

FHA DACA Eligibility

Purpose

This announcement includes the following topic:

- ✓ FHA INFO #21-04
 - ✓ FHA DACA Eligibility
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FHA INFO #21-04

On January 20, 2021 FHA issued [FHA INFO #21-04](#) stating the following:

Effective January 19, 2021, the Federal Housing Administration (FHA) is permitting individuals classified under the “Deferred Action for Childhood Arrivals” program (DACA) with the U.S. Citizenship & Immigration Service (USCIS) and are legally permitted to work in the U.S. are eligible to apply for mortgages backed by the FHA.

The term “lawful residency” pre-dates DACA and thus did not anticipate a situation in which a borrower might not have entered the country legally, but nevertheless be considered lawfully present. To avoid confusion and provide needed clarity to HUD’s lending partners, FHA is waiving the above referenced FHA Handbook subsection in its entirety. In a subsequent update to the FHA Handbook the language will be removed.

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FHA DACA Eligibility, Continued

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As further stated in FHA INFO 21-04,

Other FHA requirements remain in effect for all potential borrowers including DACA status recipients:

- *The property will be the borrower's principal residence*
- *The borrower has a valid Social Security Number (SSN), except for those employed by the World Bank, a foreign embassy, or equivalent employer identified by HUD;*
- *The borrower is eligible to work in the U.S., as evidenced by the Employment Authorization Document (EAD) issued by the USCIS; and*
- *The borrower satisfies the same requirements, terms, and conditions as those for U.S. Citizens.*
 - Proof of acceptance into [DACA](#) (click link)

The Employment Authorization Document (EAD) is required to substantiate work status. If the EAD will expire within one year and a prior history of residency status renewals exists, the lender may assume that continuation will be granted. If there are no prior renewals, the lender must determine the likelihood of renewal based on information from the USCIS.

Effective Date

As Noted

Questions

Retail – Please contact your Manager
Mod Corr – Please contact Brent Wilder, National Account Executive, as bwilder@fsmloans.biz
