

INSURANCE WHETHER OR NOT AN ESCROW ACCOUNT IS ESTABLISHED FOR THE COLLECTION AND PAYMENT OF THESE EXPENSES.

~~(2) A borrower is presumed to be able to repay a MORTGAGE loan if at the time the MORTGAGE loan is made the borrower's total scheduled monthly payment obligations, including the [required loan payment] PRINCIPAL, INTEREST, PROPERTY TAXES, AND HOMEOWNER'S INSURANCE, do not exceed 45 percent of the borrower's monthly gross income.~~

[(3) This subsection does not apply to a loan to a borrower whose monthly gross income is greater than 120 percent of the median family income for the metropolitan statistical area in which the residential real property securing the loan is located.]

(C) (1) DUE REGARD TO A BORROWER'S ABILITY TO REPAY A MORTGAGE LOAN MUST INCLUDE VERIFICATION:

(I) CONSIDERATION OF THE BORROWER'S DEBT TO INCOME RATIO, INCLUDING EXISTING DEBTS AND OTHER OBLIGATIONS; AND

(II) VERIFICATION OF THE BORROWER'S GROSS MONTHLY INCOME AND ASSETS BY REVIEW OF THIRD-PARTY WRITTEN DOCUMENTATION REASONABLY BELIEVED BY THE CREDIT GRANTOR TO BE ACCURATE AND COMPLETE.

(2) ACCEPTABLE THIRD-PARTY WRITTEN DOCUMENTATION INCLUDES:

(I) ~~A WRITTEN STATEMENT SUBMITTED BY THE BORROWER~~ THE BORROWER'S INTERNAL REVENUE SERVICE FORM W-2;

(II) A COPY OF THE BORROWER'S ~~FEDERAL~~ INCOME TAX RETURN;

(III) ~~THE BORROWER'S MOST RECENT PAY STUB; AND~~ PAYROLL RECEIPTS;

(IV) ~~A WRITTEN STATEMENT SUBMITTED BY THE BORROWER'S EMPLOYER~~ THE RECORDS OF A FINANCIAL INSTITUTION; OR

(V) OTHER THIRD-PARTY DOCUMENTS THAT PROVIDE REASONABLY RELIABLE EVIDENCE OF THE BORROWER'S INCOME OR ASSETS.