Press Coverage | August 10, 2026

Immigration Guidance Unlikely to Impact Lenders

RELATED PROFESSIONALS

Chris Willis

Chris Willis, a partner in Troutman Pepper Locke's Consumer Financial Services Practice Group, was quoted in the August 10, 2026, *Inside Mortgage Finance* article, "Immigration Guidance Unlikely to Impact Lenders."

> Recent guidance warning lenders of the risks of extending credit to noncitizens will have limited impact on lending activities, according to Chris Willis, partner at the law firm of Troutman Pepper Locke.
>
> …
>
> Speaking last month on a podcast hosted by Troutman, Willis said the guidance isn't "terribly specific or prescriptive." He said the documents just tell lenders they may need to take this specific credit risk into account, or it's a risk that they should study.
>
> Willis said it's likely that any credit risk that's relevant to the bureau's ATR point, as well as the safety and soundness point made by the banking regulators, would likely have already been considered by lenders.
>
> "In other words, if they found a category of people that posed an unacceptably high credit risk, you would expect that there would be efforts to make sure they didn't pass the underwriting standards and therefore [lenders] didn't make loans to them, because financial institutions aren't in the business of making loans to people who don't repay," Willis said of lenders' credit risk departments.
>
> He said it seems unlikely that there is widespread lending to people who are in undocumented or illegal immigration statuses and who therefore pose a safety and soundness or ATR risk. Willis guessed that these consumers either are repaying "perfectly fine," and the data show them to be doing so, or they aren't repaying and therefore aren't getting approved.
>
> In general, Willis said these pieces of guidance are public statements that don't appear likely to have much practical impact on the real world of credit underwriting.
>
> Still, he said it might be a good idea for lenders to look at their underwriting data and policies and procedures if they believe they may have gaps in this area, particularly if those gaps coincide with poor repayment performance.
>
> Additionally, Willis said lenders could make an inquiry on their applications that asks consumers to answer yes or no as to whether they are legally able to earn an income in the U.S.

RELATED INDUSTRIES + PRACTICES

- Consumer Financial Services

