

Brown, Amy L

From: Brown, Amy L
Sent: Friday, September 21, 2018 10:33 AM
To: Shaffer, Julie; Saunders, Elissa O
Subject: RE: Ask the Underwriter: Why is HUD privately discouraging lenders from making FHA loans to DACA borrowers?

She told Brian she didn't say it.

Amy L. Brown
Assistant General Counsel
Single Family Mortgage Division

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From: Shaffer, Julie
Sent: Friday, September 21, 2018 10:29 AM
To: Saunders, Elissa O <Elissa.O.Saunders@hud.gov>; Brown, Amy L <Amy.L.Brown@hud.gov>
Subject: RE: Ask the Underwriter: Why is HUD privately discouraging lenders from making FHA loans to DACA borrowers?

About a week ago, someone emailed the secretary and Brian asking about DACA. Joe sent me the email.

Stacey said that she is saying that she didn't say it. I was in DC and walked into the conference room. She was doing the Santa Ana lender roundtable remotely via video teleconference and she was answering questions. She did answer this question.

From: Saunders, Elissa O
Sent: Friday, September 21, 2018 10:27 AM
To: Brown, Amy L <Amy.L.Brown@hud.gov>; Shaffer, Julie <julie.shaffer@hud.gov>
Subject: RE: Ask the Underwriter: Why is HUD privately discouraging lenders from making FHA loans to DACA borrowers?

It wouldn't be private if she would just post the freaking DACA FAQ.

From: Brown, Amy L
Sent: Friday, September 21, 2018 9:26 AM
To: Shaffer, Julie <julie.shaffer@hud.gov>; Saunders, Elissa O <Elissa.O.Saunders@hud.gov>
Subject: RE: Ask the Underwriter: Why is HUD privately discouraging lenders from making FHA loans to DACA borrowers?

Yeah – the Secretary called Brian yesterday about this while we were in his office. The other blogs actually name Gisele.

Amy L. Brown
Assistant General Counsel

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From: Shaffer, Julie
Sent: Friday, September 21, 2018 9:03 AM
To: Saunders, Elissa O <Elissa.O.Saunders@hud.gov>; Brown, Amy L <Amy.L.Brown@hud.gov>
Subject: Ask the Underwriter: Why is HUD privately discouraging lenders from making FHA loans to DACA borrowers?

Ask the Underwriter: Why is HUD privately discouraging lenders from making FHA loans to DACA borrowers?

And why is HUD refusing to publicly address the policy?

September 20, 2018

[Dani Hernandez](#)

KEYWORDS [Ask the Underwriter](#) [DACA](#) [FHA](#) [HUD](#) [LendingLife](#)

[Editor's note: LendingLife readers emailed HousingWire (examples below) to report inconsistent feedback from HUD, after the publication of [this earlier](#) Ask The Underwriter piece, which indicated that there is no official policy to decline an FHA-backed loan to a DACA borrower. The following article is a follow-up from expert underwriter Dani Hernandez.]

This week's Ask the Underwriter is doing something different. We're trying to get the **Department of Housing and Urban Development** to Answer the Underwriter.

As you will see documented in this article, HUD has refused to respond to private requests for clarification on the eligibility of DACA borrowers for **Federal Housing Administration** financing.

So, now I am making a public request to HUD:

Dear HUD,

In May, during a HUD training session, the HUD single family deputy assistant secretary verbally communicated that DACA recipients are not eligible. On August 24th, the Atlanta HOC stated, in writing, that DACA recipients are not eligible. But on August 27th, HUD's public relations specialist refuted both, stating in writing that there is no specific policy regarding DACA borrowers. Is HUD's policy that of the secretary and Atlanta HOC, or is the official from your public relations office correct?

If there is a specific HUD policy excluding DACA recipients -

DACA recipients meet all of the eligibility requirements outlined in HUD Handbook 4000.1 II.A.1.b.ii.(A)(8)-(9), so why is this class of non-resident aliens being singled out at this time as being ineligible for FHA financing? When was this decision made? Who made this decision? When will this policy be put in writing? When will FHA stop insuring loans made to DACA recipients?

If there is not a specific HUD policy excluding DACA recipients -

Why are HUD officials and HOCs telling lenders that DACA recipients are not eligible for FHA financing? Have HOCs been instructed to tell lenders false information by HUD officials? Will HUD direct HUD officials and HOCs to stop misinforming lenders? Will HUD issue clarification stating that DACA recipients are eligible for FHA financing according to current guidelines?

It is imperative that HUD issue a definitive answer on this question, because refusing to do so is creating chaos and uncertainty for thousands of borrowers and causing mortgage lenders to lose millions of dollars in revenue by having to turn down loans out of fear that FHA will not insure those loans.

Sincerely,

Ask the Underwriter

Let me explain why this public request to HUD has become necessary. Since publishing [this article](#) in April 2018, which explained that based on FHA guidelines, DACA borrowers are eligible for FHA Loans, I have received tons of emails from loan officers and other lender representatives telling me that they have been told by HUD officials that DACA borrowers are no longer eligible for FHA loans.

One such email stated that HUD Single Family Deputy Assistant Secretary Gisele Roget told a group of lenders at a conference in Santa Ana that DACA borrowers are no longer eligible for FHA loans. Furthermore, all homeownership centers have been instructed to communicate this to lenders that are asking for clarification on this topic.

Every lender that I have spoken to tells the same story: HUD/FHA has verbally communicated that DACA borrowers are not eligible for FHA financing, but HUD has refused to publicly communicate on the topic. HUD, now is your chance. Thank you.