



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-1000

ASSISTANT SECRETARY FOR CONGRESSIONAL  
AND INTERGOVERNMENTAL RELATIONS

DEC 21 2018

The Honorable Maxine Waters  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Waters:

On behalf of Federal Housing Commissioner Brian D. Montgomery, thank you for your letter regarding a recent press report concerning borrower eligibility requirements for loans insured by the Federal Housing Administration (FHA). The following information is from the Department of Housing and Urban Development's (HUD) Office of Housing.

The Department wants to be very clear that it has not implemented any policy changes during the current Administration, either formal or informal, with respect to FHA eligibility requirements for Deferred Action for Childhood Arrivals (DACA) recipients. HUD has longstanding policy regarding eligibility for non-U.S. citizens without lawful residency. Those policies have not been altered.

Since at least October 2003, FHA has had a published policy that non-U.S. citizens without lawful residency are ineligible and required lenders to verify the residency status of applicants from documentation provided by the prospective borrower.<sup>1</sup> This policy was continued and incorporated into the Single Family Housing Policy Handbook (Handbook) in September 2015, under the previous Administration, and made clear that “[n]on-U.S. citizens without lawful residency in the U.S. are *not eligible* for FHA-insured mortgages.”<sup>2</sup>

The Handbook also includes instruction on eligibility requirements for applicants seeking FHA-insured financing. While it indicates that U.S. citizenship is not required for mortgage eligibility,<sup>3</sup> it also clearly articulates residency requirements for prospective borrowers who are not U.S. citizens.<sup>4</sup> For instance, a prospective borrower with lawful permanent resident alien status may be eligible for FHA-insured financing—the mortgage file “must include evidence of the permanent residency,” which is provided by the U.S. Citizenship and Immigration Services within the Department of Homeland Security.<sup>5</sup> The Handbook also provides eligibility requirements for prospective borrowers who are non-permanent resident aliens.<sup>6</sup>

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<sup>1</sup> See Revision 5 of Handbook 4155.1, Mortgage Credit Analysis for Mortgage Insurance, One to Four Family Properties, ch. 2-2(B) (Oct. 20, 2003), <https://www.hud.gov/sites/documents/41551C2HSGH.PDF>.

<sup>2</sup> Single Family Housing Policy Handbook 4000.1 § II.A.1.b.ii(A)(9)(c) (Sept. 14, 2015), <https://www.hud.gov/sites/documents/40001HSGH.PDF> (emphasis added).

<sup>3</sup> *Id.* at § II.A.1.b.ii(A)(8).

<sup>4</sup> See generally *id.* at § II.A.1.b.ii(A)(9).

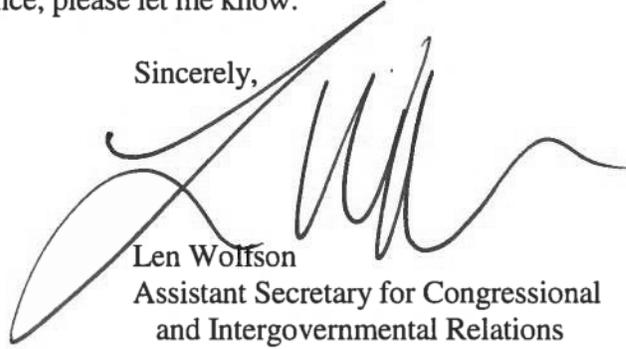
<sup>5</sup> *Id.* at § II.A.1.b.ii(A)(9)(a).

<sup>6</sup> *Id.* at § II.A.1.b.ii(A)(9)(b).

Following publication of the most recent Handbook in September 2015, indicating again that non-U.S. citizens without lawful residency are ineligible for FHA financing, there have been no changes, nor have any efforts been made by HUD to revise FHA's eligibility requirements as they relate to that policy.

If I can be of further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Len Wolfson', written over the typed name and title.

Len Wolfson  
Assistant Secretary for Congressional  
and Intergovernmental Relations