

Residential Mortgage Loans for Tax-Paying Immigrants

Prior to 2007, a few financial institutions in Baltimore City were servicing mortgages to home buyers who used an Individual Taxpayer Identification Number (ITIN). This loan was an avenue for tax-paying immigrants in Baltimore City who do not qualify for a social security number who wanted to purchase a home. After the financial crisis, financial institutions in Baltimore and nationwide stopped servicing mortgage loans to borrowers using an ITIN.

What is an ITIN?

An Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the Internal Revenue Service to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain a Social Security Number (SSN) from the Social Security Administration (SSA). It is a nine-digit number that begins with the number 9. ITINS are issued to immigrants who are both residents and non-residents of the United States.

For more information about ITINs, click here: [General ITIN Information](#)

What is an ITIN used for?

A person can use an ITIN to file local, state and federal taxes. Immigrants in Baltimore City use an ITIN to declare their income and pay local, state and federal income tax. An ITIN does not grant authorization to work in the U.S. nor does it provide eligibility for Social Security benefits, Food Supplement Program (food stamps), or the Earned Income Tax Credit.

What is the impact on taxes paid by immigrants on local and state economies like Maryland?

- Nationwide, undocumented immigrants pay \$11.6 billion in state & local taxes every year.

<http://itep.org/immigration/>

- In 2015, immigrants with an ITIN in the state of Maryland paid over \$300 million in state and local taxes

http://itep.org/itep_reports/2016/02/undocumented-immigrants-state-local-tax-contributions-1.php#.Vx4K_u8m7IV



Source: ITEP http://www.itep.org/assets_c/2016/02/FB%20National%20Immigration%20Meme-thumb-850x478-1834.jpg

How long have ITIN mortgages been available?

ITIN mortgage loans emerged in the early 2000s, at the same time that banks and credit unions across the country were accepting an ITIN to open a bank account. By 2005, at least 20 banks and credit unions offered mortgage loans to borrowers with an ITIN. (*)

Do ITIN mortgage products and does financing for ITIN borrowers exist today?

Durable mortgage loans serviced to ITIN borrowers have continued to perform well and demonstrate low default rates in credit unions. As examples, Self-Help Credit Union and the Latino Community Credit Union, are established credit unions in North Carolina that welcome ITIN holders as members, who access financial services and financing from credit union deposits just as members with a social security number would. Reports from among credit unions that continue to service ITIN customers a mortgage loan, have reported default rates of less than 1% and up to 3% during the financial crisis.

In addition to credit unions, a select number of financial institutions are developing programs across the country to meet a growing need for credit among immigrant families.

***Sources:**

[Latino Community Credit Union](#)

[Self-Help Credit Union](#)

[FINANTA](#)

[American Banker](#)

[Wall Street Journal](#)

[Mortgage Lending and Foreclosures in Immigrant Communities](#)

[Enterprise Bank & Trust](#)