FHA GIFT FUNDS CHECKLIST

This version includes only items that tie directly to FHA 4000.1 requirements. Provide the items that apply to your situation.

1) Eligible donors

Gifts may be provided by a family member, an employer or labor union, a charitable organization, a government agency or public entity that offers homeownership assistance, or a close friend with a clearly defined and documented interest in the borrower. Parties to the transaction such as the seller, real estate agent, loan officer, or builder are not eligible donors.

2) Gift letter

☐ Signed by donor and borrower

☐ States the exact gift amount

☐ States no repayment is expected

☐ Shows donor relationship to the borrower

☐ Lists property address and date funds were or will be provided

☐ Includes donor name and contact information

3) Evidence of gift funds and transfer

Choose one acceptable option to document transfer. If verified before settlement:

☐ Donor bank statement showing withdrawal and evidence of deposit to the borrower account

☐ Copy of donor canceled check and evidence of deposit to the borrower account

☐ Donor withdrawal receipt and evidence of deposit to the borrower account

☐ Evidence of electronic transfer from donor account to borrower account

If verified at settlement, provide one of the following to evidence payment to the settlement agent:

☐ Electronic transfer from donor account to settlement agent

☐ Bank certified check, cashier's check, or other official bank check

4) Borrower account documentation

☐ All pages of the most recent bank statement showing the gift deposit or settlement receipt

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5) Earnest money, if applicable

☐ Copy of earnest money check or wire and matching bank evidence

☐ If EMD exceeds 1 percent of price or appears high for your history, document the source

6) Large deposits

☐ Document any single deposit greater than 50 percent of your total monthly effective income

☐ Confirm no debt was incurred to meet the minimum required investment

7) Gift of equity

☐ Permitted for family member sales only. Provide a gift letter and the Closing Disclosure showing the equity credit.

Disclaimer

This checklist is a general guide based on FHA Handbook 4000.1 and common investor practices. Rules can change, and lenders may request additional items. This is not tax or legal advice. Donors should consult a tax professional regarding gift tax implications.

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