

## Loan Closing Advisor December 19 Release Notes

We're making the following updates to Loan Closing Advisor<sup>®</sup>.

### 2025 QM Regulation Z Points and Fees Threshold Update

Effective December 19, 2024, Loan Closing Advisor will be updated to reflect the 2025 allowable Regulation Z points and fees threshold amounts for loans (both first liens and subordinate liens) that close on or after January 1, 2025 pursuant to the Consumer Financial Protection Bureau's ([CFPB's 2025 annual Truth in Lending Act \(TILA\)/Regulation Z threshold adjustments](#)). Refer to the [November 20, 2024 TILA notice on the CFPB website](#) for more information.

The following logic updates will be implemented in Loan Closing Advisor:

Message Code	Message Text:
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.
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.
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.
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 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.

\*Indicates logic has been updated to reflect the new 2025 annual limits.

## 2025 QM Annual Percentage Rate (APR) - Average Prime Offer Rate (APOR) Spread Update

Effective December 19, 2024, we're updating Loan Closing Advisor to reflect the 2025 amounts in our compliance checks for second liens that close on or after January 1, 2025 pursuant to the [CFPB's 2025 annual TILA/Regulation Z threshold adjustments](#). The following logic updates will be implemented in Loan Closing Advisor:

Message Code	Message Text:
<b>CRIT0040*</b>	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.
<b>CRIT0063*</b>	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.

*\*Indicates logic has been updated to reflect the new 2025 annual limits.*

