



Medical Professional Program – Frequently Asked Questions

Q: Is a borrower with a J-1 visa eligible?

- Generally, no. Borrowers in J-1 exchange visitor status are typically subject to the two-year home residency requirement under INA §212(e), which restricts their ability to obtain long-term work authorization or permanent residency without first returning to their home country or obtaining a waiver. At our discretion, exceptions may be considered if the borrower can provide:
 - Evidence of an approved waiver of the two-year home residency requirement, and
 - Documentation of approved or pending transition to H-1B status or lawful permanent resident status, and
 - Evidence of continued employment authorization and income stability.

Approved cases will be underwritten in accordance with our standard guidelines for non-permanent resident borrowers.

Q: Does the medical professional have to contribute the majority of the income?

- Yes, the medical professional must contribute at least 50% of the total qualifying income. If a co-borrower earns more, their income may only be used to the extent that the medical professional remains at or above 50% of the total qualifying income.
- This is true for occupant and non-occupant co-borrowers.

Q: Is rental history mandatory?

- No, if unavailable, a letter of explanation (LOE) is required. This includes borrowers living rent-free.

Q: Are exceptions allowed for eligible degrees/designations?

- Not currently.

Q: Does the initial 6-month grace period on federal student loans count as deferment under the student loan payment exclusion criteria for medical residents and fellows?

- Yes.

Q: Is there a limit to the amount of gift funds a borrower can receive (including for reserves)?

- No, there is no limit.

Q: Is this loan assumable?

- ARM loans are assumable, fixed rate loans are not.

Q: What is the maximum acreage?

- 40 acres is the maximum.
- Properties over ten (10) acres are restricted to 20-, 25-, and 30-year fixed-rate terms.

Guidelines subject to change without notice. All loans subject to credit approval and program guidelines.



Q: How are student loans from a non-medical professional co-borrower treated?

- If a non-medical professional co-borrower has their own student loans, they would be qualified separately using standard Fannie Mae guidelines.
- If the co-borrower co-signed private student loans for the medical professional, they may be qualified under the medical professional and could potentially be eligible under the student loan payment exclusion criteria.

Q: Does the medical professional have to be listed first on the application?

- No, so long as one of the borrowers meets the program requirements the order is irrelevant.

Q: Can I close before the medical professional graduates from school?

- No. The medical professional must graduate from school and provide proof of their eligible degree prior to closing. Even if the borrower is not required to complete a residency and they have a signed employment contract, they must still provide proof of their eligible degree before closing.

Q: Can I use the student loan payment exclusion for a borrower that wasn't required to complete a residency?

- No. The student loan payment exclusion is only available for those medical professionals who are currently in residency or fellowship and are qualifying with that income. Professionals who were not required to complete a residency are not eligible for the exclusion.

Q: Does this program allow for a court-ordered refinance / buyout of one spouse by the other to be considered rate and term rather than cash-out?

- Yes, follow Fannie Mae guidelines.

Q: Is recasting allowed?

- Yes, subject to restrictions.
 - Fixed-rate loans only.
 - Minimum principal reduction of \$10,000.
 - No payment delinquencies.
 - Borrower must request directly from servicer.
 - Recast is not guaranteed.

Q: Can a signing / relocation bonus be used as income or reserves?

- No.

Q: Are Texas refinances allowed?

- No.

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