

From: Jana Holmstrup
Sent: 27 Aug 2018 19:41:46 -0700
To: Rose, Thomas A;Roget, Gisele G
Subject: DACA and FHA

Hello Tom and Gisele,

I recently attended the Lender Roundtable in Santa Ana where you unequivocally stated that DACA status is ineligible for FHA financing. Due to the fact that I was invited and attended – and heard you say it – we now find ourselves at a competitive disadvantage. My largest competitors, Alterra, American Pacific, Country Club, etc., continue to offer FHA financing because they haven't 'heard you say it'.

This from one of my Branch Managers:

"great because some of our competitors have stated that HUD has not sent out any mortgagee letter stating that, and I could not find it myself. Competitors are stating no investor overlay and HUD has not come out with a rule, that's why they are able to do them."

Confusion around the web: (you can google if unable to open links)

<https://www.housingwire.com/blogs/1-rewired/post/43208-ask-the-underwriter-are-daca-recipients-eligible-for-fha-loans>

<https://www.google.com/amp/amp.mortgagenewsdaily.com/article/862965>

<https://fairlendingdiversity.com/daca-status-has-mortgage-lenders-in-a-catch-22/>

Everyone in the Mortgage Industry is at odds on this subject and your policy needs to be announced officially. The Handbook is extremely vague and I would argue (as I did) that DACA meets the Handbook requirements of a non-permanent resident. DACA itself affords them the right to reside here legally until some undetermined future date... Is this an item that falls under "Underwriter Discretion" since it's not clearly addressed? Or will you officially address it to the industry as a whole? I understand that HUD does not like to address things that they feel have not changed – but this is a huge change! Just about every lender representative at the roundtable had wide eyes & a puzzled look on their face when you stated it, knowing they had been closing FHA DACA loans for years.

If this is a hard and fast rule, we need hard and fast guidance sent to all HUD-approved Lenders. Last thing I want is a Fair Lending issue because we are saying No and competition is saying Yes.

Thank you so much for your time and consideration. If I can answer any questions on this subject, please let me know.

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"What you do Today matters most" – unknown