

Mortgage Loans For Foreign Nationals

A foreign national is anyone who is not a U.S. citizen. If the investor has a work visa or green card, he can qualify for a loan under the same underwriting guidelines as a citizen. However, if he isn't a resident, riskier qualifying criteria are used. To offset the increased potential for default, lenders require a significant down payment and higher interest rates.

If the loan applicant doesn't have established lines of credit in the U.S., an international credit report may suffice. If that's not available, the lender may accept reference letters from foreign banks that have an established relationship with the loan applicant.

Sometimes it helps to talk to an expert.

I am a 13 year veteran, Federally Licensed Mortgage Broker. You will need my experience to make sure you position yourself in the most beneficial way possible.

Mortgage Loans for Foreign Nationals:

Inexperienced foreign buyers should always work with a professional like me who is knowledgeable about investment strategies.

A minimum down payment of 40 percent of the purchase price is normal for foreign national loans. In addition, the money used for closing must have a paper trail. This is to limit the possibility of money laundering. If the borrower's funds aren't in a U.S. bank, the money must have been deposited in a foreign financial institution prior to the closing.

Many foreign buyers choose not to attend the closing. If that's the case, they must grant power of attorney to someone who will be signing for them at the closing. Alternatively, the documents can be emailed to the borrower, and the signed copies returned to the closing agent. The borrower's signature on the power of attorney letter and some closing documents must be notarized by an approved official. In many cases, the only approved notary will be in the local U.S. embassy. Since this location may be some distance from the buyer's home, arrangements should be made early, so that the closing is not delayed.

If the applicant isn't approved for the loan, there are a couple of alternatives to try. Some foreign banks may have subsidiaries in the U.S. that originate foreign national loans for residents of the "home" country. Another avenue is to consult a "hard money" lender in the U.S. This type of financier doesn't care about the credit score or employment history, but will charge a high interest rate, large down payment and high closing costs.

There are legal ways to reduce or defer the capital gains tax that's owed when a property is sold for a profit. There's no point in paying more than you have to.