



# Seller Guide Update



SEL-2020-037: COVID-19 Borrower Attestation, Forbearance Clarification Updated FAQ

May 5, 2020

- Correspondent Lending
- Housing Finance Agency (HFA)

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## Summary



The following items have recently been updated in the U.S. Bank Correspondent Seller and HFA Division Lending Guides, specific to Loan Delivery, Underwriting and Credit Policy.

### U.S. Bank Correspondent Seller and HFA Division Lending Guides

Unless notated within each section as Correspondent only policy or based on product availability such as Portfolio products available only in Correspondent, these updates are applicable to both our Correspondent and HFA lenders. The respective sections of the U.S. Bank Correspondent Seller and HFA Division Lending Guides are included in each section. This communication serves to announce changes and updates including an effective date. Always review the U.S. Bank Correspondent Seller and HFA Division Lending Guides for the most current policy. Guidelines are updated with the information in this communication and should be referred to instead of the communication for guidance.

## Underwriting, Delivery, and Product Grids

For overall ease of use, we have enhanced our communications to now include underwriting and delivery method checkboxes to each section when applicable. You'll also find a new grid that outlines the applicable products.

## Effective Date

Immediately unless otherwise noted within each section below.

## Keeping you informed

U.S. Bank continues to closely monitor the ever-changing landscape of our business as a result of the impacts of the coronavirus (COVID-19).

For information about our ongoing work to support our lending partners and customers, we invite you to visit our Correspondent/HFA COVID-19 Resource Page within AllRegs for regular updates and the most current information. We know you have many questions and we are diligently working to address each of them. We have developed a list of [COVID-19 Frequently Asked Questions](#) and will continue to update this document on a regular basis to keep you informed of process and policy updates.

For additional information about our ongoing work to support customers, we invite you to visit [U.S. Bank's COVID-19 support site](#) for regular updates and the most current information.



## COVID-19 Borrower Attestation

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

**Effective Date: U.S. Bank will require a COVID-19 Borrower Attestation be included in all loan files beginning with loans closed on and after May 13, 2020.**

We recognize that the COVID-19 pandemic has disrupted daily life and has far-reaching personal and economic consequences. We want to ensure borrowers have sustainable homeownership and have the ability to repay their mortgage. The recently passed federal CARES Act provides forbearance protections for certain federally backed mortgages. Mortgages eligible for those forbearance are those:

- purchased or securitized by Fannie Mae or Freddie Mac;
- insured by the Federal Housing Administration (FHA);
- guaranteed or insured by the Department of Veterans Affairs (VA); or
- guaranteed or insured by the Department of Agriculture (USDA).

It is critical that borrowers understand that their new loan may not qualify for forbearance, and if it does, they will still have to make the payments that are deferred.

Please be advised, U.S. Bank sells loans on the secondary market, which does not occur immediately after our purchase of your loan. If a loan is pending purchase, it will not be eligible for forbearance until, if and when, it is purchased or insured/guaranteed by an entity covered by the CARES Act.

We comply with all federal requirements for all residential mortgage loans, including documenting the borrower's/co-borrower's ability to repay the loan, and we require that borrowers attest to the following statements.

1. You are not aware of any future changes in your employment status and/or income that will affect your ability to repay your loan.
2. The income documentation previously submitted by you to qualify for your loan is unchanged and not affected by the COVID-19 pandemic.

U.S. Bank has provided a sample **COVID-19 Borrower Attestation** (attached to this announcement) that can also be found in the Exhibit section of our guides. It is, however, acceptable to utilize an alternative attestation statement provided it contains the required information outlined above.

## Clarification: Mortgage Loans in Early Forbearance

U.S. Bank published **SEL-2020-034** on April 27<sup>th</sup> outlining our alignment with Fannie Mae and Freddie Mac on their recent announcement regarding mortgage loans in early forbearance. Please note the following clarification specific to Conventional Cashout transactions:

- **Conventional Cashout Transactions:** Should any cash out transaction after purchase by U.S. Bank and prior to being federally backed go into forbearance, it will become ineligible and will be subject to repurchase.

## Updated Correspondent/HFA COVID-19 Frequently Asked Questions (FAQ)

We have updated the [COVID-19 Frequently Asked Questions \(FAQ\)](#) document with the most recent information including:

- Updates outlined above for the COVID-19 Borrower Attestation requirement.

The FAQ provides guidance for temporary relief of policies due to COVID-19. Please continue to reference the U.S. Bank Seller and HFA Lending Guides as primary resources for all U.S. Bank policies. You can locate the FAQ in our new Correspondent/HFA COVID-19 Resource Page within AllRegs.

## Questions



**Correspondent:** 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 1 for the HFA Customer Care Team.

## COVID-19 ATTESTATION

We recognize that the COVID-19 pandemic has disrupted daily life and has far-reaching personal and economic consequences. We want to ensure you have sustainable homeownership and have the ability to repay your mortgage. The recently passed federal CARES Act provides forbearance protections for certain federally backed mortgages. Mortgages eligible for those forbearance are those:

- purchased or securitized by Fannie Mae or Freddie Mac;
- insured by the Federal Housing Administration (FHA);
- guaranteed or insured by the Department of Veterans Affairs (VA); or
- guaranteed or insured by the Department of Agriculture (USDA).

It is critical that you understand that your new loan may not qualify for forbearance, and if it does, you will still have to make the payments that are deferred.

We sell our loans in the secondary market, which typically does not occur immediately after closing. If your loan is pending purchase, it will not be eligible for forbearance until if and when it is purchased or insured/guaranteed by an entity covered by the CARES Act. This process can take up to two months.

We comply with all federal requirements for all residential mortgage loans, including documenting the borrower's/co-borrower's ability to repay the loan, and we require that you attest to the following statements.

1. You are not aware of any future changes in your employment status and/or income that will affect your ability to repay your loan.
2. The income documentation previously submitted by you to qualify for your loan is unchanged and not affected by the COVID-19 pandemic.

### **Borrower:**

I, \_\_\_\_\_ (print name), attest to statements 1 and 2 above and that I have read this document in its entirety.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### **Co-Borrower (if applicable):**

I, \_\_\_\_\_ (print name), attest to statements 1 and 2 above and that I have read this document in its entirety.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

