

# Lender Operations Update



Attn: Correspondent and HFA Lenders

April 20, 2018

## Clarification: Tax Service Fee Change

L-2018-026

Correspondent and HFA

Update

### Summary

On March 30, 2018, we issued [Lender Operations Update L-2018-019](#) announcing the change in the tax service fees charged to Correspondent, HFA and Tennessee Housing Development Agency (THDA) lenders at the time of loan purchase. The purpose of this communication is to clarify the following items:

- When the specific program allows for the fee to be charged to the consumer, we will accept placement of the fee in Section B of the Loan Estimate (LE) and Closing Disclosure (CD) paid to **CoreLogic Tax Services**, or the vendor of the lender's choice. U.S. Bank Home Mortgage does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank. Lenders may also disclose the fee as payable to themselves (the lender). The payee should not be listed as TBD or left blank.
- Lenders are reminded to review specific program guidelines and regulatory requirements on what fees may be charged to the borrower.

### Fee Change

The tax service fee will be increased to \$80.00 for **all** properties located in **all** states.

### Effective Date

This change will be effective with Correspondent or THDA loans purchased and/or HFA loans reserved on or after **April 30, 2018**.

### Fees on Disclosures

U.S. Bank Home Mortgage does not prohibit lenders from passing the tax service fee on to the consumer provided it is allowed under the program guidelines for that specific loan. If a lender imposes this fee directly on the consumer, U.S. Bank Home Mortgage will accept the following methods of disclosing the tax service fee in either Section A or Section B on the Loan Estimate and Closing Disclosure as described in this announcement.

### Section A

Lenders may incorporate the amount of the tax service fee into their Section A Origination Charges, either as part of an origination charge or itemized separately. U.S. Bank acknowledges that lenders have some discretion in labeling and structuring their origination charges. For regulatory instruction, please see official commentary to Regulation Z section 1026.37(f)(1). Section A fees should not be labeled or disclosed as paid to U.S. Bank, but may be labeled as an investor charge, such as Investor Tax Service fee. We will not accept Section A fees disclosed as paid to U.S. Bank.

### Section B

We will accept placement of the fee in Section B of the Loan Estimate and Closing Disclosure paid to **CoreLogic Tax Services**, or the vendor of the lender's choice. U.S. Bank Home Mortgage does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank. **Note:** As a reminder, lenders should not list TBD as the tax service provider or leave the payee blank. Lenders may also disclose the fee as payable to themselves (the lender).

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**Additional Information**

**Note:** Loan program guidelines and state laws may have further restrictions regarding allowable fees.

**Caution:** If the amount of an itemized tax service fee paid by the consumer at the time of closing is greater than the amount imposed on the lender by U.S. Bank Home Mortgage at the time the loan is purchased, a refund may be due to the consumer. Please consult your legal or compliance staff for further advice.

This Lender Operations Update does not alter any instruction given in L-2016-019 to HFA program lenders regarding other fees (i.e., a funding fee or underwriting fee) deducted by U.S. Bank Home Mortgage from wire funds at the time a loan is purchased.

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**Seller Guide Update**

The Correspondent Seller and HFA Lending Guides will be updated to reflect the new tax service based on the effective date as provided above.

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**Questions**

**Correspondent/THDA:** Please contact your Account Executive or the Client Support Area at 800.200.5881, option 1.

**HFA:** Please contact the Housing Finance Agency Hotline at 800.562.5165, option 2 for the HFA Lender Management Team.

We appreciate your continued partnership.

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