

**NOTICE TO ALL CUSTOMERS****Conventional, FHA and VA Products and Important Reminders**

FLC Bank is providing customers with various loan program changes and reminders.

FHA	
<b>CAIVRS Best Practices</b>	<p>Please be advised that the Small Business Administration's (SBA) has restarted reporting delinquencies as well as other reporting agencies which may result in changes to a Borrower's CAIVRS during the approval process after a clear CAIVRS has been confirmed in FHA Connection, so it is critical for lenders check CAIVRS not only as early as possible, but also again before the FHA loan is cleared to close.</p> <p><i>FLC Bank is implementing this new best practice immediately.</i></p>
<b>Non-Permanent Resident Aliens</b>	<p>On March 26, 2025, the U.S. Department of Housing and Urban Development (HUD), published its revisions to the Residency Requirements for Borrowers' eligibility for an FHA insured mortgage via Mortgagee Letter 2025-09.</p> <p>The revision eliminates the category of acceptability of Non-Permanent Resident Aliens as eligible Borrowers on all FHA insured mortgage programs including non-credit qualifying streamline refinances.</p> <p>The background information given in the ML is that since FHA does not retain citizenship or residency data from the loan application, and non-permanent residents are subject to immigration laws that can affect their ability to remain legally in the country, providing financing to this category of borrowers poses uncertainty for FHA as it cannot establish long term financial ability to repay the mortgage as this is dependent upon stable residency and employment. The Mortgagee Letter further states that no statute or regulations addresses noncitizen eligibility for FHA-insured loans.</p> <p><i>The provisions of Mortgagee Letter 2025-09 must be implemented for FHA case numbers assigned on or after May 25, 2025.</i></p> <p><i>This policy will be incorporated into FLC Bank's FHA guidelines as we approach the implementation date.</i></p>

**VA****Elimination of Builder Identification Number**

On March 31, 2025, the Department of Veterans Affairs published via Circular 26-25-1 rescinding the requirement for builders to request a VA Builder Identification Number on new and proposed construction properties; however, Builders are still expected to meet any state and/or local licensing requirements.

These changes are effective immediately; however, all references to a VA Builder ID listed in the Lenders Handbook Chapters 7, 10, and 13 will be removed in a future revision.

Important: There is no change in the requirement for a VA-issued builder identification number for processing a Specially Adapted Housing (SAH) grant or a Native American Direct Loan (NADL) specialty program which FLCBank does not provide financing.

*FLCBank is implementing this change immediately. Our VA Guidelines will be updated in the next few days.*

**Reconsideration of Value (Jumbo, Agency and FHA)****Reminder**

Jumbo, Agency and FHA loans must have the following disclosures in file to meet the ROV requirements:

- a) The requirement for the lender/loan originator to provide a disclosure to the Borrower outlining the ROV process at the time of loan application and again when the appraisal report is provided to the Borrower remains unchanged.
- b) In order to sell the loan, the loan file must contain copies of both ROV disclosures along with evidence that the disclosures were sent at the time of application and at time of Appraisal Delivery.

Although FHA recently announced in Mortgagee Letter 2025-08 its rescission requiring lenders to establish procedures for Borrower initiated ROV's, the agencies have not changed their expectation for lenders to comply with Borrower initiated ROV requirements thus lenders and investors continue to require lenders to provide evidence of ROV's on all loans, except for VA loans

Please log into FLCBank [Resource Center](#) to access the updated Guidelines.

[Click here](#) to view the Revisions to Residency Requirements Letter 2025-09

[Click here](#) to view the Elimination of Builder Identification Number Circular 26-25-1

[Click here](#) to view the Rescinding Multiple Appraisal Policy Related Mortgagee Letters 2025-08

If you have any questions, please contact your [Account Executive](#) or [Client Relations Representative](#).