

Form of Ability to Repay Certification

Please read each statement carefully and answer accurately and completely. Initial to the left of each certification, and sign and date the final page of this form. If the information provided below differs from the information that was previously submitted to LENDER your eligibility for the loan could change.

1. **Application--Completeness and Accuracy:** (I/We) certify that (my/our) Uniform Residential Loan Application ("Application") and supporting documents contain all information regarding (my/our) financial situation likely to affect (my/our) ability to repay this loan. (I/We) have not provided any such information to LENDER other than the information appearing on (my/our) Application and the financial documentation supporting entries on (my/our) Application. Furthermore, (I/we) have not omitted or withheld any such information, nor have (I/we) falsified any information appearing on our supporting (my/our) Application.

2. **No Undisclosed Changes to Financial Situation:** (I/we) certify that, since submitting (my/our) Application and supporting documentation, there have been no changes to (my/our) financial situation that are likely to affect (my/our) ability to repay this loan, nor do (I/we) currently expect any such changes (including, but not limited to, applications for new loans or other extensions of credit, legal proceedings such as bankruptcy or tax proceedings, job changes, or retirement).

3. **Ability to Repay:** (I/We) understand that, based on (my/our) Application and supporting documentation, the ratio of my gross monthly income to recurring obligations, following consummation of this loan, has been calculated to be ____%.

(I/We) further understand that, based on (my/our) Application and supporting documentation, my "residual income" (i.e. the amount of monthly income remaining after (I/We) have paid for (my/our) total monthly debt obligations), has been calculated to be \$____. [IF ENTRY IS NEGATIVE]: Moreover, (I/we) understand that (my/our) ability to repay this loan has been determined, in part, on (my/our) ability to contribute \$____ monthly from (my/our) current liquid assets over the term of this loan.]

(I/We) certify that, based on the information above, (I/We) can and will be able to afford the payments on this loan and will have enough "residual income" (after accounting for contributions from liquid assets, if necessary) after making each payment for this loan to afford basic needs, comforts, and obligations (including, but not limited to, food, clothing, electricity, health insurance, transportation, phone, internet access, and taxes).

4. **Understanding of Loan Documentation:** (I/We) certify that (I/we) have read the loan documents, disclosures, and notices for this loan, and that (I/we) understand them. Upon review of the loan documents, disclosures, and notices for this loan, (I/we) believe (I/we) have the ability to repay this loan according to its terms.
5. **Consequences of False Statements—Terms of Loan and Federal Law:** (I/We) understand that if (I/we) made any materially false, misleading or inaccurate information or statements to LENDER (or failed to provide LENDER with material information) (I/we) may be in default on the loan. (I/We) fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage loan(s)/funding, as applicable under the provision of Title 18, United States Code, Section 1014.

Borrower (Print Name)

Lender (Print Name)

Borrower (Signature)

Lender (Signature)

Co-Borrower (Print Name)

Co-Borrower (Signature)