

Question and Answers

TOPIC(S):

Assets, FHA Gift

QUESTION:

Does FHA have an issue with a gift from a cousin, or is this our overlay to where we may have flexibility? Our matrix specifically states a cousin is not considered a family member.

ANSWER:

In reality we just need to prove that they have a "close verifiable" relationship. That may be hard to do, but you might be able to.

For Gift funds specifically HUD allows gifts from a close friend with a vested interest in the borrower. It's not a FSB overlay, but is a very vague requirement from HUD.

For a cousin we would want an LOX detailing the relationship from the borrower AND the donor and then anything you can pair with it to show they actually have a relationship besides just the title. In the past we have had birthday party pictures together, wedding invitations that show them as a groomsman, once they sent in verification that they had recently vacationed together, we've have also had baptism announcements where the other person was named Godparent.