



AMERITRUST  
Diamond  
FOREIGN NATIONAL  
FULL GUIDELINES  
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**FOREIGN NATIONALS (FN) A Foreign National** is a non-U.S. citizen authorized to live in the U.S. on a temporary basis but does not meet the definition of a Non-Permanent Resident Alien. To be eligible, the borrower must live and work in another country and be a legal resident of that same country. They may not purchase property intended for use as a primary residence. See the Foreign National Matrix for complete details.

**FOREIGN NATIONAL PROGRAM SPECIFIC DOCUMENTATION REQUIREMENTS** • The following are required as evidence the borrower is legally present in the US:

- \* Copy of the borrower's valid and unexpired passport and:
- \* Copy of the borrower's unexpired visa OR an I-797 form (Notice of Action) with valid extension dates and I-94 Form (Arrival/Departure Record), or
- \* Borrowers from countries participating in the State Department's Visa Waiver Program (VWP) are not required to provide a valid visa. Participating countries can be found at <https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html>.
- \* Citizens of Canada traveling to the United States do not require a nonimmigrant visa.
- \* Borrowers unable to provide evidence of lawful residency status in the U.S. are not eligible for financing.
- A list of nonimmigrant Visa types is located on the US Department of State website <https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/all-visa-categories.html>
- If a non-US Citizen is borrowing with a US Citizen, foreign national documentation requirements still apply.
- All parties (Borrower's and Seller's) involved on the transaction must be screened through exclusionary lists and must be cleared through OFAC's SND list. A search of Specially Designated Nationals C Blocked Persons list may be completed via US Department of Treasury: <http://sdnsearch.ofac.treas.gov/>.
- Borrowers from OFAC sanctioned countries are ineligible: <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>
- Individuals with Diplomatic immunity are not eligible, immunity status is listed on the reverse side of the U.S. issued ID card or at: <https://2009-2017.state.gov/s/cpr/rls/dpl//index.htm> • Power of Attorney (POA) is not permitted.
- Documents signed outside of the United States must be notarized by a US embassy or consular official. The certificate of acknowledgment must meet the standard notarial requirements and must include the embassy or consular seal. If the U.S. embassy or consular official is unavailable, a notary is acceptable if the country, where signing is taking place, is part of the Hague Convention and the signed documents are accompanied by an Apostille. See the following link to determine if the country is part of the Hague Convention: <https://travel.state.gov/content/travel/en/records and->

[authentications/authenticate-yourdocument/apostille-requirements.htm](https://www.hcch.net/en/instruments/specialised/sections/apostille) Model Apostille forms can be found on the following link: <https://www.hcch.net/en/instruments/specialised/sections/apostille>

## **FOREIGN NATIONAL – AUTOMATIC PAYMENT AUTHORIZATION (ACH)**

Automatic Payment Authorization (ACH) Form is required for all foreign national borrowers. Funds must be from a U.S. Bank. The executed ACH enrollment for payment of Principal, Interest, Taxes and Insurance must be included in the closed loan submission package. The ACH enrollment form must include the bank routing number, account number, and account type. Borrowers may select a date within the grace period stated on the Note.

**FOREIGN NATIONAL - CREDIT REQUIREMENTS** A U.S. credit report should be obtained for each Foreign National borrower with a valid Social Security Number. The credit report should provide merged credit information from the 3 major national credit repositories. For borrowers without a valid Social Security Number, an Individual Taxpayer Identification Number (ITIN) is also allowed. An ITIN is acceptable if the borrower has the ITIN for purposes of reporting taxes from passive income sources only and is not employed in the U.S. A traditional U.S. credit report is not required for borrowers without a valid SSN. Foreign National borrowers who do not have an SSN or ITIN may still proceed under the Foreign National Program. The URLA should be updated with 999-99-9999 in the SSN field. All other program requirements still apply.

## **QUALIFYING U.S. CREDIT (FN)**

The Qualifying U.S. Credit designation refers to non-U.S. citizen borrowers who meet Standard Tradelines:

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**OCCUPANCY TRADELINE HISTORY MINIMUM STANDARDS STANDARD TRADELINE:** Second Homes and Investment:

3 tradelines reporting for 12+ months with activity in last 12 months OR 2 tradelines reporting for 24+ months with activity in last 12 months Or 24-month mortgage history reporting on Credit report.

Mortgage history 0x30x12, if documented.

**QUALIFYING FOREIGN CREDIT (FN):** The Qualifying Foreign Credit designation refers to non-U.S. citizen borrowers who do not meet the Standard Tradeline requirements. A Qualifying Foreign Credit borrower may or may not have a U.S. credit report with no credit score, a single score, or a score with insufficient tradelines. Qualifying Foreign Credit borrowers must establish an acceptable credit history demonstrating either 2 open tradelines reporting for 2 years with activity in the most recent 12 months displaying or three open trades with a 12+ month rating. In either

example trades must experience no derogatory payments. This can be accomplished through a combination of ANY of the following:

- Tradelines evidenced on a US Credit Report; and/or
- Tradelines evidenced on an international credit report if a US credit report cannot be produced or does not reflect sufficient trades; and/or
- Alternative tradelines consisting of two of the following:

o Credit reference letter(s) from the borrower's country of origin with the following info:

- State the type and length of the relationship, how the accounts are held, and status of the account.
- Contact information must be provided for the person signing the letter; and
- Any translation must be signed and dated by a certified translator.

A 2-year housing history can be used as a tradeline (if a primary residence is owned free and clear but taxes and insurance is paid for 12 months or more this can be used for one of the 3 trade lines.

## **MORTGAGE AND RENTAL PAYMENT VERIFICATION**

A 12-month housing history is required for Foreign National transactions. Mortgages and rental payments combined may not exceed 0x30 in the past 12 months. Borrowers who own their primary residence as free and clear are considered to have an acceptable mortgage history. The Foreign National – CPA Letter – Free and Clear Property Form or some other evidence may be used to verify. Taxes and insurance must be included in the DTI, unless evidence is provided to support taxes and/or insurance does not exist.

**FOREIGN NATIONAL - INCOME/EMPLOYMENT REQUIREMENTS** Foreign Nationals may qualify under any of the following documentation types:

- Full Documentation
- Asset Utilization
- DSCR (Debt-Service Coverage Ratio)

**FULL DOCUMENTATION** The maximum DTI allowed for Foreign National borrowers is 50%. To document income received for salaried Foreign National borrowers, the following items must be obtained:

- Letter from employer on company letterhead providing current monthly salary and YTD earnings, OR 2 months' pay stubs with YTD earnings.
- Verification of earnings for the last 2 years (letter from employer or W-2 equivalent)
- Employer to be independently verified (via LexisNexis, DCB International Business Search, Google, or other means of verification)
- All documents must be translated by a certified translator.

Foreign National borrowers who have been self-employed for at least 2 years are allowed. The following items must be obtained:

- Letter from a CPA providing income for the last 2 years and YTD earnings.
- Self-employed business and CPA are to be independently verified (via LexisNexis, DCB International Business Search, Google, or other means of verification)
- All documents must be translated by a certified translator.

Verbal Verifications of Employment are not required for Foreign National borrowers.

**ASSET UTILIZATION (FN)** Foreign National borrowers may use Asset Utilization to determine qualifying income if those qualified assets sourced and seasoned for a minimum of three (3) months. The qualified assets and reserves may be deposited in financial institution(s) outside of the United States subject to State/LTV restrictions. See the Foreign National Matrix for credit score and LTV restrictions. Asset Utilization is allowed on cash-out transactions. Qualified Assets can be comprised of publicly traded stocks, bonds, mutual funds, vested amount of retirement accounts and bank accounts. If a portion of the Qualified Assets is being used for down payment, closing costs, or reserves, those amounts must be excluded from the balance before analyzing a portfolio for income determination. The following assets are considered Qualified Assets and can be utilized to calculate income:

- 100% of checking, savings, and money market accounts
- 80% of the remaining value of stocks C bonds
- 70% of retirement assets

**CALCULATING QUALIFYING INCOME (FN)** To calculate qualifying income using Asset Utilization, see below: Foreign National borrowers must have the lesser of

(a) 1.5 times the loan balance or

(b) \$1mm in Qualified Assets, both of which must be net of down payment, closing costs, and required reserves to qualify. See the Foreign National Matrix for max debt ratios. The income calculation is as follows: **Monthly Income = Net Qualified Assets / 60 Months**

### **DEBT-SERVICE COVERAGE RATIO (FN)**

A Debt-Service Coverage Ratio (DSCR) may be calculated for the subject property in lieu of documenting borrower income. Market rent must be documented with FNMA Form 1007 or Form 1025, as applicable. The DSCR calculation is as follows:

**Debt-Service Coverage Ratio = Gross Income / Proposed [P]ITIA\***

To calculate Gross Income, use the lower of the (a) executed lease agreement or (b) market rent from FNMA Form 1007 or Form 1025, as applicable. If the executed lease agreement reflects a

higher monthly rent, it may be used in the calculation when evidence of receipt of the higher amount for the 2 most recent, consecutive months is provided.

\*For Foreign National (FN) Interest Only loans, the DSCR calculation for the 30-Year Fixed IO Product allows for the use of the interest-only payment to qualify, including escrows.

## **FOREIGN NATIONAL ASSETS**

Verification of 12 months of PITIA reserves for the subject property is required. All funds required for down payment and closing costs must be seasoned 60 days and meet one of the following requirements:

- Must be seasoned in a US depository institution for 10 days prior to closing unless funds are held in a foreign bank with US Based FDIC insured branches: OR

- Wired directly to the closing agent. Gift funds are allowed as long as the borrower has a minimum of 10% of their own funds towards down payment and closing costs, plus reserves for purchases with a maximum loan amount of \$1,000,000.

Funds used for reserves may be held in a foreign account. The value of the asset must be converted to US dollars using the current exchange rate.

Asset Documentation required:

- Assets held in foreign accounts and utilized for closings must be seasoned 60 days and meet one of the following requirements:

- Foreign Assets may be verified from a letter of reference on company letterhead from a verifiable banking institution. Contact information for the person signing the letter must be provided, and the letter must state the type of relationship, length of the relationship, how accounts are held and the current balance. Any letters must be translated by a certified translator.
- Non-Borrowing parties on the account (excluding a non-borrowing spouse) must provide a written statement that the borrower has full access and use of the funds.
- Spousal accounts: Accounts held solely in the name of a non-borrowing spouse may be used for down payment and closing costs only and are subject to the seasoning requirements outlined in Asset Documentation listed in Asset section of this guide. Accounts held solely in the name of a non-borrowing spouse may not be used to meet reserve requirements unless the spouse will also be on title.

## **ADJUSTABLE RATE AND INTEREST ONLY QUALIFYING**

For all ARM IO loans, the greater of the note rate or the fully indexed rate is used to determine the qualifying PITIA. The fully indexed rate is calculated by adding the margin to the index. Non-DSCR Interest-only loans qualify using the fully amortized payment calculated over the fully amortizing period, based on the greater of the note rate or the fully indexed rate to determine qualifying PITIA. DSCR loans can be qualified using the Interest Only Payment, based on the greater of the note rate or the fully indexed rate to determine the qualifying I/O payment.

**EXCLUSIONARY LIST/OFAC/DIPLOMATIC IMMUNITY** All parties involved in each transaction must be screened through any exclusionary list used by the seller. The seller should apply its exclusionary list policy to any loans originated under these guidelines. Parties to the transaction must also be cleared through OFAC's SDN List (borrowers, property sellers, employers, banks, etc.). A search of the Specially Designated Nationals and Blocked Persons List may be completed via the U.S. Department of the Treasury website: <https://sanctionssearch.ofac.treas.gov/> Borrowers from OFAC sanctioned countries are ineligible. Access the link below for a list of sanctioned countries: <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

Individuals with diplomatic immunity are not eligible due to the inability to compel payment or seek judgment. Verification the borrower does not have diplomatic immunity can be determined by reviewing the visa, passport, and/or the U.S. Department of State's Diplomatic List at: [http://www.state.gov/s/cpr/rls/.](http://www.state.gov/s/cpr/rls/)

#### **STATE RESTRICTIONS:**

- ALL Short Term Rentals require evidence from a third-party vendor (such as Property Guard, Vrolio or equivalent), validating that the governing municipality where the subject STR is located allows properties to be rented as STRs; with the exception of the five (5) New York City Boroughs (Manhattan, Brooklyn, The Bronx, Queens and Staten Island), which are ineligible for purchase.
- Prepayment penalties chart is located on: [www.ameritrusttpo.com](http://www.ameritrusttpo.com) /Broker Resources OR daily rate sheets.

