

Mortgage Loan Program, MBS

How often will Minnesota Housing interest rates change?

Minnesota Housing will continue to review the program interest rate on a daily basis. The current rate is available on the HDS SF Web Application and on mnhousing.gov.

What does Minnesota Housing cover when they audit files?

Under the Mortgage Loan Program, MBS, Minnesota Housing audits a random 10% sampling of loans for compliance with bond and agency program requirements. For new lenders, the first six loans closed will be audited for compliance.

Materials/Forms

Can I get a copy of the presentation and materials used during the MBS trainings and webinars?

All presentations and materials, along with supporting documentation, can be downloaded from the Minnesota Housing website at www.mnhousing.gov.

How do I request a copy of the US Bank Home Mortgage - MRBP Division CD "We'd Like To Help"?

You can call the US Bank Home Mortgage - MRBP Division Help Desk Line at 1.800.562.5165 or email them at mrbp.helpdesk@usbank.com to request a copy.

Can we get an addendum to the purchase agreement stating that the personal property adds no value to the purchase price instead of having it removed? Would that be acceptable?

No, please use the new Personal Property form to either certify there is no personal property in the purchase agreement or to remove any personal property present. If the seller is an institution (i.e. Fannie Mae), the Institutional Property Seller Affidavit form should be used.

Computer Access

Can we get to the US Bank Home Mortgage - MRBP Division guidelines via our regular US Bank correspondent login?

No, please visit: mrbp.usbank.com and select Lending Manuals. No password is required to access the website.

How do I gain access to the HDS Forms Generator if I currently don't have access to HDS?

Forms generator is only accessible through the HDS SF Web Application. To gain access, you must contact your HDS Web Administrator. You can contact the Minnesota Housing Help Desk at 651.296.8215 or 800.710.8871 to find out the name of your HDS Web Administrator. Minnesota Housing also posts fillable versions of the forms on the website at www.mnhousing.gov.

Homebuyer Education

What are Minnesota Housing's homebuyer education requirements for their loans? Does US Bank Home Mortgage - MRBP Division have any requirements in addition to this? Does it have to be HUD approved?

Minnesota Housing requires Qualified Homebuyer Education for borrowers using conventional loan financing and Community Activity Set Aside (CASA) program borrowers. Qualified Homebuyer Training is homebuyer training completed in a classroom setting by organizations that have had staff trained under HomeStretch or NeighborWorks America and does not require HUD approval of the organization or the class. The above requirement will be satisfied when at least one borrower per household provides a certificate of completion. In addition, follow any loan product, insurer or guarantor requirements. US Bank Home Mortgage - MRBP Division does not have additional requirements.

Mortgage Insurance

Will you accept Mortgage Insurance on conventional loans, what will they allow and what are the coverage requirements?

Minnesota Housing will accept Mortgage Insurance (MI) from any Fannie Mae and Freddie Mac approved MI Company. All conventional loans must use either the Fannie Mae MyCommunityMortgage (MCM) or Freddie Mac Home Possible (HP) loan product. MI coverage requirements are now determined by the loan product. The Minnesota Housing MI Partners Page includes information and links to guidelines for MI companies offering special pricing or benefits to Minnesota Housing borrowers.

Do I need to run a 20% down conventional loan as MCM or HP?

Yes, all conventional loans must be run through DU as MCM or LP as HP.

Homeownership Assistance Fund (HAF) and HOME HELP

What is HOME HELP and can it only be used with the CASA program?

HOME HELP is an entry cost assistance program that provides \$7,000 in assistance to eligible borrowers purchasing eligible properties. HOME HELP is only available to CASA program borrowers. CASA lenders must apply under a separate application to deliver the program. For additional information, please see the HOME HELP manual on the Minnesota Housing website.

What are the liquid asset limits for HAF and HOME HELP?

A Borrower's liquid assets after closing are limited to the greater of six months principal, interest, taxes, and insurance or \$5,000.

Minnesota Housing Program Guidelines

What are the eligible property type changes with the new program?

The new program allows manufactured homes financed only with government financing (FHA, RD, and VA).

What are Minnesota Housing's well/septic requirements?

Well and septic requirements are now determined by the loan product and US Bank Home Mortgage - MRBP Division Minnesota Housing no longer has its own septic requirements.

Is there a minimum credit score for US Bank Home Mortgage - MRBP Division? What about Minnesota Housing?

The loan product determines the minimum credit score for borrowers. However, for all borrowers receiving Minnesota Housing entry cost assistance who have a credit score, the score used for underwriting must be 620 or greater.

If borrower only has one credit score, do we use that one score, or non traditional credit?

Use the credit score used to underwrite the loan. If no credit score is available, follow non traditional UW guidelines.

What is the maximum number of acres that can be financed in rural markets?

Minnesota Housing does not have a maximum number of acres. Rather properties must meet three basic livability tests. The financing of a property may include only land necessary to maintain the "basic livability" of the dwelling.

- The land being financed may not provide other than incidental income to the borrower;
- The appraiser must state that the subject lot is not greater in size than other residential parcels in the community;
- The land may not comprise more than one parcel or be eligible for legal subdivision unless the appraiser states that the land is commensurate in size with other residential parcels in the community, and the borrower must certify that he or she has no intention of selling or leasing any portion of the land being financed.

Are there any restrictions for non-arms length purchases?

You must account for a non-arms length transaction in Acquisition Cost. Use the Minnesota Housing Acquisition Cost Worksheet.

Correspondent Lending

Will US Bank Home Mortgage - MRBP Division underwrite all of my loans? What if we have in-house underwriting, can we use them and how do I set that up?

US Bank Home Mortgage - MRBP Division offers correspondent lending services for lenders who lack the capacity to underwrite loans. They offer additional correspondent lending services as well. Please contact the US Bank Home Mortgage - MRBP Division Help Desk for more information and an application. Lenders may continue to use their in house or contract underwriters.

Underwriting

What is the maximum ratio for an approval or does US Bank Home Mortgage - MRBP Division follow Desktop Underwriter (DU)?

Maximum ratios are determined by the loan product.

Are UW ratios only on loans that are manually underwritten? If a loan has higher ratios, but DU supplies approval, is this permitted?

As long as you have DU approval this is permitted.

What is the maximum LTV for a conventional loan?

Maximum LTVs for conventional loans are determined by the loan product and mortgage insurance company.

What documentation is required to obtain PUD project approval?

The standard industry documentation.

MERS

Will US Bank Home Mortgage - MRBP Division accept the first mortgage with MERS? Will Minnesota Housing accept the HAF Mortgage with MERS?

US Bank Home Mortgage - MRBP Division accepts MERS on first mortgages sold to them under the MBS program. Minnesota Housing is unable to accept MERS on HAF mortgages.

If US Bank Home Mortgage - MRBP Division is the servicer for MERS, who do we list as the investor on the MERS registration?

When registering loans, you should put your organization as Servicer and Investor. When you receive the US Bank Home Mortgage - MRBP Division MRBP purchase notification, you should then transfer both rights to US Bank Home Mortgage - MRBP Division MRBP within 5 business days.

You mentioned an assignment of mortgage being required, so these loans can not close as MERS?

Lender may use either MERS or assign the loans to US Bank National Association.

FHA 203 Streamlined K

Can the 203 Streamlined K program be used on a purchase, and if so, do lenders need to have special approval to originate 203k loans through the program? Does US Bank Home Mortgage - MRBP Division administer the draws on a 203k?

The 203K programs can be used for purchase transactions for loans sold to Minnesota Housing under the CASA program. In order to do so, lenders must join the Minnesota Housing sponsored FHA 203 Streamlined K CASA initiative. US Bank Home Mortgage - MRBP Division will administer the draws on a 203 KS loan. Contact the Minnesota Housing and US Bank Home Mortgage - MRBP Division Help Desks for more information.

If we as a lender do not do the 203K loan product, can we send the loan to US Bank Home Mortgage - MRBP Division direct for review and funding even if we are a full eagle lender?

Contact the US Bank Home Mortgage - MRBP Division MRBP Division Help Desk Line at 1.800.562.5165 or email them at mrpb.helpdesk@usbank.com to request information on correspondent lending services.

Table Funding

How does loan funding work under the new program?

Loan funding requirements have not changed. The change is that under the new program, lenders will sell closed loans to US Bank Home Mortgage - MRBP Division instead of Minnesota Housing. US Bank Home Mortgage - MRBP Division offers table funding for lenders who lack this capacity. Contact the US Bank Home Mortgage - MRBP Division Help Desk Line at 1.800.562.5165 or email them at mrpb.helpdesk@usbank.com to request information on correspondent lending services.

Currently, we are funding loans via our warehouse line and then sending in for purchase approval to Minnesota Housing. Where can I find instructions for requesting funds or how to get the funds to the closing table?

You can continue to use your warehouse line or purchase table funding services from US Bank Home Mortgage - MRBP Division. Please contact the US Bank Home Mortgage - MRBP Division Help Desk for more information.

Review/Purchase

Should the loss payable clause for homeowner's insurance be in the name of the originating lender or in the name of US Bank Home Mortgage - MRBP Division?

Either is acceptable.

Do I still purchase approve my loan on the Minnesota Housing HDS SF Web Application or will they be purchased approved by US Bank Home Mortgage - MRBP Division?

You still must purchase approve the loan on the Minnesota Housing HDS SF Web Application. After obtaining purchase approval from Minnesota Housing, send the purchase package to US Bank Home Mortgage - MRBP Division.

Allowable Borrower Fees

Our bank generally charges a processing fee. Are we allowed to continue charging this and can we collect the US Bank Home Mortgage - MRBP Division servicing fee from the borrower? Are these considered prepaids?

You may continue to charge standard, customary fees and may collect the fees from the borrower, except for the \$85 tax service fee on an FHA loan. On an FHA loan, either the property seller or lender must pay the tax service fees per FHA guidelines.

When you say Loan Level Pricing Adjustment (LLPA) and Adverse Market Delivery Fee (AMDF) are built into the rate, does that mean the borrower gets the rate advertised by Minnesota Housing and no additional fees are collected?

Yes, Minnesota Housing rates will continue to be par: 0% discount and 1% origination. LLPA and AMDF are built into the rate. Lenders should not charge these fees at closing.

Questions from US Bank Home Mortgage - MRBP Division Presentation

Are temporary buydowns permitted on the first mortgages in the program?

Buydowns are NOT permitted.

Is the 1-4 family rider still required on FHA loans?

This is not a requirement by FHA, or US Bank Home Mortgage - MRBP Division.

Can lenders give the tax proration as cash back to the borrowers?

This is not permitted under MRB programs.

Do we allow Section 8 subsidy to come directly from the borrower?

The Section 8 subsidy should NOT be sent directly from the borrower.

Are co-signers permitted?

Not permitted. All borrowers must occupy the property.

Can we accept land lease on FHA loans?

Follow FHA guidelines on land lease. Program requirements are as long as the lease is greater than the life of the loan (30 years). FHA does not currently allow leasehold estates subject to community land trusts.

Are Section 8 Loans permitted?

Yes, Section 8 Loans are permitted, contact US Bank Home Mortgage - MRBP Division Help Desk for more information.

Does US Bank Home Mortgage - MRBP Division allow spot approvals on condos?

Spot approvals are not permitted.

What percentage of a house can be used for business?

Per IRS requirements, only 15% of the property can be used for primary business.

Do we gross up Social Security dollars?

Handle the same as non-taxable income, so yes it should be grossed up.

Can the Welcome Home Funds Grant be used with the HFA product?

Welcome Home Funds can be used if they will take a third position.

Can US Bank Home Mortgage - MRBP Division qualify a lender to originate loans, if lender is not FHA approved to originate?

Lenders must be able to originate FHA loans and have an FHA ID number to originate. If lenders do not have a DE on staff and need underwriting services, US Bank Home Mortgage - MRBP Division can provide this service for you.

Can Home Funds be used in conjunction with the FHA First Mortgage Program?

Home Funds can be used on FHA Loans under MRB Programs.

Who is responsible for HMDA reporting?

Participating lenders are responsible for HMDA Reporting on all loans they underwrite. US Bank Home Mortgage - MRBP Division will be responsible for HMDA reporting for correspondents lenders which US Bank Home Mortgage - MRBP Division will be underwriting those loans.

Is cash back permitted?

A borrower may receive cash back at closing from junior lien proceeds only when the cash back represents a refund of the borrower's own investment as allowed by the first mortgage product.

Do government loans have to be insured by the time of funding by US Bank Home Mortgage - MRBP Division?

Lenders have 120 days following Purchase to deliver the Insurance/Guaranty certificate.