



December 2020 - Top Quality Findings

December 10, 2020

- □ Correspondent Lending

#### Top Quality **Findings**

U.S. Bank provides information to help lenders submit complete loan files for purchase. This information provides the most recent Quality Findings and Best Practices to cure.

Ra	ank	Document/Finding	Common Errors	Best Practice
	1	HUD – 92900-A/VA 1802-A	<ul> <li>Not signed pre-closing by borrower before underwriting.</li> <li>Final not signed by the lender, borrower and underwriter.</li> <li>Not completed accurately by all parties, particularly page 2, sec V.</li> </ul>	<ul> <li>Page 2, Part IV and Part V must be signed and dated by the borrower prior to underwriting submission.</li> <li>Please review the attached <i>Instructions for completing HUD 92900-A</i> job aid.</li> <li>Documentation is required per U.S. Bank and/or Agency guidelines.</li> </ul>
	2	Payment History	<ul> <li>Missing housing payment history documentation for all properties owned.</li> <li>Missing additional housing payment history to evidence mortgage/mortgages are not in forbearance.</li> </ul>	The borrower(s) housing payment history must meet U.S. Bank and/or Investor guidelines, if applicable including Verification of Rent (VOR), cancelled checks/or equivalent documentation.
	3	Verification of Existence of Business (VOB) or Verbal Verification of Employment (VVOE)	<ul> <li>Documentation not present in loan file.</li> <li>Documentation expired prior to closing.</li> </ul>	<ul> <li>Agency: VVOE- within 10 business days prior to Note date, and VOB within 15 days prior to Note date.</li> <li>Portfolio: VVOE within 5 days prior to Note date, and VOB within 15 days prior to Note date.</li> <li>Documentation is required per U.S. Bank and/or Agency guidelines.</li> </ul>
	4	Wire Instructions or Bailee Letter	Documentation not present in loan file.	Documentation is necessary to fund without delays.
	5	Secondary Market Fees	Secondary Market Fees not disclosed in Section A of the Closing Disclosure will require the Lender to cure prior to purchase by U.S. Bank.	Secondary market fees a lender passes to the consumer must be disclosed on the Closing Disclosure under Section A, Origination Charges paid to the lender. We consider the U.S. Bank secondary market transaction to be separate from the lender's transaction with the consumer.
	6	Docs do not support Income per U.S. Bank Portfolio or Investor Guidelines	<ul> <li>Year to date pay stubs.</li> <li>Required W-2 Form(s).</li> <li>Variances with above documents and income amount used to qualify.</li> <li>Tax returns.</li> </ul>	<ul> <li>Documentation is required per U.S. Bank and/or Agency guidelines.</li> <li>Self-Employed Income is documented in accordance with U.S. Bank (Portfolio) or Investor guidelines.</li> </ul>
	7	Documentation does not support the amount of liquid funds to close	<ul> <li>Evidence of gift funds transfer.</li> <li>Source of large deposits.</li> <li>Bank statements, reserves.</li> <li>Sale of previous home.</li> </ul>	Documentation is required per U.S. Bank and/or Agency guidelines.
	8	Omitted Debt and Liabilities  Omitted debt not documented  All liabilities from all sources not included in total obligations	<ul> <li>Supporting documentation not provided and is required for any debts omitted on the credit report from qualifying ratios.</li> <li>Liabilities from all sources has not been included in qualifying DTI.</li> </ul>	<ul> <li>Documentation is required per U.S. Bank and/or Agency guidelines.</li> <li>Omitted debt is any debt excluded from the DTI. Lenders must provide required documentation supporting why the debt was omitted.</li> <li>Liabilities can be from bank statements, payroll documents, and are to be included in DTI.</li> </ul>

This best practice refers to existing policy in the Correspondent Seller and HFA Lending Guides. Lenders are encouraged to review the COVID-19 Frequently Asked Questions (FAQ) for temporary flexibilities.

#### Loan **Delivery** Checklists

U.S. Bank utilizes multiple methods to reduce loan quality findings and eliminate potential delays in purchase including loan delivery and underwriting checklists located in the Correspondent Seller and HFA Lending Guides (1100: Exhibits, Forms, & Checklists). Please remember to send a complete loan package, including all credit/underwriting documents, to avoid pre-funding and post-funding deficiencies and quality findings. Lenders may not receive notice of loan deficiencies for all items included on the checklist, however, we do require the credit package along with the full closed loan package.

#### 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.



# INSTRUCTIONS FOR COMPLETING HUD-92900-A: For FHA, all sections must be completed on Page 1 except for sections 14,16,19, and 21(f).

HUD/VA Ad	ddendum to Unifo	orm Residential L	.oan	Application			C	OMB Approval N		000-0144 (exp. 11/30/201 002-0059 (exp. 03/31/201
		rk the type of application)  HUD/FHA Application for Insurance ander the National Housing Act	2. Agen	ncy Case No. (include any	suffix)	3. Lender/Mo	ortgagee Case	e No.	4. Section of t (for HUD ca	
5. Borrower's N		or Funding Fee if fo	(include the UFMIP if for HUD ee if for VA)  8. Interest Rate			9. Proposed Maturity				
				\$ 10. Discount Amount (only if borrower is permitted to pay)		ınt of Up Front ium		% mount of Montr remium	12t	yrs. mos. <b>b.</b> Term of Monthly Premium
6. Property Addr	ress (including name of subdivisio	on, lot & block no. & zip code)		13. Lender/Mortgagee	\$ I.D. Code		\$ 14. Spo	onsor / Agent I.I	/mo. D. Code	mos.
	15. Lender/Mortgagee Name & a	Address (include zip code)			<b>16.</b> Name & <i>i</i>	Address of Spons	or / Agent			
	Turn or Brita	ot all antidos abando			17. Lender/M	fortgagee Teleph	none Number			
FHA Sponsored Originations	Name of Loan Origination Comp	pany		Tax	D of Loan Ori	gination Compa	ny	NMLS ID of	Loan Origina	ation Company
38, United St	I and the lender hereby app tates Code, to the full ext ct on the date of the loan sha	tent permitted by the vet	eran's	entitlement and se						
(a. Yes) (b. No	Title will be Vested in: Veteran Veteran & Spouse Other (specify)	1) Purchase Existing H 2) Purchase Existing H 3) Finance Improveme 4) Refinance (Refi) 5) Purchase New Cond 6) Purchase Existing C	Home No ents to E: do. Unit	ot Previously Occupied xisting Property  9-12 are V	•	8) Fina 9) Puro 10) Puro 11) Refi.	nce Co-op hase Perm hase Perm Permanen	anently Sited anently Sited tly Sited Mar	I Manufactu I Manufactu nufactured H	
ersion of Single art II – Lender/Mor  1. The undersigned lende ertificate under Title 38, I surance Certificate unde A. The loan terms fur B. (1) The information authorized agent and information to the une (2) The informatio lender/mortgagee or verified by the lender C. The credit report so report and was receiv D. The Verifications of the Borrower or any I E. To the best of my 200) is suspended, d  Items "F" through  F. The names and fu follows:  Name & A	submitted on the subject Borrower and directly from said credit agency of Employment, Deposit, Rent and interested Third Party and are to knowledge, neither I nor any other ebarred, under a limited denial of a "H" are to be completed unctions of any duly authorized ddress.  above, the undersigned lended lender/mortgagee understa	g certifications to induce the Deputment of Housing and Urban Dential Loan Application and this Residential Loan Application and so knowledge is complete and acts duly authorized agent. Residential Loan Application, when best of lender/mortgagee's ker (and Co-Borrower, if any) was cy.  If Mortgage, as applicable, were the best of lender/mortgagee's lear Participant (as that term is claff participation, or otherwise restricts as applicable for VA loaded agents who developed on the der/mortgagee affirmatively of the der/mortgage af	addending the velopm  Addending this Accurately hich was knowledge ordered the request knowledge in light fricted unit ans only the behalf certifies	1.  of Veterans Affairs to is lent - Federal Housing ( um are true, accurate a ddendum was obtained or represents the information signed by the Borrowe is complete and accurate.  by the undersigned lented and received by the ge accurate.  HUD Handbook 4000.1 der 2 C.F.R. part 2424.  ly.  of the lender/mortgater.  Function (e.g., obtained verifications of that all information as	issue a certific commissioner and complete. from the Bortion obtained at the time of rately represe der/mortgage lender/mortg J. II.A.1.b.ii.(B) or 24 C.F.R. p	tate of committee or to issue a firm of the information of the Uniform Redeposits, etc.)	nent to guaran commitment of the commitment of t	antee the sub nt for mortgagene undersigne as of the date.  I by an employed by the lendent from the companient without ion (as that teocedures of a conting credit in Application, of a conting credit in the continue con	ject loan or a le insurance de insurance de insurance de insurance de le insurance de la insur	a Loan Guaranty or a Mortgage or gagee or its duly or provided the indersigned ee as of the date y which prepared the rough the hands of ad at 2 C.F.R. § 180. eral agency. initted are as report,
H. The proposed lo	oan conforms otherwise with t	the applicable provisions of	1			ons concernin	g guaranty	y or insurand		
	er of Lender/Mortgagee n Final 92900-A		Title	of Officer of Lender/Mort	gagee				Date (m	nm/dd/yyyy)

WARNING: This warning applies to all certifications made in this document.

The knowing submission of a false, fictitious, or fraudulent certification may be subject to criminal and civil penalties, including confinement for up to 5 years, fines, and civil penalties. 18 U.S.C. §§ 287, 1001 and 31 U.S.C. §3729

page 1

#### Part III - Notices to Borrowers

### \*\*\*NOTE: When Question 25(3) (a)/(b) is applicable, its answer indicates whether the FHA Amendatory Clause is or is not required.\*\*\*

Public reporting burden for this collection of information is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number can be completing and reviewing the Collection of information. This agency may not conduct or sponsor, and a person its not required to respond to, a collection of information unless that collection displays a valid of blocated on the OMB Intermet page at http://www.reginfo.gov/public/do/PRAMain. Privacy Act Information: The information requested on the Uniform Residential Loan Application and this Addendum is authorized by 38 U.S.C. 3710 (if for DVA) and 12 U.S.C. 1701 et seq. (if for HUD/FHA). The Debt Collection Act of 1982, Pub. Law 97-365, and HUD's Housing and Community Development Act of 1987, 42U.S.C. 3543, require persons applying for a federally insured or guaranteed loan to furnish his/her social security number (SSN). You must provide all the requested information your SSN. HUD and/or VA may disclose certain information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not otherwise be disclosed or released outside of HUD or VA, except as required and permitted by law. The information will be used to determine whether you qualify as a mortgagor. Any disclosure information outside VA or HUD/FHA will be made only as permitted by law. Failure to provide any of the requested information, including SSN, may result in disapproval of your loan application. This is notice to you as required by the Right to Financial Privacy Act of 1978 that VA or HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to VA and HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law. Caution. Delinquencies, defaults, foreclosures and abuses of mortgage loans involving programs of the Federal Government can be costly and detrimental to your credit, now and in the future. The lender in this transaction, its agents and assigns as well as the Federal Government, its agencies, agents and assigns, are authorized to take any and all of the following actions in the event loan payments become delinquent on the mortgage loan described in the attached application: (1) Report your name and account information to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service your account; (4) Offset amounts owed to you under other Federal programs; (5) Refer your account to a private attorney, collection agency or mortgage servicing agency to collect the amount due, foreclose the mortgage, sell the property and seek judgment against you for any deficiency; (6) Refer your account to the Department of Justice for litigation in the courts; (7) If you are a current or retired Federal employee, take action to offset your account to service retirement benefits; (8) Refer your debt to the Internal Revenue Service for offset against any amount owed to you as an income tax refund; and (9) Report any resulting written off debt of yours to the Internal Revenue Service as your taxable income. All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the lender and/or the Federal Government to do so.

#### Part IV - Borrower Consent for Social Security Administration to Verify Social Security Number

I unde does r redisc I am th and co	rize the Social Security Administration to verify my Social Security number to the Mort stand that my consent allows no additional information from my Social Security record of constitute confirmation of my identity. I also understand that my Social Security numbers to other parties. The only other redisclosure permitted by this authorization is for endividual to whom the Social Security number was issued or that person's legal guarrect. I know that if I make any representation that I know is false to obtain information onsent is valid for 180 days from the date signed, unless indicated otherwise by the inconsent is valid for 180 days from the date signed, unless indicated otherwise by the inconsent is valid for 180 days from the date signed, unless indicated otherwise by the inconsent is valid for 180 days from the date signed, unless indicated otherwise by the inconsent is valid for 180 days from the date signed.	ds to be mber r revieus ardiar n fron	be provided to the Mortgagee, may not be used for any othe ew purposes to ensure that Hi n. I declare and affirm under the n Social Security records, I co	and HUD/FHA and that verific r purpose than the one stated UD/FHA complies with SSA's of the penalty of perjury that the ir uld be punished by a fine or im	eation of my Social Security number above, including resale or consent requirements.
Sign	consent carefully. Review accuracy of social security number(s) and birth dates provide ature(s) of Borrower(s)  Date Signed  ired Prior to Submission to UW		Signatu	re(s) of Co - Borrower(s)  Submission to U	Date Signed  / /
	art V - Borrower Certification  Complete the following for a HUD/FHA Mortgage.  22a. Do you own or have you sold other real estate within the past 60 months on which there was a HUD/FHA mortgage?  22d. Address:	□ <mark>N</mark>	(Is it to be sold?)  O Yes No NA	22b. Sales Price	22c. Original Mortgage Amt
	22e. If the dwelling to be covered by this mortgage is to be rented, is it a part of, adja eight or more dwelling units in which you have any financial interest? Yes Complete for VA-Guaranteed Mortgage. Have you ever had a VA home Loan? IMPORTANT: If you are certifying that you are married for the purpose of VA benefit time of marriage, or where you and/or your spouse resided when you filed your claim on when VA recognizes marriages is available at <a href="https://www.va.gov/opa/marriage/">https://www.va.gov/opa/marriage/</a> . Applicable for Both VA & HUD. As a home loan borrower, you will be legally oblige dispose of your property after the loan has been made will not relieve you of liabilit mortgage note is ended. Some home buyers have the mistaken impression that if they are no longer liable for the mortgage payments and that liability for these payme liability for your mortgage payments, this assumption agreement will not relieve you property. Unless you are able to sell the property to a buyer who is acceptable to VA relieved from liability to repay any claim which VA or HUD/FHA may be required to payment will be a debt owed by you to the Federal Government. This debt will be I, the Undersigned Borrower(s) Certify that:	ts, you cated to they note is in from or to pay it	Yes No If "Yes" give details.  Yes No In marriage must be recognized a later date when you become to make the mortgage payment making these payments. Pasell their homes when they not solely that of the new owners liability to the holder of the IHUD/FHA and who will assuryour lender on account of details.	ted by the place where you are eligible for benefits) (38 U.S. on the called for by your mortgage ayment of the loan in full is nove to another locality, or disc. Even though the new owners not which you signed when you the payment of your obligated fault in your loan payments. T	ad/ or your spouse resided at the C. § 103(c)). Additional guidance loan contract. The fact that you ordinarily the way liability on a pose of it for any other reasons, may agree in writing to assume ou obtained the loan to buy the tion to the lender, you will not be
Cic	(1) I have read and understand the foregoing concerning my liability on the loan and Part III Notices to Borrowers.  Occupancy: HUD Only (CHECK APPLICABLE BOX)  (I, the Borrower or Co-Borrower will occupy the property within 60 days of signing the security instrument, and intend to continue occupancy for at least one year; or  (Ido not intend to occupy the property as my primary residence)  Occupancy: VA Only  (a.) I now actually occupy the above-described property as my home or intend to move into and occupy said property as my home within a reasonable period of time or intend to reoccupy it after the completion of major alterations, repairs or improvements.  (b.) My spouse is on active military duty and in his or her absence; I occupy or intend to occupy the property securing this loan as my home.  (c.) I previously occupied the property securing this loan as my home. (for interest rate reduction loans).  (d.) While my spouse was on active military duty and unable to occupy the property securing this loan, I previously occupied the property that is securing this loan as my home. (for interest rate reduction loans).  Note: If box 2b or 2d is checked, the veteran's spouse must also sign below.  (e.) The veteran is on active military duty and in his or her absence, I certify that a dependent child of the veteran occupies or will occupy the property securing this loan as their home.  Note: This requires that the veteran's attorney-in-fact or legal guardian of the dependent child sign the Borrower's Certificate below.  (f.) While the veteran was on active military duty and unable to occupy the property securing this loan, the property was occupied by the veteran's dependent child as his or her home (for interest rate reduction loans). Note: This requires that the veteran's attorney-in-fact or legal guardian of the dependent child sign the Borrower's Certificate below.  Mark the applicable box (not applicable for Home Improvement or Refinancing Loan) I have been informed that (\$\$)	(6) (7)	The statement of appraised Note: If the contract price "Statement of Appraised Va (a.) I was aware of this val cash from my own respective to the term of the term	alue", mark either item (a) or ite uation when ources at or purchase produced in a complete characteristics and the Anot requirement of the complete characteristics and the Anot requirement of the complete characteristics and the Anot requirement of the approach of the	easonable Value" or HUD/FHA em (b), whichever is applicable.  Ily applies if there is a d appraisal. 25(a) is if the borrower has the appraised value amendatory language red. 25(b) is checked isal has not been d and the Amendator d is required.  of obtaining a loan to be insured partment of Veterans Affairs and and this Addendum is true and ation may be obtained from any I have received information on the condition or value of the

Signature(s) of Borrower(s) Required Prior to Submission to UW

**Date Signed** 

Signature(s) of Co - Borrower(s) Required prior to submission to UW **Date Signed** 

if

## Direct Endorsement Approval for a HUD/FHA-Insured Mortgage

U.S. Department of Housing and Urban Development

	1. Borrower's Na	me & Present Address (Include zip co	2. F	Property Address	5				3. Agency Ca	ase No. (include any suffix)
	Approved: Date Mortgage	Date Fina Approval					s as the earlie (CCDE) or do			
	Modified & approved	Loan Amount (include UFMIP)	Interest Rate	Proposed Mate	urity	Monthly Payment	Amount of Up Front Premium	Amount of Premium	Monthly	Term of Monthly Premium
<u>-</u>	as follows:	\$	%	Yrs.	Mos.	\$	\$	\$		Mos.
x at pro HA	All condi necks this Final val for all	Decision (TOTAL) requiren TOTAL Mortgage Scorecar	s an "accept" of mortgagee re nents for appro d is complete A requirement	or "approve" beviewed the Toval. The undand accurate is, and that the	oy FHA' OTAL I dersigne ly repre lere wa	's TOTAL Mortgage S Mortgage Scorecard f ed representative of the esents information obtains s no defect in connec	corecard. As such, the indings and that this me mortgagee also cerained by the mortgage tion with the approval	e undersigne nortgage mee tifies that all ee, that the ir of this mortgi	ets the Fina information formation age such the	al Underwriting n entered into was obtained by the hat the result
nsa	ections	Mortgagee Representative								
		Signature:				Printed Name/1	-itle:			
	<u>Ar</u>	d if applicable:								
		This mortgage was rated a certifies that I have personate							ect Endorse	ement underwriter
	OR	Direct Endorsement Under	writer Signatu	re		DE's	CHUMS ID Number			
at orov nua der	necks this Final val for all	<ul> <li>applicable), credit application</li> <li>I have approved this liperforming my understand</li> <li>I have performed all Signification</li> <li>Qualifying Ratios and established by FHA at liperformed the Months loan type, properior</li> </ul>	Direct Endorse on, and all associan and my Fi viriting review; Specific Under Compensation of the borrowertgage Insurary type, and gen connection of the con	ment Underwood occiated docu inal Underwriter Resporting Factors, if a er has assets not premium eographic are with my appropriate of the control of the con	rriter ce ments uting Densibilitie any, and to satist and Mo a.	ortifies that I have persused in underwriting to cision was made having as for Underwriters and the borrower's DTI was fy any required down ortgage Amount are a shis mortgage such the	sonally reviewed and use this mortgage. I further ing exercised the required my underwriting of the with Compensating Farm payment and closing occurate and this loan is at my Final Underwriting the sonal payment and the sonal in the sonal intervention.	inderwritten to certify that: ired level of the borrower's ctors, if any, costs of this is in an amount	the apprais  Care and C  s Credit an are within mortgage; ant that is p	cal report (if  Due Diligence and in  d Debt, Income, the parameters and permitted by FHA for
		Direct Endorsement Unc	lerwriter Sign	ature		СНО	MS ID Number			
		tgagee, its owners, officers, e r seller involved in this transa				· · · · · · · · · · · · · · · · · · ·	cial interest in or a rela			r ownership, with the

#### **Borrower's Certification:**

The undersigned certifies that:

- (a.) I will not have outstanding any other unpaid obligations contracted in connection with the mortgage transaction or the purchase of the said property except obligations which are secured by property or collateral owned by me independently of the said mortgaged property, or obligations approved by the Commissioner;
- (b.) One of the undersigned intends to occupy the subject property (note: this item does not apply if owner-occupancy is not required by FHA);
- (c.) All charges and fees collected from me as shown in the settlement statement have been paid by my own funds, gift funds, or acceptable Down Payment Assistance program funds, and no other charges have been or will be paid by me in respect to this transaction.

Borrower'(	s) Sig	nature	s) &	Date

## Mortgagee's Certification:

The Mortgagee by and through the undersigned certifies that to the best of its knowledge:

- (a) The loan terms, loan type, property address, Borrower information including names, social security number, credit scores, marital status, employment status, and Borrower occupancy status, in its application for insurance and in this Certificate are true and correct;
- (b) All loan approval conditions appearing in any outstanding commitment issued under the above case number have been fulfilled and this loan closed in a manner consistent with the mortgagee's approval;
- (c) Complete disbursement of the loan has been made to the Borrower, or to his/her creditors for his/her account and with his/her consent and any escrow has been established in accordance with applicable law;
- (d) The note and security instruments are in a form acceptable to HUD and the security instrument has been recorded and is a good and valid first lien on the property described;
- (e) No charge has been made to, or paid by the Borrower, except as permitted under HUD regulations;
- (f) The copies of the note and security instruments which are submitted herewith are true and exact copies as executed and filed for record;
- (g) It has not paid any kickbacks, fee or consideration of any type, directly or indirectly, to any party in connection with this transaction except as permitted under HUD regulations and administrative instructions; and
- (h) The Mortgagee has exercised due diligence in processing this mortgage and in reviewing the file documents listed at HUD Handbook 4000.1, II.A.7.b. and the documents contain no defect that should have changed the processing or documentation and the mortgage should not have been approved in accordance with FHA requirements.

I, the undersigned authorized representative of the mortgagee certify that I have personally reviewed the mortgage documents, closing statements, application for insurance endorsement, and all accompanying documents and request the endorsement of this mortgage for FHA insurance.

Mortgagee	Note: If the approval is executed by an agent in the name of the mortgagee, the agent must			
Name and Title of the Mortgagee's Officer	enter the mortgagee's code number and type.			
Signature of the Mortgagee's Officer	gnature of the Mortgagee's Officer  Date		Туре	