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"Because DACA does not confer lawful status, DACA recipients remain ineligible for FHA loans," Len Wolfson, HUD assistant secretary for congressional and intergovernmental relations wrote. | Mark Wilson/Getty Images

FINANCE & TAX

HUD: DACA recipients ineligible for U.S.-backed mortgages

By KATY O'DONNELL | 06/13/2019 03:06 PM EDT

Beneficiaries of the Deferred Action for Childhood Arrivals program are ineligible for mortgages backed by the Federal Housing Administration, a top Housing and Urban Development official said, ending months of confusion about the policy for immigrants who were brought here as children.

"Determination of citizenship and immigration status is not the responsibility of HUD, and the Department relies on other government agencies for this information," wrote Len Wolfson, HUD assistant secretary for congressional and intergovernmental relations, in a letter on Tuesday to Rep. Pete Aguilar (D-Calif.).

"Accordingly, because DACA does not confer lawful status, DACA recipients remain ineligible for FHA loans," he wrote in the letter obtained from HUD by POLITICO. The letter was reported earlier on Thursday by BuzzFeed.

Wolfson placed the blame for the policy on the Obama administration. He noted that former Homeland Security Secretary Janet Napolitano said in 2012 that the new DACA policy “confers no substantive right, immigration status or pathway to citizenship” on recipients and that FHA has long maintained the policy that non-citizens without legal residency are ineligible for the loans.

DACA, an executive order signed by President Barack Obama in 2012, allows people who were brought to the country as children to avoid deportation, at least temporarily, and to be eligible to obtain work permits, though it provides no path to citizenship.

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Wolfson's statement technically comports with an earlier comment by HUD Secretary Ben Carson before Congress while also contradicting the impression he gave lawmakers.

When Aguilar asked Carson about the issue in April during a hearing, the secretary replied that when he became aware of reports of DACA recipients being denied mortgages, he asked the FHA about it and “no one was aware of any changes that had been made to the policy whatsoever.”

Still, his testimony suggested he did not know the policy HUD now maintains has not changed.

“I’m sure we have plenty of DACA recipients who have FHA mortgages,” Carson said. “I would simply say that I have instructed everyone to follow the laws of the United States with regard to DACA, with regard to anyone who is an immigrant or a potential immigrant to this country, and as long as you continue to follow the laws you will have my approval.”

The House Financial Services Committee on Wednesday passed a bill that would ensure DACA recipients cannot be denied federally backed mortgages based on their immigration status.

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