



Seller Guide Update



SEL-2022-034: Multiple Topics

July 1, 2022

- ☑ 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.



This document is not a Consumer Credit Advertisement and is intended for Correspondent/HFA use only. This information is provided to assist Correspondents/HFA and is not a consumer credit advertisement as defined by Regulation Z. Loan approval is subject to credit approval and program guidelines. Not all loan programs are available in all states for all amounts. Interest rates and program terms are subject to change without notice. Mortgage and Home Equity products are offered by U.S. Bank National Association. Deposit Products offered by U.S. Bank National Association. Member FDIC. ©2022 U.S. Bank. CR-21335237

Projects Approved by Fannie Mae in CPM

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 type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

Effective Date: Immediately

Fannie Mae recently released a new Condo Project Manager (CPM) platform. CPM now includes a new project status: "Approved by Fannie Mae". U.S. Bank is adopting the following policy to address projects with the Fannie Mae Approval status.

Non-Delegated

U.S. Bank will consider projects with the Approved by Fannie Mae Status however, the project will require either a Limited/Streamlined or Full Review based on the transaction eligibility.

Delegated

May deliver loans to U.S. Bank with the "Approved by Fannie Mae" status as follows:

- Project must not be on U.S. Bank Review Project List as Declined for either agency
- The project must meet Agency requirements
- The Project Type Code must be "T" Approved By Fannie Mae
- The CPM status must be "approved" as of the date of the Note
- The Loan file must include a copy of the CPM approval

Delegated for Streamlined / Limited Review

May deliver loans to U.S. Bank with the "Approved by Fannie Mae" status as follows:

- The project must meet Agency requirements
- The Project Type Code must be "T" Approved By Fannie Mae
- The CPM status must be "approved" as of the date of the Note
- The loan file must include a copy of the CPM Approval

Full Project Reviews must be submitted to U.S. Bank consistent with current policy.

Project Approvals

- Established projects will expire when the insurance expires or up to 1 year whichever is less.
- New or Newly Converted projects will expire when the insurance expires or up to six (6) months whichever is less.
- Extension requests will require a new Certificate of Insurance and review of CPM status at the time the updated insurance is reviewed. Extensions may be granted up to six (6) months or 1-year from the original approval date based on the project type.

Guide Update: 811.14 Condo Project Manager Approved by Fannie Mae

Clarification: Recent VA Overlay Removals

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

In U.S. Bank's **SEL-2022-030**, U.S. Bank announced that for VA loans, effective with Correspondent locks and/or relocks and HFA Reservations on and after June 22, 2022, we would allow seller concessions to include gifts and payoff of credit balances or judgements on behalf of the buyer.

As a point of clarification, we have modified the language as shown in **green** below:

U.S. Bank will allow seller concessions to include **payment of VA funding fee**, gifts and payoff of credit balances or judgements on behalf of the buyer.

Seller concessions do not include payment of buyers' closing costs, or normal discount points. Any seller concessions exceeding four percent of the appraised value is considered excessive and unacceptable by VA.

Clarifications: Portfolio Underwriting Guidelines

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

Reminder: Tax Service Fee Change Coming Soon

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

We are clarifying our Portfolio Guidelines as indicated below in **green**:

Reserve/Cash Reserve/Secured Funds for Down Payment and Closing Costs

Reserve assets are defined as funds (depository accounts, stocks, bonds, mutual funds, securities) that are liquid or readily convertible to cash and can be done so absent retirement or job termination (up to 100% of the vested amount). Reserves must be the borrower's own funds that are satisfactorily sources. Reserves are measured by the number of months of monthly housing expense [Principal, Interest, Taxes, Insurance and Association Fee (PITIA)], inclusive of both first and second lien loans and lines of credit, that a borrower could pay using his or her financial assets. The monthly housing expense payment is the actual payment on a loan, not the qualifying payment calculated for underwriting purposes, and the qualifying payment on a Home Equity Line of Credit (HELOC).

Gift funds are not allowed to meet the borrower reserve requirement.

For a refinance mortgage, the cash-out proceeds from the subject cash-out refinance transaction and any cash back received on a no cash-out refinance transaction are not an eligible source of funds for reserves.

Guide Update: 714.1.6 – Assets/Funds to Close

Refinance Loans – Cash/Equity Out

Adding a new bullet as follows:

- funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan;**

Guide Update: 714.1.18 Refinance Loans

As published in **SEL-2022-021**, effective with new Correspondent loan registrations and/or new HFA loan reservations on or after July 17, 2022, U.S. Bank will increase the **Tax Service Fee** charged on all loans from \$80 to \$84 for all properties located in all states.

Timeline	Tax Service Fee
Current: Loans registered or reserved before July 17 th	\$80
Coming Soon: Loans registered or reserved on/after July 17 th	\$84

- 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 does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank. Lenders may disclose the fee as payable to themselves (lender). The payee should not be listed as TBD/left blank.
- Lenders are reminded to review specific program guidelines and regulatory requirements on what fees may be charged to the borrower.

Please refer to **SEL-2022-021** for complete details.

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.