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January 17, 2019

FHA's Non-Permanent Resident Alien Guidelines and DACA

The Iowa Finance Authority's Master Servicer, Idaho Housing Finance Authority has asked us to provide the following information to our lender partners regarding new FHA guidelines.

FHA now stipulates that Non-Permanent Resident Alien Guidelines requires lawful residence for FHA loans. Although Deferred Action for Childhood Arrivals (DACA) immigrants are in the United States legally, under the new administration they are not considered to have lawful residency. See the information below:

HUD 4155. 1 4.A.3.e Non-Lawful Residency states "Non-US Citizens who do not have lawful residency in the U.S. are not eligible for FHA-insured mortgages."

U.S. Citizenship and Immigration Services stated in a letter dated Feb. 14, 2018 ".deferred action under DACA does not confer legal status upon an individual and may be terminated at any time, with or without a Notice of Intent to Terminate, at DHS's discretion."

Effective Immediately, Idaho Housing will not allow loans to be locked for DACA borrowers. For loans that are locked or already closed and not yet purchased in the Idaho Housing pipeline, we will need the following documentation:

1. Underwriter acknowledgement that the loan was approved with the knowledge that the borrower is a DACA borrower.
2. Indemnification letter from the lender indemnifying Idaho Housing and Finance Association of any and all losses directly attributed to the loan being approved and closed with a DACA borrower.

For more information or assistance, please contact us at resloan@ihfa.org or call 1.855.505.4700, ext. 8600.

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