

Announcement # 25-30**Date:** March 19, 2025

USDA Retraction of Non-U.S. Citizen Eligibility

As announced on March 18, 2025, the Single-Family Housing Guaranteed Loan Program (SFHGLP) terminated the temporary authority that allowed some non-U.S. citizens to be eligible to apply for a guaranteed loan, effective immediately.

- The temporary waiver previously allowed individuals with a valid social security number and work authorization, evidenced by documentation such as an Employment Authorization Document (EAD), Form I-766, to participate in the Single Family Housing Guaranteed Loan Program (SFHGLP). This waiver is no longer valid.
- Purchase loans in process, under the above waiver, where the conditional commitment was issued and all conditions were fulfilled prior to March 18th, are eligible for delivery to PennyMac.
 - Loans must be delivered to PennyMac with a copy of the LNG in the file.
- Purchase loans in process that do not have a conditional commitment or have a conditional commitment issued and all conditions have not been fulfilled, are ineligible for delivery to PennyMac.

Refinance Transactions

For refinance transactions, including Streamlined-Assist, the non-U.S. citizen rules that applied when the original loan was made carry forward to the refinance. Thus, those who already have a guaranteed loan will be able to refinance.

- If new borrowers are added to the loan, they must meet the eligibility requirements effective March 18, 2025.

Non-U.S. Citizen Eligibility Requirements – Effective March 18, 2025

- Applicants must be a U.S. citizen, a qualified alien, or a U.S. non-citizen national as identified in HB-1-3555, Chapter 8.
 - Qualified Alien: Refer to the attached [USDA Job Aid](#) for instructions to assist in determining the eligibility of qualified aliens for the Single Family Housing Guaranteed Loan Program (SFHGLP).
 - U.S. Non-Citizen National: Is generally a person born in American Samoa or Swains Island or after the date the U.S. acquired American Samoa or Swains Island, or a person whose parents are U.S. non-citizen nationals.
 - In addition to the categories of qualified aliens, Native Americans born in Canada may also be eligible as lawfully admitted for permanent residence.

- In all cases, clients are required to obtain evidence of the applicant's valid government-issued photo identification and retain it in the permanent loan file.
- It is the client's responsibility to determine whether the applicant qualifies as a qualified alien based on the specific circumstances of each case, using documentation they deem appropriate.
- By submitting a request for a Conditional Commitment to the Agency, the client represents and warrants that the applicant is legally present in the United States, meets the eligibility criteria of the SFHGLP, and complies with all requirements.

Please refer to the USDA section of the Pennymac [Non-U.S. Citizen Documentation Requirements](#) document for more details.

USDA Guaranteed Rural Housing will be updating Chapter 8 of the Handbook 1-3555 in the near future.

USDA loans that do not meet the non-U.S. citizen requirements outlined above are ineligible for purchase by Pennymac.

Please contact your Sales Representative with any questions.