



Ability-to-Repay & Qualified Mortgages

I. Introduction

Overview of Presentation

1. Introduction
2. Core Requirement of Ability to Repay
3. Non-QM Compliance: 8 Factors
4. QM Presumptions
5. Establishing QM Status
6. QM Points & Fees Cap
7. Understanding Supervisory Expectations for QM and Non-QM
8. Effective Compliance Management for ATR/QM
9. Synthesis, Review & Resources

Special Benefits for Community Banks

Small creditors:

1. Have much broader “safe harbor” for QMs than other creditors
2. Not required to meet a specific DTI ratio
 - *As long as the determination of the ATR is reasonable*
3. May continue to write balloon loans with QM status for covered loans for which applications were received before 4/1/2016.
 - *On or after 4/1/2016, limited to those small creditors that serve rural or underserved areas*

Presenters

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