The Foreign National Buyer's Guide

How people who live outside the U.S. can finance a home here, and what lenders look for.



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What is it?

A foreign national loan is a mortgage for people who don't live in the U.S. and aren't permanent residents. Most standard loans require U.S. credit and a Social Security number. These programs don't. They focus on your down payment, your assets and the property itself.

They're mostly for second homes and investment properties, since you live abroad. You'll need a valid passport, and many programs also want a visa or proof that you can travel under the visa waiver program.

Usually a good fit if
You live abroad and want a vacation home or a rental in the U.S., or you're buying a place for a child who's studying here.

Maybe not the best fit if
You live in the U.S. on a visa or have a green card. There are often better options for you, with smaller down payments.

What documents do I need?

- A valid passport, plus a visa or visa waiver on most programs
- A foreign credit report or a reference letter from your bank
- Wire confirmations for money you move to the U.S.
- Bank statements showing your down payment and reserves
- Proof of income from abroad, if the program asks for it
- For rentals: the lease or the appraiser's rent estimate

Let's run the numbers

Expect a bigger down payment than a U.S. buyer would need. Most programs want 25% to 30% down, plus 6 to 12 months of payments saved in reserves.

Down payment on a $400,000 home

Closing costs not included

25% down Many programs		**$100,000**
30% down Some programs		**$120,000**

Second home or rental?

A second home is a place you use yourself for part of the year. An investment property is one you rent out. The difference matters, because it changes which programs you can use and how you qualify.

Your debt-to-income ratio

If you're buying a rental with a DSCR (debt service coverage ratio) program, there's no personal debt-to-income ratio (DTI). The property's rent does the qualifying. For a second home, lenders look at your income from abroad, and the limit depends on the program.

Things most buyers don't know

1. **Your money needs a paper trail.** Lenders have to see where your down payment came from. Move it to a U.S. account early and keep every wire confirmation.
2. **Exchange rates can cost you if you wait.** If you move your money weeks ahead, you can pick a good day to convert instead of being stuck with whatever the rate is the week of closing.
3. **Rentals can often close in an LLC.** Many programs let you buy an investment property in the name of an LLC.
4. **You may not need to fly in for closing.** Depending on the lender and the state, closing documents can often be signed abroad, for example in front of a notary at a U.S. embassy or consulate.

Lesser-known strategies

1. **Let the rent do the qualifying.** If you're buying a rental, pairing a foreign national program with DSCR means the property's rent qualifies you, so you don't have to document income you earn overseas.

2. **Put more down if you can.** A larger down payment usually gets you a better rate and an easier approval.

30-second recap

- Many programs don't need U.S. credit
- 25% to 30% down is typical, plus reserves
- Mostly for second homes and rentals
- Passport, plus a visa or visa waiver on most programs
- Rentals can qualify on rent with DSCR
- Move your money early and keep the paper trail



Want to see what you qualify for?

A quote takes about 2 minutes and doesn't touch your credit. Once I see your situation, I'll walk you through your options and what each one would actually cost you.

Get a Quote →

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