



On March 26th, 2025, the U.S Department of Housing and Urban Development (HUD) issued a letter announcing that non-permanent residents will no longer be eligible for Federal Housing Administration (FHA) backed mortgages effective May 25th, 2025, but may practice any time before that date as well. The letter removed the Non-permanent Resident Aliens sections in its entirety, eliminating eligibility for non-permanent resident borrowers, and updated the requirements for permanent residents in the following sections:

- Residency Requirements (II.E.2.a.ii(D)(5))
- Residency Requirements (II.E.4.a.ii(D)(7))

An example of a non-permanent resident includes an individual with a work visa. Non-permanent residents were previously eligible for FHA-backed mortgages if the property was going to be the borrower's principal residence, the person had a valid Social Security number and was eligible to work in the U.S.

The letter detailed the new requirements for the lender to determine the residency status of a borrower based on the information provided during the application process and specifically states a social security card is insufficient to prove immigration or work status.

For borrowers with lawful permanent resident status, lenders must document evidence of permanent residency in the loan file and indicate such on the Fannie/Freddie Uniform Residential Loan Application.

The full HUD letter can be found [here](#).

If your institution offers FHA Mortgage Loans, we suggest passing this information to your lending staff. As always, if you have any questions, feel free to reach out to CCI via inquiries@completecompli.com.

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