

Loan Closing Advisor[®]

PUBLIC

January 16, 2026 Release Notes

We updated Loan Closing Advisor[®] feedback messages effective January 16.

2026 Qualified Mortgage Regulation Z Total Points and Fees Amount Threshold Update

We've updated the following feedback messages for loans that close on or after January 1, 2026.

As required by the Consumer Financial Protection Bureau's (CFPB) [2026 Truth in Lending Act \(TILA\)/Regulation Z threshold adjustments](#), the messages now reflect the 2026 allowable Regulation Z points and fees threshold amounts.

Refer to the CFPB's December 15, 2025 [TILA notice](#) for more information.

Message Code	Message Text	Criteria (Edit Will Fire)
CRIT0202*	The Regulation Z Total Points And Fees Amount is greater than 3% of the Regulation Z Total Loan Amount and indicates that the mortgage does not meet Freddie Mac's points and fees requirements in connection with the Revised General Qualified Mortgage (QM) Rule.	For loan amounts greater than or equal to \$137,958 when the Regulation Z Total Points and Fees Amount is greater than 3% of the Regulation Z Total Loan Amount and the ATR Method Type is "General".
CRIT0203*	The Regulation Z Total Points And Fees Amount is greater than 5% of the Regulation Z Total Loan Amount and indicates that the mortgage is not eligible for sale based on the Guide's Exempt Mortgage points and fees requirements.	When the Regulation Z Total Points and Fees Amount is greater than 5% of the Regulation Z Total Loan Amount. For all loans with an ATR Method Type equals "Exempt".
CRIT0204	The Regulation Z Total Points And Fees Amount is greater than the allowed threshold amount and indicates that the mortgage does not meet Freddie Mac's points and fees requirements in connection with the Revised General Qualified Mortgage (QM) Rule.	For loan amounts greater than or equal to \$82,775 and less than \$137,958*when the Regulation Z Total Points and Fees Amount is greater than \$4,139 and the ATR Method Type is "General". For loans amount great than or equal to \$17,245 and less than \$27,592 and Regulation Z Total Points and Fees Amount less than \$1,380.
CRIT0205*	The Regulation Z Total Points And Fees Amount is greater than 5% of the Regulation Z Total Loan Amount and indicates that the mortgage does not meet Freddie Mac's points and fees requirements in	For loan amounts greater than or equal to \$27,592 and less than \$82,775 when the Regulation Z Total Points and Fees Amount is greater than 5% of the Regulation Z Total Loan Amount and the ATR Method Type is "General".



	connection with the Revised General Qualified Mortgage (QM) Rule.	
CRIT0207*	The Regulation Z Total Points And Fees Amount is greater than 8% of the Regulation Z Total Loan Amount and indicates that the mortgage does not meet Freddie Mac's points and fees requirements in connection with the Revised General Qualified Mortgage (QM) Rule.	For loan amounts less than \$17,245 when the Regulation Z Total Points and Fees Amount is greater than 8% of the Regulation Z Total Loan Amount and the ATR Method Type is "General".

*Indicates logic has been updated to reflect the new 2026 annual limits.

2026 Qualified Mortgage Annual Percentage Rate (APR) - Average Prime Offer Rate (APOR) Spread Update

We've updated the following feedback messages to reflect the 2026 amounts in our compliance checks for second liens that close on or after January 1, 2026, as required by the CFPB's [2026 annual TILA/Regulation Z threshold adjustments](#).

Message Code	Message Text	Criteria (Edit Will Fire)
CRIT0040*	The APR-APOR spread of " + %Qualified Mortgage Spread Rate% + " and Ability to Repay Method Type of "General" indicate that the mortgage might not meet Freddie Mac requirements according to the amended Senior Preferred Stock Purchase Agreement (PSPA) and revised General Qualified Mortgage (QM) Rule. Verify the data provided is accurate and, if not, correct the UCD XML file and resubmit to Loan Closing Advisor prior to loan delivery in Loan Selling Advisor.	If the loan is a Second Lien and the QM Spread Rate is greater than or equal to 3.5%, and the Note Amount is greater than or equal to \$82,775 and ATR Method Type is "General".
CRIT0063	The APR-APOR spread of " + %Qualified Mortgage Spread Rate% + " and Ability to Repay Method Type of "General" indicate that the mortgage might not meet Freddie Mac requirements according to the amended Senior Preferred Stock Purchase Agreement (PSPA) and revised General Qualified Mortgage (QM) Rule. Verify the data provided is accurate and, if not, correct the UCD XML file and resubmit to Loan Closing Advisor prior to loan delivery in Loan Selling Advisor.	If the loan is a Second Lien and the QM Spread Rate is greater than and equal to 6.5%, and the Note Amount is greater than or equal to \$82,775 and ATR Method Type is "General".
CRIT0068*	The APR-APOR spread of " + %Qualified Mortgage Spread Rate% + " and Ability to Repay Method Type of "Exempt" indicate that the mortgage might not be eligible for sale based on Non-Qualified Mortgage requirements. Verify that the data provided is accurate and, if not, correct UCD XML file and resubmit to Loan Closing Advisor prior to loan delivery in Loan Selling Advisor.	If the loan is a Second Lien and the QM Spread Rate is greater than or equal to 6.5%, and the ATR Method Type is "Exempt".

*Indicates logic has been updated to reflect the new 2026 annual limits.