



Minnesota Housing & USBank

Mortgage Revenue Bond Program

Lou Caresani
2011

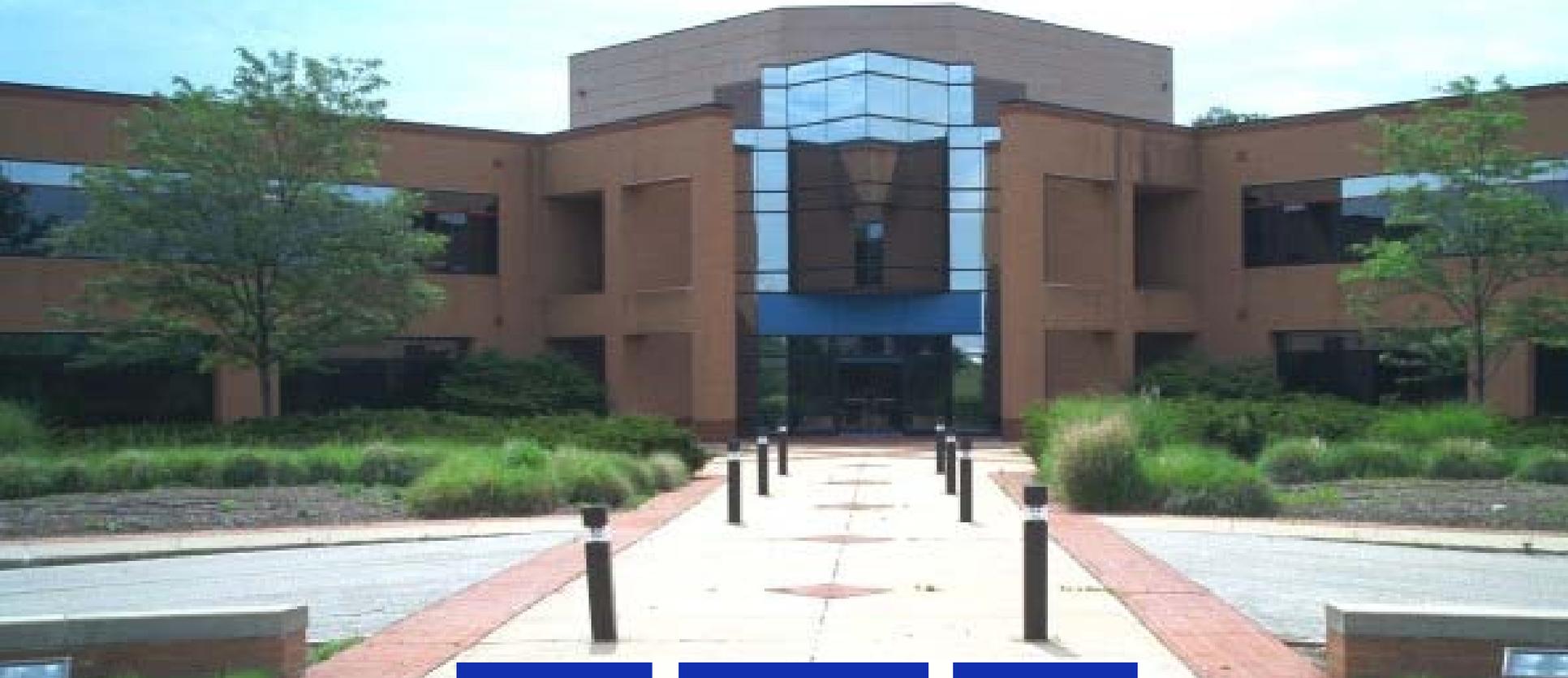


Agenda

- ★ **USBank Home Mortgage**
- ★ **Delivery and Funding**
- ★ **Top Ten Exceptions**
- ★ **Lenders / Correspondent Lenders**
- ★ **Help Desk**
- ★ **Customer Service**
- ★ **Underwriting**

U.S. Bank Home Mortgage MRBP AFFORDABLE HOUSING DIVISION

17500 Rockside Road , Bedford, OH 44146



**MRBP
Team 260
Strong**

**Loan Review
Purchase
Securitize
Service
Final Docs**

**Service
HFA
Programs**

US Bank Home Mortgage MRBP

“Master Servicer”

Review, purchase, securitize, and service mortgage loans from all participating lenders who are approved to originate in the program.

Loans must meet Minnesota Housing compliance requirements, as well as specific loan product (FHA, VA, RD, Fannie Mae, Freddie Mac etc..) underwriting guidelines.

Loan File Delivery Address

ALL Minnesota Housing Loan Files should be sent to:

U.S. BANK HOME MORTGAGE – MRBP DIVISION

17500 Rockside Road

Bedford, OH 44146

Attn: Operations Department

Recommend loans shipped IMMEDIATELY after closing

(Limit is within 10 days)

Loan File Review Process



- ★ **Loan files receive a date stamp and are logged into US Bank MRBP system**
- ★ **Files set up in jeter file, labeled with USB loan #**
- ★ **Daily inventory reports generated**

Loan File Review Process



- ★ **US Bank Home Mortgage thoroughly reviews loan**
- ★ **Exception free loans (Funding/Compliance Approved) are purchased**
- ★ **Remember to complete Minnesota Housing Funding Approval via HDS SF Web Application**

Loan File Review Process

Exceptions

★ If a loan has exceptions

- Mortgage file exceptions are communicated by phone / fax / weekly recap report
- If a conventional or 203k loan, more detailed reviews will occur

★ Cleared exceptions are removed, and the loan is purchased

- A loan history showing payments applied may be requested

Loan File Review Process

Purchasing

- ★ **Loans are purchased daily, on an amortized basis**
- ★ **Purchased loan summary / detail is faxed to lenders**
- ★ **Purchased loans are transferred to U.S. Bank servicing system**



Delivery & Funding

Program Information

- ★ **Review Delivery and Funding Guidelines, Checklists, Forms, and any Updates**
- ★ **Share information with Originators, Closers & Shippers**
- ★ **USBHM Contact**
 - **HELP DESK (800-562-5165)**
- ★ **Access information at: www.mrbp.usbank.com**
- ★ **Click on USBank lender manuals > to allregs**

- 
- [Bond Programs](#)
 - [Mortgage Loan Information](#)
 - [U.S. Bank Lending Manuals](#)
 - [Denihan and Associates Lender Guides](#)
 - [FAQ's About MRBP](#)
 - [M.O.R.E.](#)
 - [Contact Us](#)

MRBP

U.S. Bank Home Mortgage Mortgage Revenue Bond Program Division

This site is exclusively for U.S. Bank Home Mortgage MRBP Participants.

The Mortgage Revenue Bond Program (MRBP) Division partners with various State and Local Housing Finance Agencies throughout the United States to assist them in bringing homeownership opportunities to their local constituents, which includes low to moderate income families and first-time home buyers.

This Division of U.S. Bank Home Mortgage focuses exclusively on the Mortgage Revenue Bond sector of the residential mortgage community and develops customized partnerships based on the needs of each Housing Finance Agency.

The Division offers a full range of services, including Product Development, Program Administration & Facilitation, Loan Administration and various other services to the Housing Agencies and Participating Lender community.

[Access to Bond Programs](#)

[Mortgage Customer Loan Information for Housing Agencies](#)

[U.S. Bank Lending Manuals](#)

MRBP

- Bond Programs
- Mortgage Loan Information
- U.S. Bank Lending Manuals
- Denihan and Associates
Lender Guides
- FAQ's About MRBP
- M.O.R.E.
- Contact Us

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U.S. Bank Home Mortgage Mortgage Revenue Bond Program Division

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[Back](#) [Continue](#) ←

Mortgage Revenue Bond Program

← Back | Forward →

[Table of Contents](#) | [Advanced Search](#) | [E-mail Subscriptions](#)

- 🏠 Mortgage Revenue Bond Program
 - 🏠 Library Home
 - 📁 Introduction to MRBP
 - 📁 Welcome to U. S. Bank Home Mortgage-MRBP Division
 - 📁 Housing Finance Authority ←
 - 📁 Underwriting
 - 📁 File Submission to Underwriting
 - 📁 Closing & Funding ←
 - 📁 X4 Doc Prep System
 - 📁 Exhibits
 - 📁 Directory — Contact Us
 - 📁 Annual Recertification
 - 📁 Lender Scorecard Key and Sample Report
 - 📁 203K Manual
 - 📁 203KS Manual ←
 - 📁 Manufactured Housing
 - 📁 Compliance
 - 📁 Bulletins ←

Mortgage Revenue Bond Program

Company Announcements

Title: Welcome to the new MRBP Library!
[more >>](#)

Recent Updates

No recent updates.

Mortgage Revenue Bond Program

← Back | Forward →

Table of Contents

Advanced Search

E-mail Subscriptions

🏠 Mortgage Revenue Bond Program

🏠 Library Home

📁 Introduction to MRBP

📁 Housing Finance Authority

📁 Arkansas

📁 Arizona

📁 California

📁 Florida

📁 Indiana

📁 Illinois

📁 Iowa

📁 Kansas

📁 Louisiana

📁 Minnesota

📁 Minneapolis /St. Paul Housing Finance Board

📁 Minnesota Housing Finance Agency

📁 Mississippi

📁 Missouri

📁 Montana

📁 Nebraska

📁 New Mexico

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[more >>](#)

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No recent updates.

Mortgage Revenue Bond Program

← Back | Forward →



[Table of Contents](#) | [Advanced Search](#) | [E-mail Subscriptions](#)

- 🏠 Mortgage Revenue Bond Program
 - 🏠 Library Home
 - 📁 Introduction to MRBP
 - 📁 Housing Finance Authority
 - 📁 Arkansas
 - 📁 Arizona
 - 📁 California
 - 📁 Florida
 - 📁 Indiana
 - 📁 Illinois
 - 📁 Iowa
 - 📁 Kansas
 - 📁 Louisiana
 - 📁 Minnesota
 - 📁 Minneapolis /St. Paul Housing Finance Board
 - 📁 Minnesota Housing Finance Agency
 - 📄 Minnesota Housing Finance Agency Website
 - 📁 Product Descriptions
 - 📁 Checklists
 - 📁 Mississippi
 - 📁 Missouri

You are viewing: Minnesota Housing Finance Agency Website

◀ [Previous](#) | [Next](#) ▶ [View Full Screen](#)

Reference

Housing Finance Authority
Minnesota
Minnesota Housing Finance Agency
Minnesota Housing Finance Agency Website

[Minnesota Housing Finance Agency Website](#)



US Bank Bulletins

BULLETIN

2009-83



MRBP OPERATIONS
HOME MORTGAGE

December 3, 2009

203KS Updates

Brief description of any regulation or USBank changes.

Link to regulation.

As always, please call the Help Desk with any questions at 1-800-562-5165 or email us at mrbp.helpdesk@usbank.com with any specific concerns.

*Current version available on our website at www.mrbp.usbank.com



Delivery & Funding

Program Information

★ Example Checklist

FHA LOAN DELIVERY CHECKLIST		usbank <small>the way we serve customers</small>	
BORROWER: _____	PROGRAM: MINNESOTA HOUSING		
ORIGINATING LENDER: _____	CONTACT: _____		
USBHM LOAN #: _____	PHONE: _____		
<input type="checkbox"/> ORIGINAL NOTE & 1 COPY > *Endorsed to U.S. Bank National Association	MINNESOTA HOUSING COMPLIANCE CHECKLIST		
<input type="checkbox"/> NAME AFFIDAVIT, IF APPLICABLE - 1 COPY	<input type="checkbox"/>	BORROWER AFFIDAVIT - ORIGINAL	
<input type="checkbox"/> MORTGAGE - 2 COPIES	<input type="checkbox"/>	PROPERTY SELLER AFFIDAVIT - ORIGINAL	
<input type="checkbox"/> MORTGAGE DEED AMENDMENT (TAX EXEMPT RIDER) - 2 COPIES	<input type="checkbox"/>	SUBSIDY RECAPTURE DISCLOSURE STATEMENT - 1 COPY	
<input type="checkbox"/> CONDO, PUD, - 2 COPIES, IF APPLICABLE	<input type="checkbox"/>	MORTGAGE DEED AMENDMENT - 1 COPY	
<input type="checkbox"/> ASSIGNMENT OF MTG. - 2 COPIES > *Assigned to U.S. Bank National Association	<input type="checkbox"/>	NOTICE TO BUYER - 1 COPY	
<input type="checkbox"/> REQUIRED 2ND MORTGAGE DOCUMENTATION - IF APPLICABLE	<input type="checkbox"/>	PHA STREAMLINED 203K APPLIANCE FORM - 1 COPY (If applicable)	
<input type="checkbox"/> ORIGINAL HAF NOTE - 1 COPY	<input type="checkbox"/>	3 YEARS FEDERAL TAX RETURNS or AFFIDAVIT - 1 COPY	
<input type="checkbox"/> HAF MORTGAGE - 2 COPIES	<input type="checkbox"/>	PERSONAL PROPERTY ADDENDUM - 1 COPY	
<input type="checkbox"/> FIRST PAYMENT LETTER with payment breakdown, first payment date			
<input type="checkbox"/> HUD-1 & AGGREGATE ESCROW ANALYSIS DISCLOSURE - 2 COPIES > DPA SOURCE MUST BE DISCLOSED ON HUD			
<input type="checkbox"/> DPA ACKNOWLEDGEMENT FORM			
<input type="checkbox"/> TITLE COMMITMENT OR SHORT FORM POLICY - 2 COPIES			
<input type="checkbox"/> TAX CERTIFICATION - 2 COPIES *PROOF OF TAX PAYMENT			
<input type="checkbox"/> HAZARD INSURANCE POLICY *1 YR. PROOF OF PAYMENT & 1 COPY	<div style="border: 1px solid black; padding: 5px;"> <p>U.S. BANK National Association its successors and/or assigns as their interest may appear. c/o U.S. Bank Home Mortgage P.O. Box 7298 Springfield, OH 45503-7298</p> </div>		
<input type="checkbox"/> MORTGAGEE CLAUSE LETTER, (HAZARD/FLOOD) - 2 COPIES			
<input type="checkbox"/> WIND / HAIL INSURANCE (IF APPLICABLE)			
<input type="checkbox"/> FLOOD CERTIFICATION & DISCLOSURES - 2 COPIES *Must be Life of Loan and transferable to USBHM			
<input type="checkbox"/> FLOOD INSURANCE BINDER *1 YR. PROOF OF PAYMENT (IF APPLICABLE) - 1 COPY			
<input type="checkbox"/> SPECIFIC POWER OF ATTORNEY (POA) - 2 COPIES			
<input type="checkbox"/> COPY OF W-9 FOR PRIMARY BORROWER			
<input type="checkbox"/> FINAL TYPED LOAN APPLICATION *must be signed by interviewer and borrower			
<input type="checkbox"/> HOMEBUYER EDUCATION CERTIFICATE (IF APPLICABLE)			
<input type="checkbox"/> BORROWER AUTHORIZATION FOR COUNSELING (IF APPLICABLE)			
<input type="checkbox"/> FINAL TRUTH-IN-LENDING *signed and dated at closing			
<input type="checkbox"/> ASSURANCE / WARRANTY OF COMPLETION (IF APPLICABLE)			
<input type="checkbox"/> TERMITE REPORT OF TERMITE SOIL GUARANTEE (IF APPLICABLE)			
<input type="checkbox"/> SURVEY *If required or charged for on HUD 1			
<input type="checkbox"/> COMPLIANCE OR ERRORS & OMISSIONS AGREEMENT			
<input type="checkbox"/> IRS FORM 4506 OR 8821			
<input type="checkbox"/> MISC. PERTINENT CLOSING/UNDERWRITING DOCUMENTATION			
<input type="checkbox"/> LOAN UNDERWRITING TRANSMITTAL SUMMARY			
<input type="checkbox"/> HUD 92900A- DIRECT ENDORSEMENT APPROVAL			
<input type="checkbox"/> LOAN MUST BE FHA INSURED IF OLDER THAN 90 DAYS FROM CLOSING			
<input type="checkbox"/> CREDIT UNDERWRITING PACKAGE:			
<input type="checkbox"/> CUSTOMER ID NOTICE (PATRIOT ACT) *USBHM UNDERWRITTEN ONLY			
<input type="checkbox"/> INITIAL LOAN APPLICATION			
<input type="checkbox"/> INITIAL TRUTH-IN-LENDING			
<input type="checkbox"/> DU FINDINGS / UW APPROVAL			
<input type="checkbox"/> COPIES OF UW CONDITIONS			
<input type="checkbox"/> PURCHASE AGREEMENT			
<input type="checkbox"/> FINAL INSPECTIONS			
<input type="checkbox"/> GOOD FAITH ESTIMATE			
<input type="checkbox"/> APPRAISAL			
<input type="checkbox"/> CREDIT REPORTS			
<input type="checkbox"/> VOE's (For all adult household members)			
<input type="checkbox"/> VOD's OR ALT. DOCUMENTS (For all adult household members)			
<input type="checkbox"/> SALE ASSIGNMENT OF SERV. RIGHTS/RES/PA			
	<div style="border: 1px solid black; padding: 5px;"> <p>CORRESPONDENTS ONLY (For Case Binder):</p> <p>Addendum to HUD-1 (cert of buyer, seller, & settlement agent)</p> <p>HUD-92900A pp. 1,2,4 signed by all parties (date same as Note)</p> <p>HUD-92300 Assurance of Completion (if applicable)</p> <p>HUD-92051 Compliance Inspection Reports (as applicable)</p> <p>Amendatory Statement (if not included in Purchase Agreement)</p> <p>Real Estate Certification (if not included in Purchase Agreement)</p> <p>Downpayment Assistance documentation (if required)</p> <p>Social Security documentation for all borrowers</p> <p>For New Construction (1 year old or less) only:</p> <p>HUD-92541 BUILDER'S CERTIFICATION</p> <p>HUD-92544 BUILDER WARRANTY OF COMPLETION</p> <p>10 Year Warranty or Building & Occupancy Permits</p> <p>NP-CA59 Sub. Termite Soil Treatment Builders Guarantee</p> </div>		
	<div style="border: 1px solid black; padding: 5px;"> <p>USBANK MRBP HELP DESK 800-562-5165</p> <p>FILE DELIVERY INFORMATION:</p> <p>Loan File Delivery Address: U.S. Bank Home Mortgage - MRBP Division 17500 Rockside Road Bedford, OH 44146 Attn: MRBP Operations Department</p> </div>		
	<div style="border: 1px solid black; padding: 5px;"> <p>BORROWER PAYMENT INFORMATION:</p> <p>Borrower Payment Address: U.S. Bank Home Mortgage P.O. Box 468002 Bedford, OH 44146-8002 www.usbankhome mortgage.com</p> </div>		

Delivery & Funding

- ★ **Provide Complete Contact Information and Wiring Instructions**
- ★ **Advise borrower their loan will be sold to U.S. Bank**
- ★ **Deliver loan files to:**
17500 ROCKSIDE ROAD
BEDFORD, OH 44146-2099
- ★ **Loans must be shipped IMMEDIATELY after closing**

Lender Contact Information

US Bank Home Mortgage - MRBP Division

Lender Contact Information / Authorization

Bond Program: _____
Lender Name: _____
Mailing Address: _____

Main Phone Number: _____
Main Fax Number: _____
Website (if applicable) _____
MERS ID # (if applicable): _____

	Name	Phone	Fax
Main Contact:	_____	_____	_____
Main Contact E-mail:	_____		
Underwriting Manager:	_____	_____	_____
Underwriting E-mail:	_____		
Shipping Supervisor:	_____	_____	_____
Shipping E-mail:	_____		
Shipping Staff:	_____	_____	_____
Processing Manager:	_____	_____	_____
Processing E-mail:	_____		
Exception Contact:	_____	_____	_____
Exceptions E-mail:	_____		
Final Documents:	_____	_____	_____
Final Docs E-mail:	_____		
Lender Scorecard Recipient:	_____	_____	_____
Scorecard E-mail:	_____		

Wire Instructions:
Bank Name: _____
ABA Number: _____ **Account Number:** _____
Account Name: _____
Purchase Advice Attn: _____ **Phone:** _____
Fax # for Purchase Advice: _____
E-Mail address: _____

Authorized Signature: _____

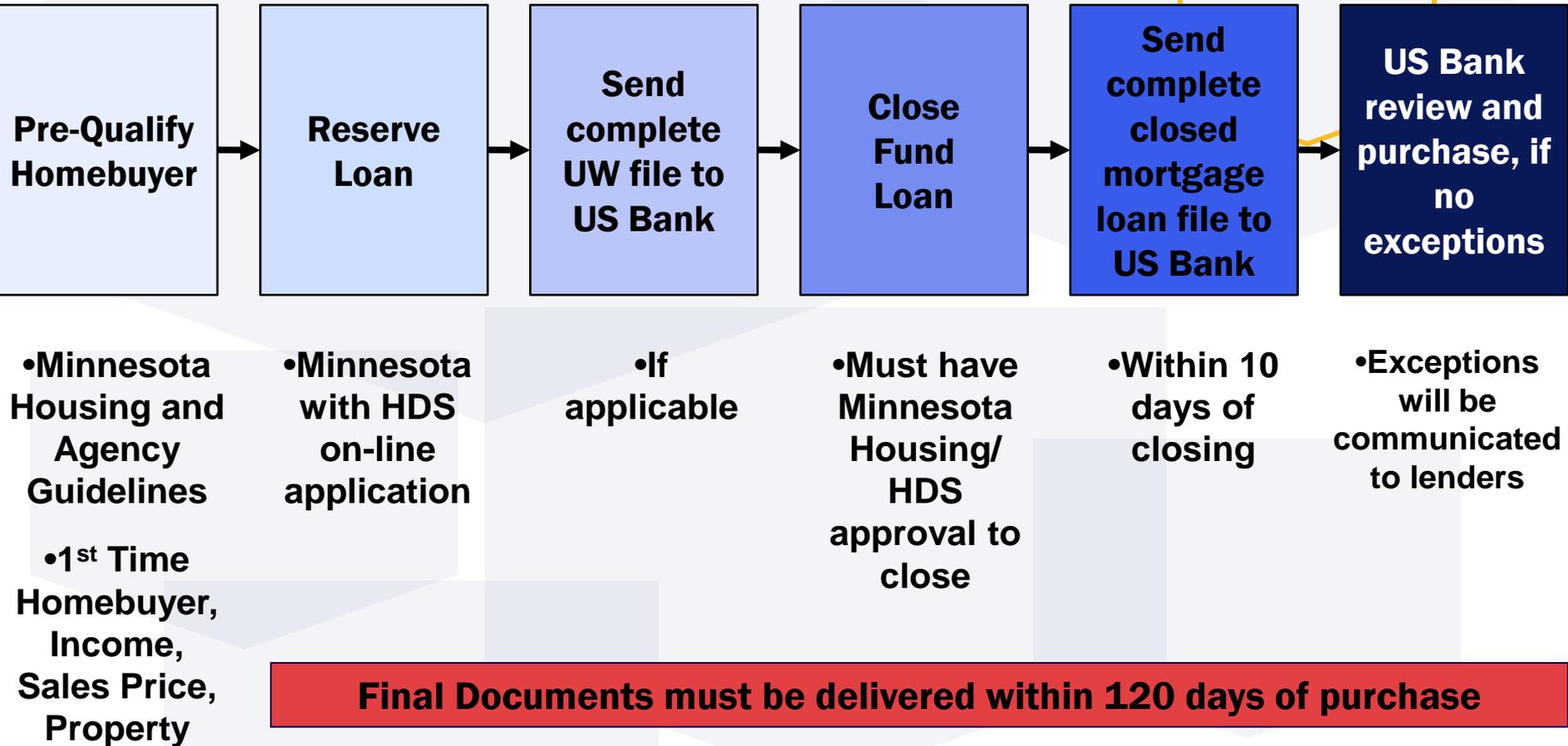
Fax this completed authorization form to: 866-350-1570 - Attn: Karla Gomez -OR-
Scan and email this completed authorization form to: mrhp.helpdesk@usbank.com

Updated - 11-24-08



Process Overview

Originating Lenders



Delivery and Funding

- ★ **Loans purchased daily**
- ★ **Purchase Schedule faxed**
- ★ **Net Funding: (no checks)**
 - Pay loan amount / interest
 - Service Release Premium
 - Net determined escrow
 - Reimburse assistance / 2nd mortgages
 - Net USBank fees
 - Net extension or hold fees



Delivery and Funding

Lender Compensation

Origination	1.00
Commitment Fee	0.00
Discount	0.00
Servicer Pays	
SRP	+ 1.00
Lender Net	+ 2.00



USBank / Program Fees

Funding Fee	\$ 150.00
Tax Service	<u>85.00</u>
Total	\$ 235.00

Conventional Loan Fees

LLPA and Adverse Market Fees
are built into the interest rate.

NOTE:

Lenders are permitted to collect normal and customary fees. Follow Minnesota Housing guidelines. SRP is net any hold or extension fees.

Top 10 Document Exceptions

1. Truth-In-Lending (TIL) or MDIA Issues

- Early T-I-L not in file on 1st mortgage or 2nd mortgage (if applicable)**
- Early T-I-L missing required verbiage**
- Final T-I-L not in file**
- Corrective Final T-I-L, if applicable not in file**
- Initial application 1003 not in file & was not signed and dated by interviewer**

Note: Lender is required to follow federal guidelines. If loan is not in compliance, it cannot be purchased by USBHM. The file will be cancelled and returned!

RESPA - Real Estate Settlement Procedures

Highlights

HUD is requiring that loan originators provide borrowers with a standard Good Faith Estimate that clearly discloses key loan terms and closing costs and that closing agents provide borrowers with a new HUD-1 settlement statement. New RESPA regulations were published November 17, 2008 and are scheduled to take full effect on January 1, 2010. The "New RESPA Rule FAQs" were comprised from industry questions and are posted to facilitate implementation of these new requirements.

- ▶ [HUD's new settlement cost booklet](#)
- ▶ [New RESPA Rule FAQs \(updated 4/2/2010\)](#)
- ▶ [RESPA Final Rule](#)
- ▶ [Good Faith Estimate](#)
- ▶ [Good Faith Estimate Instructions](#)
- ▶ [Fillable Good Faith Estimate](#)
- ▶ [HUD-1](#)
- ▶ [HUD-1 Instructions](#)
- ▶ [Fillable Hud-1](#)

January 1, 2010

New Good Faith Estimate (GFE) and modification of the HUD-1 and HUD-1A Settlement Statement



Watch the Webcast

- ▶ Watch the webcast from March 18, 2010 clarifying the new RESPA rule. [Watch the Webcast](#)
- ▶ [March 18, 2010 - RESPA Webcast Material](#)
- ▶ [RESPA Implementation Briefing](#)

View the Presentation

- ▶ [RESPA in Plain English](#)

Top Ten Document Exceptions

2. Mortgage / Deed of Trust

- Missing Riders - Tax Exempt (Mortgage Deed Amendment)
- Need to record with the 1st Mtg
- Condo, Pud, Mfg Homes riders if applies
- Missing pages of the mortgage and/or legal description
- Notary Section left blank or incorrectly completed
- Property Address differs from other documentation

Top Ten Document Exceptions



3. Note

- Missing original / incorrect endorsement
 - 1st Note endorsement
 - “U.S. Bank National Association”
 - 2nd HAF Note endorsement
 - “Minnesota Housing Finance Agency”
- Incorrect payment terms
 - Must be = 360 or 180

Top Ten Document Exceptions

4. Hazard & Flood Policies

- Names & address not matching other documents
- Proof of payment not in the file
- **FHA Deductibles**
 - Cant exceed \$1,000 or 1% of the face amount of the policy
- **Conv Deductibles**
 - Cant exceed 5% of the face amount of the policy



Top Ten Document Exceptions



5. Homebuyers Education Certificate & or Referral

- Missing despite being required per DU or bond program

6. Underwriting

- Loans are incorrectly put through DU
- Missing Loan Underwriting Transmittal Summary

Top Ten Document Exceptions

5. Assignment

- Not included in loan file / not assigned correctly
 - 1st Mortgage assignment
 - “U.S. Bank National Association”
- HAF Second Mortgages must be closed in lenders name
 - 2nd HAF Mortgage assignment
 - “Minnesota Housing Finance Agency”

Top Ten Document Exceptions

8. Appraisal

- Not included or missing pages

9. HUD-I

- Calculations and amounts are incorrect
- DPA assistance is not properly identified
- Missing signed copy of the final Hud
- Monthly escrows not collected

10. Title Commitment

- Title commitment missing, or incorrect date of policy



Loans With Exceptions

- ★ **USBank will communicate all loan exceptions to a designated person via fax, phone, weekly recap report. Must clear within 3 weeks from posting**
- ★ **Exceptions received are reviewed for accuracy. Call the help desk for status on exceptions**
- ★ **Once all outstanding deficiencies have been resolved, USB will then purchase the loan. Loans are purchased every day**
- ★ **Provide separate cover letter/sheet for each loan to include U. S. Bank loan number**
- ★ **Identify loans / exception with your submission**

Reference

Endorsements / Assignments “U.S. BANK NATIONAL ASSOCIATION”

**Borrower Payment
Address and Website:**

U.S. BANK HOME MORTGAGE

**P.O. Box 468002
Bedford, OH 44146-8002**

www.usbankhomemortgage.com

**Hazard Insurance/
Loss Payee Clause:**

U.S. BANK N.A.

**its successors and or assigns as their
interest may appear**

**c/o U.S. Bank Home Mortgage
P.O. Box 7298
Springfield, OH 45501-7298**

Final Documents

- ★ **Organize documents according to checklist**
- ★ **All lenders are responsible for delivery of documents to US Bank MRBP**
 - Due **120** days from purchase
 - A late fee of **\$50** will be assessed after **120** days

Deliver to:

Document Control

**17500 Rockside Road
Bedford, Ohio 44146-2099**

Final Doc Assistance:

Final Doc Supervisor

Darlene Kreigh

darlene.kreigh@usbank.com

(216) 475-7739

Help Desk Resources

Minnesota Housing	US Bank MRBP
Assistance with Minnesota Housing Program Guidelines (MMP and HA)	Assistance with underlying Mortgage Product Guidelines (FHA, VA, RD or Conventional), Status of loans and documents received, Loan deficiencies, Shipping, Final Docs, Exceptions and general information
Program Managers: Mary Rivers, 651.297.3127 Mary.rivers@state.mn.us Stephanie Oyen, 651.297.3132 Stephanie.oyen@state.mn.us	Toll Free: 1.800.562.5165 E-mail: mrbp.helpdesk@usbank.com
Single Family Division Help Desk: 7:30 am – 5:00 pm 1.800.710.8871	Underwriters E-mail: bedford-bondunderwriting@usbank.com

Lender Scorecard

- ★ **Quarterly analysis is completed based on loans received for purchase and their performance**
- ★ **Loans placed on exception, not cleared or purchased within required timeframes**



Lender Scorecard

- ★ **YTD deficiencies, delinquency, foreclosure & bankruptcy statistics**
- ★ **Final recorded documents over 240 days outstanding**
- ★ **Lenders and Minnesota Housing are advised in writing of any issues**



Customer Service

U.S. Bank

**Commitment
To
Customer Service**



Customer Service

MRBP Servicing Location:

**17500 Rockside Road
Bedford, OH 44146**

**All MRBP Bond loans serviced
from this facility!**

Borrower Payment Address and website:

**U.S. Bank Home Mortgage
P.O. Box 468002
Bedford, OH 44146-8002**

www.usbankhomemortgage.com

Customer Service Toll Free Number

800-240-7890

Hours: Monday – Friday

7:00 am – 8:00 pm EST

www.usbankhomemortgage.com

Customer Service

- ★ **Specialized Support teams for HFA and Lenders**
 - expediting process to purchase loans, service borrowers quicker, minimal confusion for borrowers
- ★ **Borrowers receive monthly billing statements**
- ★ **Spanish Speaking Customer Service & Default Representatives**
- ★ **Interactive Voice Response System**
 - 24 hours a day

Customer Service-continued

- ★ **Mortgagor Website Access (24 / 7)**

- www.usbankhomemortgage.com

- ★ **Call Center Operations**

- M-F; 7:00am – 8:00pm est.

- 800-240-7890

- ★ **Default Servicing Call Center Operations**

- 8:00am – 8:00pm est.

- ★ **Flexible Payment Methods:**

- ACH, USBank Branch, Mail, Website, Phone

Home Retention –

Maintain Home Ownership

★ US Bank's mission

- to minimize the number of delinquent loans through customer contact, education and awareness.
- Early contact and counseling are keys to successful loss mitigation.

★ Our goal is to offer any attempt to initiate a repayment plan or a loss mitigation workout option.

★ Loans active in foreclosure are not eliminated from receiving assistance.

- All foreclosure loans are solicited for loss mitigation efforts until the foreclosure sale date.

Home Retention –

Maintain Home Ownership - continued

- ★ **U.S. Bank Home Mortgage is a HUD Tier 1, and Freddie Mac Tier 1 Servicer**
 - dedicated to collectively working in both Default Counseling and Loss Mitigation towards keeping borrowers in their homes
- ★ **USBank interviews borrowers obtaining their reason for default**
 - provides options that are available to help.
 - Borrowers have the ability to establish repayment plans online for their situation.
- ★ **DVD video “We’d like to help”, mailed to borrowers**
 - Available in English/Spanish
 - Pamphlet also mailed to borrowers offering assistance



Minnesota Housing & USBank

Mortgage Revenue Bond Program

Lou Caresani
2011



Disclaimer

- ★ **This presentation is for basic informational purposes only. It does not modify or replace the information provided by FHA, VA, RD, Fannie Mae, or Freddie Mac.**
- ★ **It is the lenders responsibility to follow all specific Agency guidelines, mortgagee letters, announcements, or bulletins. This presentation is for general products requirements.**
- ★ **Lenders should also follow USB Product descriptions and any bulletins issued by U. S. Bank – MRBP.**
- ★ **USBank and Minnesota Housing are not liable for loans not meeting product guideline criteria.**

Underwriting Guidelines

- ★ **All loans should be underwritten in compliance with the most current underwriting guidelines for FHA, VA, RD, Fannie Mae, or Freddie Mac.**
- ★ **The loan file must also meet Minnesota Housing bond compliance and eligibility requirements.**
 - Borrower
 - Property
 - Loan
 - Follow Minnesota Housing Procedural Manual

Underwriting Guidelines

- ★ **Credit Underwriting is the responsibility of the originating lender**
 - **U.S. Bank Home Mortgage (Master Servicer) will not re-underwrite your loans**
- ★ **Correspondent Lenders (Lenders that USBank underwrites) will have to follow USBank guidelines as well**
- ★ **All loans are subject to both internal and agency audits**

Underwriting Guidelines

★ Underwriters should make...

- Sound credit decisions
- Assure data integrity
- Include all necessary documents
- Provide supporting documentation for the UW decision



Underwriting Systems

- ★ **The following automated systems are approved for use with loans in the bond programs:**
 - **Fannie Mae (DU) as MCM**
 - Exception = Community Land Trust > must be manual UW
 - **Freddie Mac (LP) as HP**
 - “NO” manual uw
 - **FHA & VA loans (DU or LP)**
 - **RD Loans (GUS)**
- ★ **If manual underwriting is necessary, full documentation is required**
- ★ **Other lender customized automated underwriting systems are not acceptable at this time**

Eligible Loan Products

30 & 15 Year Fixed Rate ONLY

★ **FHA**

★ **VA**

★ **RD/USDA/RHS**

★ **Conventional**

– **Fannie Mae > My Community Mortgage Products**

– **Exception = Community Land Trust**

– **Freddie Mac > Home Possible**

★ **Refer to USBank product guidelines for eligible products as well**

FHA Products

30 & 15 Year Fixed Rate ONLY

★ Eligible Products

- 203B FHA
- 234C Condo, Puds, Townhomes
- 203K Streamline
- FHA Loan for Veterans
- FHA Homeownership Incentive (HUD REO)
- Existing or New Homes
- Manufactured Housing

★ Underwriting References

- FHA Guide – 4155.1 rev 5
- FHA website www.hud.gov
- Allregs www.allregs.com

Streamlined 203(k)

- ★ **The Streamlined 203(k) program is intended for minor or uncomplicated rehabilitation or improvements to a home for which plans, consultants, engineers and/or architects are not required.**
- ★ **If interested in participating in the program:**
 - **Contact US Bank**
 - **Complete and submit US Bank's Rehabilitation Loan Program Lender Approval Form**
- ★ **Contact US Bank Help Desk for guidelines and training.**
- ★ **The ceiling for Minnesota Housing is \$15,000 for a maximum repair/rehabilitation amount.**

Reference

U. S. Bank 203k(s) Manual and Forms

www.mrbp.usbank.com

MRBP 203K/KS Administration

1-800-562-5165

mrbp.203k@usbank.com

FHA

www.hud.gov/offices/hsg/sfh/203k/203kmenu.cfm

FHA Homeownership Incentive

★ HUD Owned Homes

- Purchase a home with little downpayment
- Obtain incentives: sales allowance, closing cost, repairs, pay down principal, paying broker bonus
- Can use other approved FHA DPA
- No cash back to borrower
- List of homes available online

★ **Note: Each HUD incentive may vary according to state or individual property sale.**

Manufactured Housing

★ Government Loans

– Manufactured Homes

- are **ONLY** permitted in the program using FHA, VA, and Rural Housing Program Guidelines
- must meet specific size and structural requirements, remain permanently affixed to a foundation, and be taxed as real estate. Must be double-wide

★ Conventional Loans

- Manufactured homes are not currently eligible for Fannie Mae or Freddie Mac financing

Resources

FHA Underwriting Guideline Resources

Guide	4155.1 rev 5
FHA website	www.hud.gov
Allregs	www.allregs.com
Search	www.answers.hud.gov
Email	hud@custhelp.com
Phone	Mon-Fri, 8am – 8pm ET 800-CALLFHA (800.225.5342)
Online resources	<u>info@fhaoutreach.com</u> ***

Conventional Loans

Fannie Mae	Freddie Mac
DU as MCM	LP as HP
Must be run as MCM (My Community Mortgage)	Must be run as HP (Home Possible)
www.efanniemae.com	www.freddiemac.com

Conventional Loans

Description	<ul style="list-style-type: none"> • Fannie Mae MCM - Freddie Mac HP > Fixed-Rate • 30/15 Year Amortization/Purchase Only
Delivery Fees	<ul style="list-style-type: none"> • 0- Loan Level Price Adjustment all conventional loans * • 0-Adverse Market Delivery Charge * • * built into interest rate
Maximum LTV/CLTV	<ul style="list-style-type: none"> • 97%/105% 1-2 units (subject to MI)
Fannie Mae Loans	<ul style="list-style-type: none"> • Approved Eligible • EA1 Eligible • Approved Ineligible (due to income) • Manual UW permitted with further criteria.
Freddie Mac Home Possible Loans	<ul style="list-style-type: none"> • Risk Class of “Accept” / 660 minimum score • No manual underwriting / 95% TLTV
MI = MCM and Home Possible Loans	<ul style="list-style-type: none"> • 80.01-85% LTV: 6% • 85.01-90% LTV: 12% • 90.01-95% LTV: 16% • 95.01-97% LTV: 18%

Review USB product description

Manual Underwriting

★ Manual Underwriting MCM loans guidelines for loans not approved in DU:

– Maximum LTV / CLTV & Minimum Credit Scores

– 97% / 105% \geq 660 FICO

– 100% / 105% \geq 680 FICO

– 95% / 105% = Non-traditional credit

★ Max CLTV remains at 105% as long as the secondary financing is an approved Community Second Loan

★ Manual underwriting required to override

★ DU messages when LTV exceeds 97%

Homebuyer Education

- ★ **Conventional Mortgage Loans – At least one borrower who signs the note must attend an approved homebuyer education course, per agency guidelines.**
- ★ **Early Delinquency Counseling is provided by U S Bank Home Mortgage & acknowledged by the borrowers in the Authorization for Counseling notice.**
- ★ **Lenders must include a Signed “Fannie Mae’s Borrower’s Authorization for Counseling” form in the mortgage file sent USBank.**

Question

&

Answer

Is homebuyer counseling required on FHA loans?

Homebuyer counseling is required per Minnesota Housing guidelines on conventional and assisted loans

Are temporary buydowns permitted on the 1st 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 USBank

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 under Minnesota Housing.

Question

&

Answer

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).

Are Section 8 Loans permitted?

Yes Section 8 Loans are permitted, contact USBank Help Desk for more information.

Are Condos permitted?

Condos are permitted, lenders must follow current FHA or Fannie Mae guidelines.

Does USBank allow spot approvals on condos?

USBank does not underwrite loans with spot approvals.

What percentage of a house can be used for business?

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

Question

&

Answer

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 3rd position

If borrower only has 1 credit score, do we use that one score, or non traditional credit?

If any borrower has a credit score it must be used. If no credit score is available, follow non traditional UW guidelines.

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

Home Funds can be used on FHA Loans under MRB Programs

Question

&

Answer

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.

Who is responsible for HMDA reporting?

Participating lenders are responsible for HMDA Reporting on all loans they underwrite. USBank will be responsible for HMDA reporting for correspondents lenders which USBank will be underwriting those loans.

Is Cash Back permitted?

Generally Cash Back at closing is not permitted, but may be granted under certain exceptions

Do government loans have to be insured by the time of funding by USBank?

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

Help Desk



★ Lenders

- call toll free **1-800-562-5165**
- Email: mrbp.helpdesk@usbank.com

★ Underwriters email:

bedford-bondunderwriting@usbank.com

THANK YOU

For your participation
in
MINNESOTA HOUSING
programs!



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