

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment on page 2 in paragraph A in subparagraph (2) by inserting after division (b) the following:

(3) A creditor is presumed to have complied with this paragraph with respect to a transaction if the creditor:

(a) Verifies the consumer's repayment ability as provided in subparagraphs (1) and (2);

(b) Determines the consumer's repayment ability using the largest payment of principal and interest scheduled in the first 7 years following consummation and taking into account current obligations and mortgage-related obligations; and

(c) Assesses the consumer's repayment ability taking into account at least one of the following:

(i) The ratio of total debt obligations to income; and

(ii) The income the consumer will have after paying debt obligations.

(4) Notwithstanding subparagraph (3), no presumption of compliance is available for a transaction for which:

(a) The regular periodic payments for the first 7 years would cause the principal balance to increase; or

(b) The term of the loan is less than 7 years and the regular periodic payments when aggregated do not fully amortize the outstanding principal balance.

Amend the amendment on page 2 in paragraph A in subparagraph (3) in the first line (page 2, line 26 in amendment) by striking out the following: "(3)" and inserting the following: '(5)'

## SUMMARY

This amendment provides a presumption of compliance with laws that require a creditor to take into account a consumer's repayment ability before extending a higher-priced mortgage to a consumer if a creditor takes certain steps to evaluate a consumer's repayment ability.