



Last Reviewed: 09/27/2024



Union Employment Requirements

Union Worker Requirements – Employed at Time of Closing

Fannie Mae	<ul style="list-style-type: none"> Borrowers are not required to be on the job at the time of closing if they have a contract to start that meets either delivery requirement (Opt 1 or Opt 2). If the borrower is a member of a Union and does not work a seasonable position, employment requirements at the time of closing are dependent on the trade type that the borrower is employed in. If the trade is one which is subject to seasonal layoffs due to weather conditions (cold weather/snow, etc.), Fannie Mae would not require the borrower to be employed at the time of closing (if closing is occurring during a normal seasonal layoff period). However, the borrower should evidence a history of Unemployment Income receipt in such instances for at least 2 years. If the borrower is employed in a trade that is NOT affected by weather/subject to seasonal layoff periods, then the borrower would be required to be on the job at the time of closing. A VOE is needed prior to closing regardless of the borrower being on the job or not; if they are a seasonal, Union employee, confirmation of their expected rehire must still be acquired.
Freddie Mac	<ul style="list-style-type: none"> Borrowers are not required to be on the job at the time of closing if they have a contract to start that meets either delivery requirement (Opt 1 or Opt 2). If the borrower is a member of a Union and does not work a seasonable position, employment requirements at the time of closing are dependent on the trade type that the borrower is employed in. If it is determined by the Lender that the borrower's employment/income history is stable, and it has been documented that the borrower historically is subject to seasonal layoff periods, it may be acceptable to obtain verification from the Union that the borrower is in a seasonal layoff period, with expectation to be back to work/re-assigned once the layoff period for the season has ended. Like Fannie Mae requirements.
FHA	<ul style="list-style-type: none"> The borrower is required to be on the job/employed at the time of closing. If the borrower is not on the job/employed at the time of closing, verification must be provided and documented as to how the borrower is going to be able to make the mortgage payment on the subject transaction, along with all other noted liability payments and cost of living expenses. VOE from Union is needed to verify the length of time as a Union worker and a current VOE is needed if employed by a company. Need year to date income and all W-2s for past 2 years to average for at least 2 years. Borrower ability and willingness to pay needs to be strongly documented. Underwriter discretion would be applied.
VA	<ul style="list-style-type: none"> The borrower is required to be employed with a company as a Union member at the time of closing. Normal employment requirements must be evidenced in the file. If Unemployment compensation is a regular part of the borrower's income due to the nature of their employment, it may be included (for example, seasonal work). Note: Additional income documentation needed is as follows: <ul style="list-style-type: none"> A) Documentation of the borrower's total YTD earnings, B) Signed & dated individual income tax returns for the previous 2 years, and C) If the borrower works for a Union, evidence of the Union's history with the borrower.
USDA/RD	<ul style="list-style-type: none"> The borrower is required to be employed with a company as a Union member at the time of closing. Normal employment requirements must be evidenced in the file.