



Ability-to-Repay & Qualified Mortgages

VII. Understanding Supervisory Expectations Regarding Non-QM and QM Lending

Agency Statements Clarifying ATR/QM

ATR/QM rules do not dictate banks' decisions about how to demonstrate compliance with ATR

§ *Interagency Statement on Fair Lending Compliance and the Ability-to-Repay and Qualified Mortgage Standards Rule*

October 22, 2013

§ *Interagency Statement on Supervisory Approach for Qualified and Non-Qualified Mortgage Loans*

December 13, 2013

Supervisory Approach for QM and Non-QM

“Institutions may originate **both QM and non-QMs**, based on their business strategies and risk appetites.”

“Residential mortgage loans will not be subject to safety and soundness criticism based **solely** on their status as QM or non-QMs.”

“The requirements of the ability-to-repay rule and fair lending laws are compatible...”

Interagency Statement on Supervisory Approach for Qualified and Non-Qualified Mortgage Loans, December 13, 2013 (FIL-59-2013)