- (4) **HPML:** Mortgages required to be protected under Reg Z Section 35 provisions
- (5) **TRID:** Loans required to comply with Reg Z's Loan Estimate and Closing Disclosure
- (6) **HPCT:** Includes construction-only and temporary loans if > 12 months.
- (7) **HCML Temporary or Bridge Loans:** Temporary or bridge loans to obtain principal residence
- (8) **HPML Temporary or Bridge Loans:** Bridge loans included if secured by primary residence and term is greater than 12 months. Initial construction-only loans, regardless of loan term, are exempt from HPML coverage.