

Announcement #25-31

Date: March 28, 2025

FHA Mortgagee Letter 2025-09 Revisions to Residency Requirements

As announced in Mortgagee Letter 2025-09, FHA has updated residency requirements to remove eligibility for non-permanent residents from the Single-Family Housing Policy Handbook 4000.1. **These changes may be implemented immediately, but must be implemented for FHA case numbers assigned on or after May 25, 2025.**

- **Non-permanent residents will no longer be eligible for FHA financing** for all loan types, including but not limited to, 203(b), credit qualifying, and non-credit qualifying streamline refinances.
- The citizenship and immigration status and residency requirements in the 4000.1 will be required to be applied to non-credit qualifying streamline refinances as they are no longer exempted from review.
- Mortgagees are required to complete the citizenship portion of section 1a on the Uniform Residential Loan Application (URLA) for non-credit qualifying streamline refinances.

Pennymac is aligning with these changes. Refer to Mortgagee Letter 2025-09 for additional information and complete requirements. These changes will be incorporated into a future version of the 4000.1

Please contact your Sales Representative with any questions.