U.S. Department of Housing and Urban Development
Federal Housing Administration (FHA)
Office of Single-Family Housing

Re: Draft Mortgagee Letter – Updates to Borrower Eligibility Requirements (CAIVRS / Child Support Reporting)
June 18, 2026

The Community Home Lenders of America (CHLA) appreciates the opportunity to provide feedback on the drafting table Mortgagee Letter addressing borrower eligibility considerations related to delinquent child support reporting. CHLA members strongly support policy clarity, operational efficiency, and consistent application of FHA requirements across the lending ecosystem.

We appreciate the opportunity to provide feedback, offer the following comments for your consideration:

1. Timing of Lender Notification of Issues

CAIVRS screening is generally conducted early in the origination process; however, in practice, eligibility issues may not always be surfaced in a manner that fully minimizes downstream underwriting and processing activity. To improve efficiency and reduce unnecessary costs for both lenders and borrowers, FHA should consider mechanisms that provide clearer and more timely eligibility feedback at the earliest feasible stage of loan origination.

2. Consideration of Repayment Plans

Clarification would be helpful regarding whether borrowers who are actively complying with an approved repayment plan for delinquent obligations would be considered eligible for FHA financing. If such arrangements are intended to restore or preserve eligibility, FHA guidance and system-level instructions (including CAIVRS-related protocols, as applicable) should explicitly reflect that policy to ensure consistent interpretation and reduce variability in lender overlays or execution across institutions.

3. Fair Lending Considerations

CHLA encourages FHA to ensure that any policies related to delinquent child support determinations are carefully evaluated for compliance with applicable Fair Housing Act and Equal Credit Opportunity Act requirements. As with any eligibility factor that may correlate with broader demographic characteristics, it is important that FHA assess potential disparate impact considerations and ensure that implementation is appropriately supported by policy rationale and consistent application standards.

4. Lender Contact with Creditors

The draft appears to contemplate circumstances in which lenders may be required to contact third-party creditors directly. CHLA believes that, consistent with standard mortgage origination practice, lenders should generally communicate with borrowers rather than creditors in these situations. Where third-party verification is necessary by a lender, it should be clearly defined, limited in scope, and consistent with established FHA underwriting and documentation standards that typically call for communication directly with borrowers, rather than their creditors.

5. Use of Delinquent Child Support as a Performance Indicator

There may be multiple policy considerations underlying the proposed approach, including potential taxpayer benefits and broader program integrity objectives. CHLA supports FHA's continued efforts to ground eligibility and risk policy in data-driven analysis. To that end, we encourage FHA to share any empirical basis, including data, for using delinquent child support status as a performance or risk indicator.

CHLA appreciates FHA's continued engagement with industry stakeholders on important borrower eligibility and credit policy updates. We believe that refinements in these areas can improve both program integrity and operational efficiency while ensuring equitable access to FHA-insured financing.

Thank you for your consideration of our views. We would welcome the opportunity for further dialogue as this Mortgagee Letter is refined.

Sincerely,

Community Home Lenders of America (CHLA)