



## DACA "Dreamers" Given FHA Loan Eligibility

The Department of Housing and Urban Development (HUD) announced on Tuesday that it has **extended eligibility for FHA mortgages** to individuals who are classified under the Deferred Action for Childhood Arrivals program (DACA). These individuals are perhaps better known as "Dreamers." DACA status is granted to undocumented individuals who were brought into the country before their 16<sup>th</sup> birthday and were under the age of 31 when the category was established in June 15, 2012. Residency requirements apply and individuals must be in school, have completed high school, obtained a GED certificate, or be honorably discharged from one of the military services. DACA status allows its holders to work legally in the U.S. and prevents their involuntary removal from the country for a two-year renewable term.

Prior to the HUD announcement, the FHA Single Family Housing Handbook states, "Non-US citizens without lawful residency in the U.S. are not eligible for FHA-insured mortgages. HUD says the term "lawful residency" did not anticipate that a borrower might not have entered the U.S. legally but none the less **be lawfully present**. That clause is removed effective January 19, 2021.

DACA applicants must conform to all other FHA mortgage requirements which include purchasing a property as a principal residence, possessing a valid Social Security Number, (although there are **exceptions** for those employed by some foreign entities), and possessing documents certifying eligibility to work in the U.S.



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