**Section 1050.1185 Verification of Ability to Pay Loan**

The lender shall verify the borrower's ability to repay the loan in the case of high risk home loans. The verification shall require, at a minimum, the following:

a) The borrower prepares and submits to the lender a personal income and expense statement in a form prescribed by the Director who may permit the use of other forms such as the URLA (Fannie Mae Form 1003 (10/92), available from Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016-2892 and Freddie Mac Form 85 (10/92), available from Freddie Mac at 1101 Pennsylvania Avenue, NW, Suite 950, PO Box 37347, Washington, DC 20077-0001, no subsequent amendments or editions) and Transmittal Summary (Fannie Mae Form 1077 (3/97), available from Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016-2892 and Freddie Mac Form 1008 (3/97), available from Freddie Mac at 1101 Pennsylvania Avenue, NW, Suite 950, PO Box 37347, Washington, DC 20077-0001, no subsequent amendments or editions).

b) Income is verified by means of tax returns, pay stubs, accounting statements or other prudent means.

c) A credit report is obtained regarding the borrower.

(Source: Amended at 29 Ill. Reg. 14808, effective September 26, 2005)