

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

David Jerome Alt
Attorney at Law
David.j.alt@altandassociates.com
www.altandassociates.com

Main Office:
2102 BUSINESS CENTER DRIVE
SUITE 130
IRVINE, CA 92612

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FANNIE MAE NON-CITIZEN BORROWER ELIGIBILITY

FHMA has a long standing policy regarding eligibility for non-citizen borrowers. Those policies are not changing but Fannie has issued additional guidance to assist lenders in the determination of eligibility.

Fannie summarizes these clarifications:

A borrower is legally present in the United States if:

- ✚ he/she has a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN); and**
- ✚ he/she has current, verified status, which may be documented by a valid employment authorization document (EAD), or other documentation showing that immigration status is current (e.g., Green Card, work visa, etc.).**

Finally, a borrower who is legally present must meet applicable underwriting and eligibility requirements for the loan to be eligible for sale to Fannie Mae including the continuity of income requirements that apply to all borrowers:

- ✚ Documentation of income continuity is not required for most employment-related income types (e.g., base, bonus, overtime, commission).
- ✚ If a borrower is reliant on income for which documentation of continuity is required, the mere fact that a borrower has current, verified status does not impact the continuity of income analysis. For example, if a borrower can provide documentation of 3-year income continuity when required, the fact that their status is renewed only every 2 years is not a factor — the borrower is legally present and has met the continuity of income requirements.

The full announcement may be found at:

<file:///C:/Users/david/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/YE9UJ0RO/non-citizen-borrower-eligibility.pdf>.

This site include some helpful flow charts to illustrate some possible scenarios.

ABOUT ALT & ASSOCIATES

Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

- ✚ Regulatory assistance, both state and federal
- ✚ Compliance advice
- ✚ Operational advice
- ✚ Compensation and Employment Agreements
- ✚ Litigation services

You may direct any questions or comments directly to:

David J. Alt, Esq.

David.j.alt@altandassociates.com

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