

## Ability to Repay Borrower Confirmation

Important Ability to Repay Notice Customer

Name \_\_\_\_\_ Application# \_\_\_\_\_

This Important Ability-to-Repay Notice is being provided to each borrower prior to the signing of the loan documents. Borrowers are not required to sign this notice before the federal Loan Estimate disclosure has been provided.

In reviewing your credit application, the lender has or will consider and verify the following information as it relates to your ability to repay this loan according to its terms as required by applicable law:

1. Your current and reasonably expected income and/or assets (other than the value of the dwelling and any attached real property);
2. Your current employment status (to the extent that employment income is relied on to determine repayment ability);
3. The monthly payment for principal and interest on the loan;
4. The monthly payment on any simultaneous loan that the lender knows or has reason to know will be made
5. The monthly payment for mortgage-related obligations (e.g., property taxes, certain insurance premiums, fees and special assessments for condominiums, and homeowner's association, ground rent, and leasehold payments);
6. Your current debt obligations, alimony, and child support;
7. Your monthly debt-to-income ratio and/or residual income; and
8. Your credit history.

In the attached Application Form (Uniform Residential Loan Application on Fannie Mae Form 1003) is the information that the lender has or will verify and consider in making this loan, as required by applicable law:

Total Monthly Income: \_\_\_\_\_ Estimated Monthly Income from Assets: \_\_\_\_\_

### Ability to Repay Notice

The information listed above and in the Attachments was provided by you in your application and interview, and/or in third-party records and other documents (such as credit reports and tax records). Based on its consideration of this information, lender has made a reasonable and good faith determination that you have the reasonable ability to repay this loan according to its terms.

The Lender wants to make sure that the information listed above is correct and complete. The Lender is in the business of making loans and collecting loan payments—it has no desire to make a loan that cannot be repaid under the terms of the agreement.

By your signature(s) below, you are confirming that:

1. You have read and understand this Important Ability-to-Repay Notice, and the information listed above is correct and complete;
2. Your current or reasonably expected income or assets (other than the value of the dwelling and any attached real property) is/are consistent with the information listed above;
3. Your current employment status is consistent with the information listed above and/or attached;
4. Your current housing expenses, debts, and other obligations (including alimony and child support payments) are consistent with the information listed above;
5. You have not applied for or opened any new credit accounts, defaulted on any credit accounts, filed for bankruptcy, or had any judgments entered against you by a court;
6. Your living expenses (including expenses for food, clothing, gasoline, health care, and other recurring non-debt obligations) are consistent with the information listed above and in the attached Monthly Living Expenses Worksheet; and
7. You have not experienced any other changes from the time you signed or otherwise completed the information listed above and in the attached Application Form and Monthly Living Expenses Worksheet that would reduce your reasonable ability to repay this loan according to its terms.

This Ability to Repay Notice is being provided to each borrower prior to the signing of the loan documents, but after Federal Truth in Lending disclosures have been provided.

Borrower(s):

Borrower \_\_\_\_\_ Date \_\_\_\_\_

Co-borrower \_\_\_\_\_ Date \_\_\_\_\_

