

ActionTraining

"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 catego-

ries 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.