



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: March 26, 2025

Title I Letter 490

To: All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All Eligible Submission Sources for Condominium Project Approvals
All FHA Roster Appraisers
All FHA-Approved 203(k) Consultants
All FHA-Approved Title I Lenders
All HUD-Certified Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Revisions to Residency Requirements

Purpose This Title I Letter updates the Borrower's residency requirements for all Title I-insured loan programs.

Effective Date The provisions of this Letter may be implemented immediately but must be implemented for FHA case numbers assigned on or after May 25, 2025.

All updates will be incorporated into a forthcoming update of the HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1).

Affected Programs The provisions of this Letter apply to the Title I Property Improvement and Manufactured Home Loan programs.

Background The U.S. Department of Housing and Urban Development (HUD) is updating its residency requirements for Borrower eligibility for FHA-insured loans. This update aligns FHA's requirements with recent executive actions that emphasize the prioritization of federal resources to protect the financial interests of American citizens and ensure the integrity of government-insured loan programs.

The Administration has reaffirmed its commitment to safeguarding economic opportunities for U.S. citizens and lawful Permanent Residents while ensuring that federal benefits, including access to FHA-insured loans, are reserved for individuals who hold lawful Permanent Resident status. Currently, non-permanent residents are subject to immigration laws that can affect their ability to remain legally in the country. This uncertainty poses a challenge for FHA as the ability to fulfill long-term financial obligations depends on stable residency and employment. Under 24 C.F.R. § 203.33, HUD requires Mortgagees to evaluate a Borrower's ability to sustain long-term financial commitments, and no statute or regulations address noncitizen eligibility for FHA-insured loans. In the past, FHA's residency requirements have required Lenders to document the Borrower's lawful residency status demonstrating long-term financial stability and eligibility for federal programs. FHA does not collect citizenship or residency data from the loan application and therefore does not maintain information on the number of non-permanent residents who have received FHA-insured loans under past policies.

This update ensures that FHA's loans insurance programs are administered in accordance with Administration priorities while fulfilling its mission of providing access to homeownership.

Summary of Changes

This Letter removes the Non-permanent Resident Aliens sections in its entirety, eliminating eligibility for non-permanent resident Borrowers, and updates the requirements for permanent residents in the following sections:

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

FHA Single Family Housing Policy Handbook 4000.1

The policy changes will be incorporated into Handbook 4000.1 as follows:

Property Improvement Loan Program – General Borrower Eligibility Requirements (II.E.2.a.ii(D))

(5) Residency Requirements

Origination through Post-closing/ Endorsement

The Lender must determine the residency status of the Borrower based on information provided on the loan application and other applicable documentation. In no case is a Social Security card sufficient to prove immigration or work status.

(a) Permanent Residents

(i) Standard

A Borrower with lawful permanent resident status may be eligible for FHA-insured financing provided the Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizens.

(ii) Required Documentation

For Borrowers with lawful permanent resident status, the Lender must document the file with evidence of permanent residency and indicate that the Borrower is a lawful permanent resident on [Fannie Mae Form 1003/Freddie Mac Form 65, Uniform Residential Loan Application \(URLA\)](#).

The U.S. Citizenship and Immigration Services (USCIS) within the Department of Homeland Security provides evidence of lawful, permanent residency status.

(b) Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau

(i) Standard

A Borrower with citizenship in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau may be eligible for FHA-insured financing provided the Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizens.

(ii) Required Documentation

For Borrowers who are citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, the file must include evidence of such citizenship.

(c) Non-U.S. Citizens without Lawful Residency

Non-U.S. citizens without lawful residency in the U.S. are not eligible for FHA-insured Loans.

Manufactured Home Loan Program – General Borrower Eligibility Requirements (II.E.4.a.ii(D))

(7) Residency Requirements

The Lender must determine the residency status of the Borrower based on information provided on the loan application and other applicable documentation. In no case is a Social Security card sufficient to prove immigration or work status.

(a) Permanent Residents

(i) Standard

A Borrower with lawful permanent resident status may be eligible for FHA-insured financing provided the Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizens.

(ii) Required Documentation

The case binder must include evidence of the permanent residency and indicate that the Borrower is a lawful permanent resident on [Fannie Mae Form 1003/Freddie Mac Form 65, Uniform Residential Loan Application \(URLA\)](#).

The U.S. Citizenship and Immigration Services (USCIS) within the Department of Homeland Security provides evidence of lawful, permanent residency status.

(b) Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau

(i) Standard

A Borrower with citizenship in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau may be eligible for FHA-insured financing provided the Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizens.

(ii) Required Documentation

For Borrowers who are citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, the case binder must include evidence of such citizenship.

(c) Non-U.S. Citizens without Lawful Residency

Non-U.S. citizens without lawful residency in the U.S. are not eligible for FHA-insured Loans.

**Paperwork
Reduction Act**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0328; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-0610; and 2502-0611. In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

**Feedback or
Questions**

HUD welcomes feedback from interested parties and will consider feedback in determining the need for future updates. Any feedback or questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342), answers@hud.gov, or www.hud.gov/answers. The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

Signature

Jeffrey D. Little
General Deputy Assistant Secretary for Housing
