

**Lender Compliance with Consumer Financial Protection Bureau Requirements for Ability to Repay and Qualified Mortgage Rule**

1. Purpose. This Circular clarifies lender requirements for home loans guaranteed by the Department of Veterans Affairs (VA) under the Truth in Lending Act (TILA) and the Consumer Financial Protection Bureau (CFPB)'s Ability to Repay and Qualified Mortgage (ATR/QM) Rule.
2. Action. The CFPB's ATR/QM Rule becomes effective on January 10, 2014. Until VA's rule on ATR/QM is in place, all lenders must comply with the requirements of TILA, as established by CFPB's ATR/QM Rule.
  - a. All loans made in compliance with existing VA requirements will continue to be guaranteed by VA, regardless of their QM status.
  - b. We recommend that all lenders refer to guidance provided by CFPB in order to assure that their loans are in compliance with CFPB's ATR/QM rule. The following website may be especially helpful: <http://www.consumerfinance.gov/regulatory-implementation/>.
3. VA Regulations. VA expects to publish its regulations regarding ATR/QM requirements for VA-guaranteed home loans in the near future. Notices and updates will be provided as they become available.
4. Rescission: This Circular is rescinded January 1, 2015.

By Direction of the Under Secretary for Benefits

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Director  
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