



California Housing Finance Agency

1121 "L" Street, 7th Floor Sacramento, CA 95814

Program Bulletin

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To: CHFA Approved Lenders

AMENDED ALIEN VERIFICATION REGULATIONS AND CLARIFICATION ISSUES

The CHFA regulations regarding Alien verification under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 "PRWORA" have been amended twice on December 3, 1998 and February 4, 1999. These amendments are effective immediately.

A copy is attached. With respect to Single Family Programs, the major changes are:

- All applicants are now required to provide documentation containing either a photo identification or other information which describes the applicant and is sufficient to identify the applicant as the person named on the Form 1. The Lender acting as the alien status verifier must review the borrower(s) identification and retain a copy of this documentation in the lender file.
- The documentation required to support the citizen/alien verification process must be retained in the lender file for the life of the loan, NOT for four years as previously stated in the initial regulations.
- When an applicant is determined to be ineligible for the Single Family Program, appeals of this ruling go through the Agency, NOT through the INS.
- The CHFA Determination Letter of Ineligibility has been revised. A copy is attached as Exhibit G. When an applicant fails to support his/her status as a United States citizen, national or qualified alien, the revised Determination Letter of Ineligibility must be issued to the applicant immediately.
- A New Form 1 (Statement of Citizenship, Alienage, and Immigration Status For State Public Benefits) which the applicant signs is attached. This form replaces the previous version and must be used beginning May 1, 1999 and thereafter.

In response to lender inquiries regarding the verification process, the following areas must be checked carefully to ensure lender compliance with CHFA regulations:

- Section B of Form 1 is a list of nine categories under which an alien may qualify for a CHFA loan. The designated INS forms (cards) under each category must be presented by the prospective borrower **with the appropriate annotation**. A card with the incorrect annotation (not defined under the categories) is not acceptable under CHFA regulations.
- **LIST B**, located on page 10 of the Form 1, applies to **Battered Aliens Only**. If the borrower is applying for a CHFA loan as a **Battered Alien (under Section C)**, check **LIST B** for the acceptable INS forms (cards) with the correct code. Do not use this list in qualifying a borrower as you would under Section B, page 1 of the Form 1.
- Borrowers applying for a CHFA loan under the Battered Alien designation must submit all required documentation to CHFA under separate cover since the Agency makes the determination of whether or not the borrower qualifies under this category.
- All documentation concerning borrowers qualifying under Section B must be kept in your company file and should NOT be submitted to CHFA. The Agency requires only 2 documents to be submitted in the CHFA loan file and they are: 1) the Form 1 with a designated box marked and the borrower's signature (1 form per borrower) and 2) the lender certification that all documentation has been examined and found to be acceptable for the CHFA program.

If you have any questions please contact CHFA at (916) 324-8088. The CHFA Alien Verification regulations can be located on our CHFA website at www.chfa.ca.gov