



**OVERLAY RESOURCE USER GUIDE**

**\*\*Where overlays are silent, follow agency requirements.\*\***  
Version 10.0- Last Updated 4.2022



FCM NMLS 629700

**Important User Recommendations: Use filters provided for more efficient searching. You can search by multiple categories and/or products.**

**\*\*WHEN DONE SEARCHING, PLEASE MAKE SURE ALL FILTERS ARE RESET BACK TO SELECT ALL\*\***

**Ineligible Tab - Search by Category to see one or more categories, descriptions, and ineligible products**  
**OR**  
**Search by Product to see all ineligibleities by one or more specific product type:**

**FCM Overlays Tab - Search by Product to view all FCM Overlays for a specific product**

**Visa Eligibility- Search by Visa Type to identify eligibility:**

**I-766/EAD Eligibility- Search by I-765 Form type to identify eligibility by Conventional or FHA:**

# FCM Credit Policy

Company is committed to ensuring that all loans are compliant with the laws governing our industry. Every effort is made by Company to adhere to existing federal, state and local statutes, laws and regulations and to adapt quickly to new legislation when it is enacted.

Dedicated compliance personnel use every available resource to make regulations comprehensible and to verify that our procedures are compliant.

Company develops processes and procedures and requires additional documentation as needed to remain compliant with current laws and regulations.

Company enacts equitable treatment of consumers, regardless of their national origin, race, color, religion, sex, marital status, age, receipt of public assistance, or exercise of consumer credit rights.

We expect and require all our employees and originators to follow and honor the spirit and letter of all applicable laws relating to fair lending.

Company requires and provides ongoing education and training to ensure loan personnel are up-to date on the latest regulatory changes in fair lending laws and other compliance issues.

All loans must be documented according to standard Company Fannie Mae/Freddie Mac requirements unless otherwise specified in the product matrices or the general underwriting guidelines.

All loans are underwritten using sound and prudent underwriting standards and appropriate risk assessment, including the consideration of compensating factors and risk layering.

The accuracy and integrity of the data used for underwriting is considered paramount throughout the origination of the loan.

Company uses current technology in its fraud prevention and detection efforts and independent, objective sources of information to validate occupancy type and appraised value, verify Social Security and IRS information, search public records information, model fraud risk, and analyze portfolio and pipeline.

All Company employees are subjected to background checks prior to employment and are made aware of Company's policies regarding fraud and misrepresentation.

Employees are familiar with the appropriate handling of confidential consumer information.

All loan personnel have a solid understanding and an acute awareness of the major and most common types of fraud. Company has established a system for the reporting of fraud, misrepresentation and other unethical behavior, and a system for investigating said reports.

CATEGORY	Ineligible	CONV	FHA	FHA SL	VA STANDARD	VA IRRRL	USDA
<b>APPRAISAL</b>	Appraisal ratings of C6 or Q6.	X	X	X	X	X	X
<b>ASSETS</b>	Pooled assets and sweat equity not allowed	X	X	X	X	X	X
<b>CREDIT</b>	Non-traditional credit not allowed regardless of DU/LPA messaging . All borrowers must generate a traditional credit score from at least one repository	X					
<b>CREDIT</b>	Refer Findings and Manual underwriting not permitted	X					
<b>ELIGIBILITY</b>	Ineligible Borrowers- Non-natural, Foreign Nationals, Individuals with Diplomatic Immunity		X	X			
<b>ELIGIBILITY</b>	Monthly lender paid or any MI where premium is paid out of the mortgage interest is not eligible. Reduced MI not eligible ( <i>custom/reduced MI is only eligible on acceptable HFA products</i> )	X					
<b>GENERAL</b>	Ineligible AUS findings are only acceptable on Non-Conforming Jumbo for excessive loan amount	X					
<b>INCOME</b>	Income derived from hemp sales	X	X	X	X	X	X
<b>INCOME</b>	Section 8 subsidies may not be used to offset the borrowers mortgage payment	X	X	X	X	X	X
<b>INCOME</b>	Boarder, Per Diem, and/or Gambling Income	X	X	X	X	X	X
<b>PRODUCT</b>	USDA Direct Loans						X
<b>PRODUCT</b>	Temporary Buydowns	X	X	X	X	X	X
<b>PRODUCT</b>	203K		X				
<b>PRODUCT</b>	Section 8 Homeownership Program or Vouchers	X	X	X	X	X	X
<b>PRODUCT</b>	PACE or PACE like loan obligations or assessments	X	X	X	X	X	X
<b>PRODUCT</b>	Texas 50(a)(6) refinance		X	X	X	X	X
<b>PRODUCT</b>	Texas Owelty Liens	X	X	X	X	X	X
<b>PROPERTY</b>	Income and Age Based Deed Restrictions	X					
<b>PROPERTY</b>	Land Trusts and Community Land Trusts	X	X	X	X	X	X
<b>PROPERTY</b>	Co-ops	X	X	X	X	X	X
<b>PROPERTY</b>	Non-Warrantable Condominiums	X	X	X	X	X	X
<b>PROPERTY</b>	Commercial Enterprises, Boarding Houses, Tourist Houses, Private Clubs, Bed and Breakfast, Fraternity/Sorority Houses, Assisted Living Board/Care Facilities, and Indian/Tribal Land	X	X	X	X	X	X
<b>PROPERTY</b>	Sinkhole Homes, Geodesic Domes, Earth Homes, Hotel or Motel Condominium Conversions (or conversions of other similiary transient properties), Life Estate, and Working Farms	X	X	X	X	X	X
<b>PROPERTY</b>	Mixed-Use Properties		X	X	X	X	X
<b>PROPERTY</b>	Non-Owner Occupied, Second Homes, and Manufactured Homes						X
<b>PROPERTY</b>	Properties located in Coastal Barrier Resource System Areas				X	X	

Overlay	Overlay Supplemental Information	CONV	FHA	FHA SL	VA STANDARD	VA IRRRL	USDA
<b>Borrowers Not Yet Divorced/Divorce Not Final</b>	<p><b>Borrowers who are separated/legally separated and not yet divorced may be eligible to purchase a primary residence prior to finalizing their divorce provided specific documentation is provided:</b></p> <ul style="list-style-type: none"> <li>Recorded Legal Separation Agreement: In states where legal separations are recorded the agreement may be provided to determine assignment of credit obligations, current real estate holding disposition and future alimony/child support obligations. If there are minor children a child support worksheet provided by the court or attorneys must be provided.</li> <li>Marital Dissolution Agreement: In states where MDAs are prepared, the agreement may be provided to determine assignment of credit obligations, current real estate holding disposition and future alimony/child support obligations. If there are minor children a child support worksheet provided by the court or attorneys must be provided.</li> <li>Notarized Letter from Borrowers and Attorneys: In states where legal separation is not recognized, and Marital Dissolution Agreements are not prepared, the borrower may provide a written separation plan signed by both parties and notarized. The attorneys representing each spouse must also submit letters stating this plan has been agreed upon and is likely to be accepted as is by the courts. If there are minor children, a child support worksheet completed by each attorney must be included</li> </ul> <p><b>NOTE:</b> Please see Alimony, Child Support or Separate Maintenance section to determine if payments being received may be included in qualifying income</p>	X	X	X	X	X	X
<b>Business Assets</b>	<p><b>If using business assets from a company where income is being used qualify; In order to determine the effect on the business, business tax returns should be reviewed, and a cash flow analysis should be developed using the following documentation:</b></p> <ul style="list-style-type: none"> <li>Letter from CPA confirming that the removal of cash will not have an adverse effect on the business. The letter must include the total amount of cash removed.</li> <li>P&amp;L and Balance Sheet</li> <li>Underwriter reserves the right to increase bank statements in additional to what is required by AUS</li> </ul>	X	X	X	X	X	X
<b>Collections/Charge-Offs</b>	<p><b>At the discretion of underwriting, collection balances less than \$2,000 may remain open and unpaid at closing. Single or aggregate collection balances greater than \$2,000 will be require one of the following actions:</b></p> <ul style="list-style-type: none"> <li>Payment in full of all collection accounts at or prior to closing.</li> <li>Payment arrangements must be made (or verified if already existing) with each creditor for each collection account remaining outstanding. A letter from the creditor or evidence on the credit report is required to validate the payment arrangements. The agreed upon monthly payment for each outstanding collection account will be included in the borrower's debt-to-income ratio.</li> </ul>						X
<b>Manufactured Home Requirements (Conventional)</b>	<p><b>Manufactured Homes are eligible for financing under the Conventional program. The following list of restrictions and requirements are in addition to regular program underwriting requirements:</b></p> <ul style="list-style-type: none"> <li>Primary Residence Only-no second homes or investment properties allowed</li> <li>30-Year Fixed Rate Only on Purchase and R/T refi (Retail)</li> <li>15 and 30-Year Fixed Rate Only on Purchase and R/T refi (Wholesale/Correspondent)</li> <li>No High Balance</li> <li>Non-Occupant Co-Borrowers allowed at LTVs &lt; 80%</li> <li>Purchase, Rate and Term/LCOR, and Cash Out</li> <li>Cash Out is capped at 65% LTV, max term of 20 years, borrower must have owned both manufactured home and land for at least 12 months preceding the date of the loan application</li> <li>Approve/Accept/Eligible only</li> <li>There is no specific acreage limit, however, generally the land-to-value should not exceed 30% of total value</li> <li>If property is less than 1 year old, a structural engineer's report meeting HUD guidelines must be provided. Reports must be dated within 12 months of note date</li> <li>Properties with an unexpired right of redemption are ineligible</li> <li>Income and Age Based deed restrictions are ineligible</li> <li>Repair escrows are ineligible</li> </ul> <p><b>Dwelling Requirements:</b></p> <ul style="list-style-type: none"> <li>Home must have been manufactured in 1994 or newer</li> <li>Singlewide homes are not eligible</li> <li>Appraiser must be able to verify that the subject has not been removed from original installation site. Verification of wheels, axles, tongue and running lights have been removed</li> <li>Must be titled as real property at time of closing</li> <li>New construction is eligible if the manufactured home will be sold as real estate (de-titled and classified as Real Estate by dealer/seller) and vested in fee simple ownership prior to closing and reflected as real property on title commitment.</li> </ul>	X					

<p><b>Manufactured Home Requirements (FHA)</b></p>	<p><b>Manufactured Homes are eligible for financing under the FHA program. The following list of restrictions and requirements are in addition to regular program underwriting requirements:</b></p> <ul style="list-style-type: none"> <li>• 640 minimum credit score.</li> <li>• Greater than 400 square feet.</li> <li>• Purchase, Rate and Term, Cash Out, Streamlines. (No FHA Jumbo)</li> <li>• On Cash Out Refinances, the manufactured home must have been onsite for 12 months prior to the case number assignment.</li> <li>• Non-Occupant Co-Borrowers allowed at LTV's &lt; 80%.</li> <li>• Approve/Accept/Eligible Only (Exceptions: Streamlines are manually underwritten).</li> <li>• There is no specific acreage limit, however, generally the land to value should not exceed 30% of total value.</li> <li>• Structural engineer report meeting HUD guidelines must be provided prior to closing.</li> <li>• Properties with an unexpired right of redemption are ineligible.</li> <li>• Singlewide homes are ineligible.</li> <li>• Repair escrows are ineligible.</li> </ul> <p><b>Dwelling Requirements:</b></p> <ul style="list-style-type: none"> <li>• Home must have been manufactured in 1994 or newer.</li> <li>• Appraiser must be able to verify the subject has not been removed from original installation site. Verification of wheels, axles, tongue and running lights have been removed.</li> <li>• If the manufactured home is de-titled prior to underwriting, nothing further is required.</li> <li>• If the manufactured home is not de-titled, a copy of the original certificate of title will be required for underwriting approval; the original certificate of title must be delivered to title company on or before the date of closing to de-title the manufactured home. The title company instructions will include collecting the original certificate and de-titling the manufactured home to be classified as real estate except when the loan is in conjunction with a THDA loan. For THDA, the title company will need to send us the original certificate of title so we can send it to THDA for de-titling.</li> <li>• New construction is eligible if the manufactured home will be sold as real estate (de-titled and classified as Real Estate by dealer/seller) and vested in fee simple ownership prior to closing and reflecting as real property on title commitment.</li> </ul>		X	X			
<p><b>Manufactured Home Requirements (VA)</b></p>	<p><b>Manufactured Homes are eligible for financing under the VA program. The following list of restrictions and requirements are in addition to the regular program underwriting requirements:</b></p> <ul style="list-style-type: none"> <li>• 640 minimum credit score.</li> <li>• 30 Year Fixed Rate Only.</li> <li>• No VA Jumbo.</li> <li>• Purchases and Refinances (cash out is not allowed- Borrower cannot receive cash-out from the transaction).</li> <li>• Approve/Accept/Eligible Only.</li> <li>• There is no specific acreage limit, however, generally the land-to-value should not exceed 30% of the total value.</li> <li>• Properties with an unexpired right of redemption are ineligible.</li> <li>• Singlewide homes are not eligible.</li> <li>• Minimum 700 sq. ft.</li> </ul> <p><b>Dwelling Requirements:</b></p> <ul style="list-style-type: none"> <li>• Home must have been manufactured in 1994 or newer.</li> <li>• If moved from the original site, an engineer cert is required. Verification of wheels, axles, tongue and running lights have been removed.</li> <li>• If the manufactured home is de-titled prior to underwriting, nothing further is required.</li> <li>• If the manufactured home is not de-titled, a copy of the original certificate of title will be required for underwriting approval; the original certificate of title must be delivered to the title company on or before the date of closing the original certificate and de-titling the manufactured home to be classified as real estate except when the loan is in conjunction with a THDA loan. For THDA, the title company will need to send us the original certificate of title so we can send it to THDA for de-titling.</li> </ul>				X	X	
<p><b>Power of Attorney</b></p>	<p>All POA's used by the borrower(s) on the loan must be pre-approved by the Underwriter and may not be allowed to close without underwriter approval. POA's must be reviewed by all departments involved for accuracy up to and including Processing, Underwriting and Closing.</p> <p>POA's used by the seller, realtor or other parties to the transaction, may be requested but do not need approval by FCM.</p> <p><b>Other POA Requirements are listed below:</b></p> <ul style="list-style-type: none"> <li>• A letter in the file, from and signed by the borrower, stating the hardship/reason for using the Power of Attorney.</li> <li>• POAs cannot be used on cash out refinance transactions.</li> <li>• Date of POA cannot be dated more than 180 days from the closing date.</li> <li>• POA must be fully-executed.</li> <li>• POA must not be expired on the date of the closing.</li> <li>• POA must be specific to the transaction with the subject property address and authorization for attorney in fact to be able to execute all documents necessary to purchase or refinance the property/mortgage.</li> <li>• Grantor's Names must be as they will appear on closing documents.</li> <li>• A separate POA must be used for each borrower unless the borrowers are married.</li> <li>• The Attorney in Fact cannot have a financial interest in the transaction (i.e. Realtor, Broker, LO, Closing Attorney).</li> <li>• When using a POA for closing, the borrower's signature must be on the Uniform Residential Loan Application (1003), the initial disclosures and the sales contract/purchase agreement.</li> </ul>	X	X	X	X	X	X

<p><b>Repair Escrow (Conventional)</b></p>	<p><b>Repair Escrows are reviewed on a case-by-case basis and require management approval; however, as a general guideline, all the following stipulations must be satisfied:</b></p> <ul style="list-style-type: none"> <li>• Manufactured Homes are not eligible for Repair Escrows.</li> <li>• Repairs must be required by the appraiser on the appraisal report.</li> <li>• Repair Escrows may not cover any repair that would be considered a structural issue, is hazardous or may affect safety/soundness. (i.e. Mold removal and mitigation).</li> <li>• Maximum Repair Amount: \$5,000.</li> <li>• Major Repairs require a Professional Estimate from a Licensed/Bonded Individual. Major repairs to include major electrical, plumbing, mechanical systems or erosion/drainage.</li> <li>• Minor Repairs up to \$1500 may be completed by the borrower (i.e. Paint, Drywall, Trim etc.). Repairs beyond the \$1500 limit can be completed by borrower with prior underwriting approval.</li> <li>• Escrow amount will be 150% of the estimated cost to complete the repair. The higher of the Appraiser's estimate and/or professional estimate obtained by borrower will be used.</li> <li>• 30-day standard escrow timeframe. An extension may be allowed if weather related items cannot be completed in time due to inclement weather.</li> <li>• A Final inspection is required, and an Inspection Fee must be added.</li> <li>• Borrower/LO must notify FCM of completed repairs. All receipts must be sent to escrowhb@fcmpartners.com. FCM will order a final inspection and pay for that inspection from escrow funds.</li> <li>• Delegated Correspondent is required to provide FCM a final inspection showing all required repairs have been completed and proof funds have been disbursed appropriately.</li> </ul>	<p>X</p>					
<p><b>Repair Escrow (FHA)</b></p>	<p><b>Repair Escrows are reviewed on a case-by-case basis and require management approval; however, as a general guideline, all the following stipulations must be satisfied:</b></p> <ul style="list-style-type: none"> <li>• Cash-Out transactions are ineligible for repair escrows.</li> <li>• Repairs must be required by the appraiser on the appraisal report.</li> <li>• Repair Escrows may not cover any repair that would be considered a structural issue or could affect the liability of the subject. In addition, the repairs cannot be for an item that could be a safety hazard (i.e. Roof Replacement, Mold removal and mitigation)</li> </ul> <p><b>For HUD/REO Properties:</b></p> <ul style="list-style-type: none"> <li>• Maximum Repair Amount: \$10,000 plus a 10% contingency not to exceed \$11,000 total</li> <li>• Use repair escrow amount shown on the HUD purchase contract</li> <li>• 30-day standard escrow timeframe</li> <li>• Up to 90 days escrow may be allowed if weather related items cannot be completed in time due to inclement weather</li> <li>• A Final Inspection is required and an Inspection Fee must be added</li> <li>• The repair amount can be financed into the loan amount and can also exceed the appraised value up to 110%</li> </ul> <p><b>Standard FHA:</b></p> <ul style="list-style-type: none"> <li>• Maximum Repair Amount: \$5,000</li> <li>• Two Contractor/Professional estimates are required</li> <li>• 150% of the highest contractor estimate must be escrowed</li> <li>• 30-day standard escrow timeframe</li> <li>• Up to 90 days escrow may be allowed if weather related items cannot be completed in time due to inclement weather</li> <li>• A final Inspection is required, and an Inspection Fee must be added</li> <li>• No amount of the repair escrow may be financed into the loan amount</li> </ul>	<p>X</p>	<p>X</p>				
<p><b>Repair Escrow (RD)</b></p>	<p><b>Repair Escrows are reviewed on a case-by-case basis and require management approval; however, as a general guideline, all the following stipulations must be satisfied:</b></p> <ul style="list-style-type: none"> <li>• Repairs must be required by the appraiser on the appraisal report</li> <li>• Repair Escrows may not cover any repair that would be considered a structural issue or could affect the liability of the subject. In addition, the repairs cannot be for an item that could be a safety hazard (i.e. Mold removal and mitigation)</li> <li>• Maximum Repair Amount: \$5,000 or 10% of the final loan amount whichever is less (escrowed funds may not be less than the signed contract between the borrower and the contractor for the proposed repair work.)</li> <li>• Two Contractor/Professional estimates are required</li> <li>• 150% of the highest estimate may be included in the base loan amount (up to the appraised value)</li> <li>• 100% of the estimate may be included in the base loan amount (up to the appraised value)</li> <li>• The additional 50% must be funded by another sources (borrower, seller, etc.)</li> <li>• 30-day standard escrow timeframe</li> <li>• Up to 240 days escrow may be allowed if weather related items cannot be completed in the time due to inclement weather</li> <li>• A Final inspection by the appraiser is required, and an Inspection Fee must be added. Final photos must be supplied by the appraiser</li> <li>• USDA may issue the Loan Note Guarantee prior to the completion or the interior or exterior repairs provided the incomplete work does not affect the liability of the dwelling, nor the health or safety of the occupants, or that cannot be completed due to weather.</li> </ul>						<p>X</p>

<b>Repair Escrow (VA)</b>	<p><b>Repair Escrows are reviewed on a case-by-case basis and require management approval; however, as a general guideline, all the following stipulations must be satisfied:</b></p> <ul style="list-style-type: none"> <li>• Repairs must be required by the appraiser on the appraisal report</li> <li>• Repair Escrows may not cover any repair that would be considered a structural issue, is hazardous or may affect safety/soundness. (i.e. Mold removal and mitigation)</li> <li>• Maximum Repair Amount: \$5,000</li> <li>• Major Repairs require a Professional Estimate from a Licensed/Bonded Individual. Major repairs to include major electrical, plumbing, mechanical systems or erosion/drainage</li> <li>• Minor Repairs up to \$1500 may be completed by the borrower (i.e. Paint, Drywall, Trim etc.). Repairs beyond the \$1500 limit can be completed by borrower with prior underwriting approval</li> <li>• Escrow amount will be 150% of the estimated cost to complete the repair. The higher of the Appraiser's estimate and/or professional estimate obtained by borrower will be used</li> <li>• 100% of the estimate may be included in the base loan amount (up to the appraised value). Any unused portion of the financed escrow will be credit back to the loan as a principal reduction</li> <li>• The additional 50% must be funded by another sources (borrower, seller, etc.) This part of the escrow is the only portion refundable to the borrower</li> <li>• 30-day standard escrow timeframe. An extension may be allowed if weather related items cannot be completed in time due to inclement weather</li> <li>• A Final inspection is required, and an Inspection Fee must be added</li> <li>• Borrower/LO must notify FCM of completed repairs. All receipts must be sent to escrowhb@fcmpartners.com. FCM will order a final inspection and pay for that inspection from escrow funds.</li> <li>• <b>Delegated Correspondent</b> is required to provide FCM a final inspection showing all required repairs have been completed and proof funds have been disbursed appropriately.</li> </ul>					X	X	
<b>Self-Employed Analysis</b>	<ul style="list-style-type: none"> <li>• Business income is averaged over a two-year period using Federal Tax Returns. If there are 2106 unreimbursed expenses, they must be factored into the income as they are true expenses.</li> <li>• In the case of declining income, significant compensating factors must exist to consider the income in the qualifying ratios. A significant decline in income is not acceptable, even if the current income and debt ratios meet HUD guidelines.</li> </ul>		X	X				
<b>Citizenship</b>	<ul style="list-style-type: none"> <li>• For all non-US Citizens and Non-Permanent Resident Aliens, please submit all citizenship status paperwork to citizenshipdocs@fcmhomeloans.com for review and approval. VISA, EAD and/or Social Security Card should be submitted if applicable.</li> <li>• A copy of the Green Card is required for all permanent resident aliens whose income and/or assets are being used to qualify for a loan. A copy of the front and back of the card is required and must be included in the loan file.</li> </ul>		X	X				
<b>Minimum FICO</b>	Minimum FICO specific by Product, please see FCM Credit Score/LTV Matrices for Details	X	X	X	X	X	X	X
<b>Insurance</b>	Hazard, Flood, and Condo Insurance required- for full details/requirements, see FCM Insurance Policy and Requirements for all insurance related information	X	X	X	X	X	X	X
<b>Multiple Serviced Loans</b>	4 or more loans serviced by FCM must have prior Senior Level Management Approval	X	X	X	X	X	X	X
<b>Tax Transcripts</b>	Tax transcripts are required for any loans where tax returns are used for calculation of income used to qualify- Tax Transcripts required on Self-Employed, Jumbo, and RD Loans, regardless of income source.	X	X	X	X	X	X	X
<b>Paying Down Debts to Qualify</b>	Paying down revolving debts to qualify is not allowed	X						
<b>VVOE</b>	Verbal Verification of Employment (VVOE) required	X	X	X	X	X	X	X
<b>4506C</b>	4506C for business returns must be signed at closing when business income is used to qualify, even if business tax returns are signed	X	X	X	X	X	X	X
<b>Condo Questionnaire</b>	Condominium Questionnaire required on all condo loans, regardless of appraisal waiver	X	X	X	X	X	X	X
<b>Non-Credit Qualifying SL Documentation</b>	Non-Credit Qualifying Streamline Documentation- Current note or other documentatation that provides all required information for Net Tangible Benefit (NTB)		X	X				
<b>Surveys</b>	Existing surveys must be dated within 6mos (1 year- New Rez) of the title policy date or needs to be recertified by the original surveyor within 6mos of note date	X	X	X	X	X	X	X
<b>THDA - New Employment</b>	THDA loans are not permitted to close with an employment contract where the borrower will be starting a new job after loan closing.	X	X		X			X
<b>VA 100% Cash-Out</b>	Minimum FICO: 640 ; AUS Required: DU-Approve/Eligible LPA- Eligible/Accept				X			

## Citizenship Eligibility Documentation Standard Matrix

FCM is growing and reaching new markets, new territories, and more borrowers! Some of these borrowers will require a review of citizenship eligibility and may require documentation you are not currently familiar with. The USCIS has classified over 450 different categories of citizenship. The goal of this document is to provide background information to assist you when talking to borrowers and business partners.

The attached documents, resources, charts and links are being provided as a tool to make available as much information as possible to our loan originators, operations staff and underwriting teams. The purpose of these tools and resources is to help support and assist decisions made by the credit leadership team as it relates to citizenship. It is our hope this information provides insight, confidence and understanding regarding eligibility, documentation standards and the purpose of various documents that may be provided.

These tools and resources will not guide you through every possible scenario – but rather are aimed at the most frequent scenarios and the most common recommendations. Ultimately the eligibility decision lies solely with the credit leadership team, but these resources are designed to complement and help facilitate the process. Additional resources and educational materials are always available at the USCIS website ([www.uscis.gov](http://www.uscis.gov)), FNMA Selling Guide, HUD Handbooks, and on the FCM Knowledge Center.

If you are unable to make a positive decision based on the information provided and need additional help or resources, please reach out to [citizenshipdocs@fcmpartners.com](mailto:citizenshipdocs@fcmpartners.com) for potential additional recommendations to help aid in your decision. At the end of the day, we want to help turn your “No” decision into a “Yes” whenever possible.

### It's always best to start at the beginning . . .

When taking a loan application, the borrower is required in URLA Part 1, to answer a citizenship Question.

- If your borrower answers **U.S. Citizen** to this question, proceed with the loan application under the assumption the borrower does not need any additional documentation regarding citizenship. \*\*Do not forget to collect the necessary documents required under the Patriot Act for proof of identification. The FCM Patriot Act requirements can be found here.
- If your borrower answers **Permanent Resident Alien** to this question, proceed to the requirements listed below for Permanent Resident Alien.
- If your borrower answers **Non Permanent Resident Alien** to this question, this does not necessarily mean your borrower is unable to qualify. Ask your borrower about their current citizenship status and proceed to the additional information provided below.

#### IF your borrower is:

Lawful Permanent Resident Alien

#### Then FCM will require:

Permanent Resident Alien Card **OR** Social Security Card

#### IF your borrower is:

Non-Permanent Resident Alien

#### Then FCM will require:

Unexpired VISA (Borrower may NOT have Diplomatic Immunity) or EAD Work Authorization\* **AND** Social Security Card

\*There are some statuses that automatically grant work authorization and an EAD will not be issued – in these cases, we must obtain a copy of the social security card. Borrowers with an EAD authorization under an ineligible VISA category may be eligible – please contact FCM citizenship for determination. If the Employment Authorization or VISA will expire within 1 year and a prior history of residency status renewals exists, FCM may assume that continuation will be granted. If there are no prior renewals, FCM must determine the likelihood of renewal based on information from the USCIS. One instance of a renewal is considered a history. The best resource to determine if the borrower has a history of renewals is the USCIS website, I-797 Form or an I-94 Form.

### Additional items to know . . .

U.S. Territories:

Currently there are sixteen territories of the U.S., five of which are permanently inhabited:

- Puerto Rico
- Guam
- Northern Mariana Islands
- U.S. Virgin Islands
- American Samoa

Borrowers from these five territories may be eligible and carry many of the same rights as U.S. Citizens. While recognized as territories under U.S. jurisdiction some of these territories have their own bureaucracies, government bodies and judicial systems and their documentation may reflect issuance from that source. Tax transcripts for residents of the U.S. Virgin Islands will come from their own tax bureau and not the United States Internal Revenue Service. When instances like this occur, seek the assistance of your department manager to ensure all appropriate documentation is obtained and verified from the appropriate sources.

### (HOL) Home Opportunity Loan / W-7 Loans & ITIN

At this time, the only product FCM has for borrowers that do not have a Social Security Number and use an ITIN/W-7 for tax filing purposes is the “Home Opportunity Loan”. FCM is working with its Investors and Agencies to help develop an expanded product to allow the use of ITIN for homeownership. This loan program must be originated by the MCLI group members only, therefore if you have a borrower who qualifies for this program please coordinate with your department manager and the MCLI Department Manager (Jeremy Warren, VP-MCLI Group) regarding a proper transfer / referral.

### How to use the USCIS website

The USCIS website can provide additional information on your borrower that may be necessary to determine eligibility. The USCIS Homepage offers several resources and tools to help navigate your eligibility uncertainties such as Case Status Verification ([www.uscis.gov/casestatus/landing.do](http://www.uscis.gov/casestatus/landing.do)):







VISA	DESCRIPTION	ELIGIBILITY (CONV)
A-1 & A-2	<p><b>Foreign Diplomatic Personnel:</b> Individuals in the U.S. as employees of a foreign government (ambassador, diplomat, minister). This status typically has diplomatic immunity. Only those without diplomatic immunity, as verified on the visa, are allowed.</p>	N
A-3	<p><b>Employee of Foreign Government Official:</b> Attendants, servants, or personal employees of foreign government officials. Only those without diplomatic immunity, as verified on the visa, are allowed. * Borrower's may not hold diplomatic immunity.</p>	N
Asylum	<p>People in the US or seeking entry who are unable or unwilling to return to his/her country because of persecution or well-founded fear of persecution due to race, religion, nationality, membership in a particular social group or political opinion. Required Documentation: Approval of I-589 or approval of I-730, and completed I-94 (arrival/departure record)</p>	Y Also eligible for FHA
B-1	<p>Unless the individual is from Canada or a Visa Waiver Program country, non-immigrant visa for those planning to enter the U.S. temporarily for business related purposes (not for employment)</p>	N
B-2	<p>Non-immigrant visa for those planning to enter the U.S. for pleasure including tourists and some requiring medical treatment.</p>	N
E-1	<p><b>Treaty Trader:</b> Individuals in the U.S. to conduct trade under a treaty between their country and the U.S. and key employees of companies trading under such treaty. This visa is essentially the same as an H-1 or L-1; the title refers to the foreign country's status with the United States</p>	Y

<p><b>E-2</b></p>	<p><b>Treaty Investor:</b> Individuals in the U.S to develop or direct the operations of an enterprise in which they have invested substantial investments. Must be based on a treaty between visa holder's country and the U.S. An investment is the treaty investor's placing of capital, including funds and/or other assets, at risk in the commercial sense with the objective of generating a profit. The capital must be subject to partial or total loss if the investment fails. The treaty investor must show that the funds have not been obtained, directly or indirectly, from criminal activity. Eligibility criteria:</p> <ul style="list-style-type: none"> <li>• Be a national of a country which the United States maintains a treaty of commerce and navigation.</li> <li>• Have invested, or be actively in the process of investing, a substantial amount of capital in a bona fide enterprise in the United States.</li> <li>• Be seeking to enter the United States solely to develop and direct the investment enterprise. This is established by showing at least 50% ownership of the enterprise or possession of operational control through a managerial position or other corporate device.</li> </ul>	<p>Y</p>
<p><b>E-3</b></p>	<p>Classification applies only to nationals of Australia. They must be coming to the United States solely to perform services in a specialty occupation. The specialty occupation requires theoretical and practical application of a body of knowledge in professional fields and at least the attainment of a bachelor's degree, or its equivalent, as a minimum for entry into the occupation in the United States. Eligibility criteria:</p> <ul style="list-style-type: none"> <li>• A national of Australia</li> <li>• Have a legitimate offer of employment in the United States</li> <li>• Possess the necessary academic or other qualifying credentials</li> </ul> <p>Will fill a position that qualifies as a specialty occupation</p>	<p>Y</p>

<p><b>EB-5</b></p>	<p><b>Investor VISA.</b> This VISA allows you to live permanently in the U.S. For foreign investors seeking the freedom and flexibility to live and work in the United States, the EB-5 Visa Program provides an excellent opportunity to obtain Green Cards. Benefits include: direct route to a Green Card, no day-to-day business management, permanent residency in the U.S. for the individual, their partners, and any children under 21 (this is especially helpful when children are planning on attending a US university, allowing them to obtain a Green Card during their studies), live, work and retire anywhere in the U.S., become a U.S. citizen after 5 years of being a Green Card holder, no quota backlogs - there are many delays and backlogs for employment and family based green card categories but there is no backlog for the EB-5 Visa Investor category, no Sponsor Needed – foreign investors use their own personal funds and do not require sponsorship from either an employer or a family member. Two main programs: Basic EB-5 and EB-5 Regional Center Pilot Program</p>	<p>N</p>
<p><b>Basic EB-5</b></p>	<p>This involves a passive investment of at least \$1,000,000. The investment may consist of the contribution of various forms of capital, including cash, equipment, inventory, property, and other tangible equivalents. An investment amount of \$1 million is generally the minimum. In order for an applicant to qualify under the Basic EB-5 Visa program, they must meet the following requirements</p> <ul style="list-style-type: none"> <li>• Make an investment in a new commercial enterprise.</li> <li>• Make an investment of at least \$1 million into that enterprise.</li> <li>• Lead to the creation of employment for at least 10 full-time U.S. workers.</li> <li>• Direct job creation only</li> </ul>	<p>N</p>

<p><b>EB-5 Regional Center Pilot Program</b></p>	<p>This involves a passive investment of at least \$500,000 made in a ‘Targeted Employment Area’ (TEA) within a Designated Regional Center. The EB-5 policy management requirement is minimal in that the investor can be a limited partner and still qualify as long as the limited partners have a policy-making role. Thus, for those who are not interested in day-to-day management or running an active business, Regional Center programs offer a more acceptable inactive form of investment. The investor is not required to live in the place of investment; rather, he or she can live wherever he/she wishes in the United States. The EB-5 Regional Center program is ideal for the retiree or inactive investor due in large part to the “indirect employment” feature of this program. The Regional Center Program removes the employee requirement of the Regular program and replaces it with a less restrictive “indirect employment creation,” which allows the investor to qualify by proving a combination of 10 direct and/or indirect employees.</p>	<p>N</p>
<p><b>F-1</b></p>	<p><b>Student Visa:</b> If the individual wishes to pursue full time academic or vocational studies in the United States, they may be eligible for one of two nonimmigrant student categories. The F category is for academic students and the M is for vocational students. Many colleges and universities have an international student’s office with staff who assist foreign students with visa matters.</p>	<p>N</p>
<p><b>G-1 G-2 G-3 G-4</b></p>	<p>international organizations that are located in the United States. Some examples include the United Nations, Red Cross, World Bank, UNICEF and the International Monetary Fund. Verification that the applicant does not have diplomatic immunity must be obtained from the applicant's employer and/or by the viewing the applicant's passport.</p>	<p>Y</p>

<b>G-5</b>	Personal Employee of G-1 through G-4 VISA holder	Y
<b>H-1 (A,B,B1,B2,B3,C)</b>	Specialty Occupation Work of Distinguished merit or ability Registered Nurse Temporary Worker in a Specialty occupation Fashion Model * Also eligible for FHA, with evidence of employment by the authorized H-1B employer for a minimum of one year.	Y*
<b>H-2 (A &amp; B)</b>	Worker performing services unavailable in the US Temporary or Seasonal Agricultural Worker Non- Agricultural Worker.	Y
<b>H-3</b>	Trainee other than Medical or Academic	N
<b>H-4</b>	Spouse or Child of H *Applicant may only apply as co-borrower with H-1B Visa Holder, income from H-4 visa holder may not be used to qualify.	Y*
<b>I</b>	Foreign Media Outlet (Press/Radio/Film/Other)	Y
<b>IR1</b>	Spouse of a US Citizen	N
<b>CR1</b>	Spouse of a US Citizen	N
<b>J-1</b>	Student Exchange Visitor	N
<b>J-2</b>	Spouse or Child of J-1	N
<b>K-1</b>	Fiance/Fiancee of US Citizen	Y
<b>K-2</b>	Child of K-1	N
<b>K-3</b>	Spouse of US Citizen, VISA must be issued by the country that performed the marriage	Y
<b>K-4</b>	Minor Child of K-3	N
<b>L-1 (A,B)</b>	<b>Intra-company Transferee (Non-Executive or Executive):</b> Individuals in the U.S. who have been transferred from a subsidiary, affiliate, or branch office overseas to the U.S. to work in an executive, managerial or specialist capacity. This classification also enables a foreign company which does not yet have an affiliated U.S. office to send an executive or manager to the United States with the purpose of establishing one.	Y

<b>L-2</b>	Spouse or child of L-1 VISA holder. *Persons holding a valid EAD are eligible per FCM EAD guidelines.	Y*
<b>M (1,2,3)</b>	Vocational Student	N
<b>NATO (1-7)</b>	Official Staff Advisor Clerical Staff Member Expert Civilian Employee	Y
<b>O (1,2)</b>	<b>Individuals of Extraordinary Ability or Achievement (and Assistants):</b> Individuals with an extraordinary ability in the sciences, education, business, or athletics (not including the arts, motion pictures or television industry). Benefits of the "O" Visa include: the individual can enter the U.S. and accept employment in a position which requires people of extraordinary ability, they do not have to maintain a foreign residence and show intent to return to their home country while applying for the visa, their dependents can stay with them as long as they maintain the O1 status, the dependents can also attend school, they can freely travel in and out of the U.S. provided they have a valid visa.	Y
<b>O-1B</b>	Individuals with an extraordinary ability in the arts or extraordinary achievement in motion picture or television industry. Benefits of the "O" Visa include: the individual can enter the U.S. and accept employment in a position which requires people of extraordinary ability, they do not have to maintain a foreign residence and show intent to return to their home country while applying for the visa, their dependents can stay with them as long as they maintain the O1 status, the dependents can also attend school, they can freely travel in and out of the U.S. provided they have a valid visa.	Y
<b>O-3</b>	Spouse or Child of O1	N

<b>P-1, P-2, P-3</b>	Internationally Recognized Athlete, Entertainment Group or Essential Support Personnel. Benefits of the "P" VISA include: dependents can stay with them as long as they maintain a P1 status. Dependents can also attend school. They can freely travel in and out of the U.S. provided they have a valid visa.	Y
<b>P-1B</b>	Applies to those foreign nationals who are coming to the United States temporarily to perform with or is an integral part of an entertainment group that is internationally recognized as outstanding for a sustained and substantial period of time. P-1B beneficiaries must show: The group has been internationally recognized for a sustained and substantial period of time; that 75% of the group members have had a sustained and substantial relationship with the group for one year.	Y
<b>P-4</b>	Dependents of P-1, P-2, or P-3: Visa holder	N
<b>Q (1,2)</b>	International Cultural Exchange Program and Spouse	N
<b>R-1</b>	Religious Worker	Y
<b>R-2</b>	Dependent of an R-1 Visa Holder	N



<b>Refugee</b>	<p>Person outside of the U.S. who is of special humanitarian concern to the U.S. and has demonstrated they were persecuted or feared persecution due to race, religion, nationality, political opinion, or membership in a particular social group.</p> <ul style="list-style-type: none"> <li>•Approved I-590 with proper endorsement or approved I-730, and</li> <li>•Completed I-94 (arrival/departure record), and</li> <li>•An unexpired EAD or acceptable documentation for I-9 (Employment Eligibility Verification) approval</li> </ul> <p>Note: Specific to Refugees only. Form I-94A containing an unexpired refugee admission stamp or a computer-generated printout of Form I-94 with an admission class of "RE" can be shown to an employer as proof of permission to work while waiting for EAD and is valid for 90 days from the date of hire.</p>	<p>Y*</p> <p>Also, eligible for FHA</p>
<b>S (1,2,5,6)</b>	Informant	N
<b>S-7</b>	Spouse or Child of S Visa Holder	N
<b>T-1</b>	Victim of Human Trafficking	Y
<b>T-(2-4)</b>	Family Members of T-1 Visa Holder	N

<b>TC , TN</b>	<p><b>Trade NAFTA:</b> Professional from Canada or Mexico who enters the U.S. under the NAFTA agreements. Individuals in the U.S. to perform professional services for a sponsoring employer in a specific position for a fixed period of time. Among the types of professionals who are eligible to seek admission as TN nonimmigrants are accountants, engineers, lawyers, pharmacists, scientists, and teachers.</p> <p><b>Eligibility for TN non-immigrant status includes:</b></p> <ul style="list-style-type: none"> <li>• Being a citizen of Canada</li> <li>• The profession qualifies under the regulations</li> <li>• The position in the U.S. requires a NAFTA professional</li> <li>• There is a prearranged full-time or part-time job with a U.S. employer (but not self-employment)</li> </ul> <p>They meet the qualifications of the profession</p>	Y
<b>TD</b>	Dependents of TN Visa Holder	N
<b>U-(1,2,4)</b>	Victim, Spouse or Parent of Criminal Activity	Y
<b>U-3</b>	Child of U-1	N
<b>V-1</b>	Spouse of Permanent Resident (Delayed)	Y
<b>V-2</b>	Child of V-1 Visa Holder (Under 21)	N
<b>V-3</b>	Spouse of Child of accompanying principal beneficiary	N
<b>W-B</b>	Business Visitor- visa waiver program	N
<b>W-T</b>	Business Visitor- visa waiver program	N

		CONV	FHA
Form I-765 Category	Description	Eligibility	
(a)(2)	Lawful temporary resident	Y	Y
(a)(3)	Refugee	Y	Y
(a)(4)	Paroled refugee	Y	Y
(a)(5)	Asylee	Y	Y
(a)(6)	Fiancé(e) (K-1 or K-2 nonimmigrant)	Y	Y
(a)(7)	N-8 or N-9	N	N
(a)(8)	Citizen of Micronesia, Marshall Islands, or Palau	Y	Y
(a)(9)	K-3 or K-4	N	N
(a)(10)	Withholding of deportation or removal granted	Y	Y
(a)(11)	Deferred Enforced Departure (Liberia as of 12/18/2018 – this is large scale program by country and granted by executive order)	Y	Y
(a)(12)	Temporary Protected Status granted	Y	N
(a)(13)	Family Unity Program (Section 301 of the Immigration Act of 1990)	Y	Y
(a)(14)	Life Legalization (Section 1504 of the Legal Immigrant Family Equity (LIFE) Act Amendments)	Y	Y
(a)(15)	V visa non-immigrant	Y	Y
(a)(16)	T-1 non-immigrant	Y	Y
(a)(17)	Spouse of an E non-immigrant	Y	Y
(a)(18)	Spouse of an L non-immigrant	Y	Y
(a)(19)	U-1 non-immigrant	Y	Y
(a)(20)	U-2, U-3, U-4, or U-5 non-immigrant	Y	Y
(c)(1)	Spouse/dependent of A-1 or A-2 visa non-immigrant	Y	Y
(c)(2)	Spouse/dependent of Coordination Council for North American Affairs (E-1)/ Taipei Economic and Cultural Representative Office (TECRO)	Y	Y
(c)(3)(A)	F-1 student, pre-completion Optional Practical Training	N	N
(c)(3)(B)	F-1 student, post-completion Optional Practical Training	N	N
(c)(3)(C)	F-1 student, 24-month extension for STEM students	N	N
(c)(3)(ii)	F-1 student, off-campus employment sponsored by a qualifying international organization	N	N
(c)(3)(iii)	F-1 student, off-campus employment due to severe economic hardship	N	N

(c)(4)	Spouse/dependent of G-1, G-3, or G-4	Y	Y
(c)(5)	J-2 spouse or child of J-1 exchange visitor	N	N
(c)(6)	M-1 student, Practical Training	N	N
(c)(7)	Dependent of NATO-1 through NATO-6	Y	Y
(c)(8)	Asylum application pending filed on/after January 4, 1995	Y	Y
(c)(9)	Pending adjustment of status under Section 245 of the Act	Y	Y
(c)(10)	Suspension of Deportation NACARA Cancellation of Removal NACARA (El Salvador & Guatemala and some Eastern European Countries)	Y	Y
(c)(11)	Public Interest parolee	Y	Y
(c)(12)	Spouse of an E-2 CNMI investor	Y	Y
(c)(14)	Deferred action	Y	N
(c)(16)	Creation of record (adjustment based on continuous residence since January 1, 1972)	Y	Y
(c)(17)(i)	B-1 domestic servant of certain nonimmigrants	N	N
(c)(17)(ii)	B-1 domestic servant of certain U.S. citizens who are in the United States on a temporary basis.	N	N
(c)(17)(iii)	Certain B-1 nonimmigrant employees of a foreign airline	N	N
(c)(18)	Order of supervision	Y	N
(c)(19)	Certain pending TPS applicants whom USCIS has determined are <i>prima facie</i> eligible for TPOS and who may then receive an EAD as a "temporary treatment benefit: under 8 C.F.R.244.10(a)	Y	Y
(c)(20)	Section 210 legalization (pending I-700)	Y	Y
(c)(21)	S visa nonimmigrant	Y	Y
(c)(22)	Section 245A legalization (pending I-687)	Y	Y
(c)(23)	Irish peace process (Q-2)	Y	Y
(c)(24)	LIFE legalization	Y	Y
(c)(25)	T-2, T-3, T-4, T-5, or T-6 nonimmigrant	Y	Y
(c)(26)	Spouse of an H-1B nonimmigrant	Y	Y
(c)(31)	VAWA self-petitioners with an approved Form I-360	Y	Y
(c)(33)	Consideration of Deferred Action for Childhood Arrivals	Fannie,DU approved Only	Y

(c)(35)	Principal beneficiary of an approved employment-based immigrant petition facing compelling circumstances	Y	Y
(c)(36)	Spouse or unmarried child of a principal beneficiary of an approved employment-based immigrant petition facing compelling circumstances	Y	Y