The Consumer Financial Protection Bureau ("CFPB") has adopted a new rule aimed at protecting consumers from irresponsible mortgage lending by requiring lenders to ensure that prospective purchasers have the ability to repay their mortgage. Under the Ability-to-Repay rule announced by CFPB, new mortgages must satisfy basic requirements that protect consumers from taking on loans that are beyond their ability to repay. The rule is aimed at addressing risky mortgages such as "no doc" and "interest only" loans that contributed to many homeowners winding up in delinquency and foreclosure after the 2008 housing collapse.

The following are among the features of the new Ability-to-Repay rule: (1) financial information has to be supplied and verified; (2) a borrower must have sufficient assets or income to repay the loan; and (3) teaser rates can no longer be used to hide the true cost of a mortgage. The Ability-to-Repay rule is available at the **CFPB's website**. A **fact sheet** explaining the new rule can also be accessed via CFPB's website, as well as a **summary of the Ability-to-Repay rule**.