



Seller Guide Update



SEL-2023-052: Multiple Topics

September 8, 2023

- ☒ Correspondent Lending
- ☒ Housing Finance Agency (HFA)

Table of Contents The following topics are included in this update:

Coming Soon: Original Note (Note Vault) Address Change	2
Additional Temporary Buydown Option for Agency SOFR ARMs	2
HomeReady/ Home Possible DTI/FICO Overlay Updates.....	3
Updated Loan Delivery and Underwriting Checklists	3
Disaster Area Declarations	4
Questions	4

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.



**Coming Soon:
Original Note
(Note Vault)
Address Change**

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
X	HFA Delegated
X	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
X	Conv. (Portfolio)
X	FHA
X	VA
X	Rural Development

Effective Date: Original Notes delivered on and after October 1, 2023.

U.S. Bank will soon update the address for all original Notes delivered to U.S. Bank for both Correspondent and HFA as shown in **green** below:

New Address	Current Address (Will no longer be active beginning September 30, 2023)
U.S. Bank Attention: Note Vault 6th Floor 9380 Excelsior Blvd. Hopkins, MN 55343	U.S. Bank Attention: Note Vault 5th Floor 9380 Excelsior Blvd. Hopkins, MN 55343

Warehouse Banks: If your Notes are delivered directly to us from your Warehouse Bank, please instruct your Warehouse Bank:

- To update the address as shown above for Notes delivered to U.S. Bank.
- Attach the Note to a cover sheet, which reflects the U.S. Bank loan number, borrower's name, and the property address. In addition, the Note should be accompanied with the Bailee Letter.

Guide Updates: Upon the effective date, we will update the applicable sections of the Correspondent Seller and HFA Lending Guides including the following items. Additional sections may be impacted, however, the following items are the most widely utilized and should be noted as being updated and shared with your teams:

- 900: Delivery and Funding > B. Loan Delivery Requirements & C. Funding Documentation Requirements
- Correspondent and HFA Loan Delivery Checklists
- Key Addresses and Reference Information
- Doc Velocity/AIQ Client User Manual
- Correspondent/HFA Onboarding Documentation

**Additional
Temporary
Buydown Option
for Agency SOFR
ARMs**

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
	HFA Delegated
	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
	Conv. (Portfolio)
	FHA
	VA
	Rural Development

Effective Date: Effective with loans locked/relocked on and after September 25, 2023.

We are pleased to announce that we are updating our Agency SOFR ARM Temporary Buydown eligibility guidelines to include an additional 1-1 buydown option as shown in **green** below:

Product/Amortization	Available Temporary Buydown Options		
Agency Conforming SOFR ARMs: 3863, 3866 Fannie Mae 3864, 3867 FHLMC	2-1	1-1	1-0

The following items within the Correspondent Seller Guide will be updated on the effective date:

- Product Guidelines**
 - Fannie Mae:**
 - 7/6m Conforming 5/1/5 (3863)
 - 10/6m Conforming 5/1/5 (3866)
 - Freddie Mac:**
 - 7/6m Conforming 5/1/5 (3864)
 - 10/6m Conforming 5/1/5 (3867)
- Correspondent Overlay Matrices**
- Best Practices**
- Frequently Asked Questions (FAQs)**

HomeReady/ Home Possible DTI/FICO Overlay Updates

Underwriting/Delivery	
X	Corr. Delegated
	Corr. Non-Delegated
	Corr. EZD
X	Corr. Mandatory
	HFA Delegated
	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
	Conv. (Portfolio)
	FHA
	VA
	Rural Development

Updated Loan Delivery and Underwriting Checklists

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
X	HFA Delegated
X	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
X	Conv. (Portfolio)
X	FHA
X	VA
X	Rural Development

In **SEL-2023-034** published on June 26th, we announced that effective with loans registered on and after June 26, 2023, U.S. Bank updated the following overlay to our HomeReady and Home Possible affordable products for Delegated lenders.

As a follow up to our original communication, we are pleased to announce that Lender Portal has now been updated to accommodate this change, and Client Support's assistance is no longer required to register and/or lock these loans.

- Permit a maximum **50% DTI with a 620 minimum FICO** (previously 45% DTI/680 FICO) and AUS Accept/Approve for Delegated Lenders on purchase transactions only.

U.S. Bank has recently updated the following various Loan Delivery and Underwriting Checklists in the Correspondent Seller and HFA Lending Guides for overall clarity and ease-of-use.

Please note that all updates on the revised versions of the documents outlined below will be in **green** for your convenience in identifying updates.

Correspondent	HFA
<ul style="list-style-type: none"> Conventional Loan Delivery Requirements Government Loan Delivery Requirements NY CEMA Document Delivery List Conventional Underwriting Submission Checklist - Agency FHA Refinance and Streamline Refinance Underwriting Submission Checklist FHA Purchase Underwriting Submission Checklist VA Underwriting Submission Checklist VA Interest Rate Reduction Underwriting Submission Checklist Conventional Underwriting Submission Checklist - Portfolio 	<ul style="list-style-type: none"> HFA Conventional Loan Delivery Checklist HFA Government Loan Delivery Checklist

Disaster Area Declarations

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
X	HFA Delegated
X	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
X	Conv. (Portfolio)
X	FHA
X	VA
X	Rural Development

The following counties have been declared as Presidential Disaster Areas with Individual Assistance.

- Agency, Portfolio, VA, and RD loans with subject properties located in counties listed below that have not CLOSED by the Disaster Declaration Date must follow the requirements listed in AllRegs.
- FHA loans with subject properties located in the counties listed below that have not been ENDORSED as of the Disaster Declaration Date must follow the FHA requirements listed in AllRegs.

Declaration Date	State	County
August 31, 2023	FL	Columbia, Gilchrist, Hernando, Jefferson, Madison, Pasco, Taylor

Guide Section: 711.20 FHA – Natural Disaster Procedures, 712.21 VA - Natural Disaster Procedures, 713.20 - Natural Disaster Procedures, 714.1.10 - Natural Disaster Procedures, 715.20 RD - Natural Disaster Procedures

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.