



Seller Guide Update



SEL-2020-002: Multiple Topics

January 16, 2020

- 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 otherwise 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.



Geographic Market Restrictions

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 type="checkbox"/>	HFA Delegated
<input 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 type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

As part of our on-going monitoring of market trends, **effective with loans locked on and after January 31, 2020**, the state of **Utah** has been identified as experiencing sustained home price appreciation above historical norms. To mitigate the increased risk associated with sustained above trend price appreciation, **second mortgages in this state will be capped with a TLTV of 80%**

First Mortgage Portfolio products are not impacted by this change due to the requirement of MI on these products when the LTV is >80%.

Guide Section: The following product guides will be updated on the effective date:

- 3104 USBHM Fixed Rate Second (15-Year Amortization)
- 3105 USBHM Fixed Rate Second (30-Year Amortization)
- 3141 USBHM Conventional One-Year ARM

VA's Assisted Appraisal Processing Program (AAPP)

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

VA issued [VA Circular 26-19-31](#) on November 15, 2019 regarding the Assisted Appraisal Processing Program. U.S. Bank will follow the Assisted Appraisal Processing Program (AAPP) when allowed by VA.

A screenshot of the new drop down menu option on the VA Appraisal Portal is included below when you are ordering a VA appraisal:

1E. Can Assisted Appraisal Processing Program (AAPP) **Indicate if Assisted Appraisal Processing Program (AAPP) can be utilized on this appraisal (AAPP) can be utilized for this assignment.**

Per VA, AAPP cannot be used in the following situations:

- Complex Properties
- Sales price is over \$1M
- New Construction

Correspondent Product Guide Updates

The following Correspondent Product Guides have been revised:

Correspondent Product Guide Updates	Description of Updates	Date Updated
FHA Streamline	Non-delegated clients can now submit streamline refinances that are paying off a loan not currently serviced by U.S. Bank Home Mortgage.	1/16/2020
Home Possible	Clarified that the minimum credit score for Manufactured Housing is 640.	1/16/2020
Freddie Mac Super Conforming	Appraisal requirements for Condos– Removing the requirement for condo appraisals to have two comparables outside of the subject project. This change aligns with Freddie Mac requirements.	1/16/2020

Reminder: Final Document Delivery and Penalties

As a reminder, in **SEL-2019-028**, we announced final documentation updates which included the following final document delivery and penalties:

- For Correspondent lenders, effective with loans purchased on and after July 1, 2019, U.S. Bank began billing per the terms of the updated Final Document Delivery Penalties section as outlined in the guide.
- HFA lenders should refer to the Final Document Delivery Penalties section for additional clarification that has been added for the billing that is currently in place.

Checks should be made payable to U.S. Bank and sent to:

U.S. Bank Home Mortgage
Attn. S. Deininger
6000 Lombardo Center, Suite 100
Seven Hills, OH 44131

Note: Please include the borrower name and U.S. Bank loan number with your remittance.

Guide Section: Section 900: Delivery and Funding > M: Final Documentation

Underwriting Customer Care Help Line

As a part of our continued focus on enhancing processes and simplifying the way we do business, U.S. Bank launched the enhanced **Correspondent Underwriting Customer Care Help Line** and dedicated email address. Lenders are encouraged to utilize this resource with any **underwriting** questions you may have.

- **Dedicated Email Address** - UWCustomerCare@usbank.com
- **Correspondent Underwriting Customer Care Help Line** - 800.200.5881
 - Lenders are prompted to 'select Option 2 for Underwriting Customer Care.'

Note: As our preferred method, emails will be returned within two hours; emails received after 3 p.m. CT will be returned the following business day. Voicemails will be returned within two hours; voicemails received after 2 p.m. CT will be returned the following business day. Please also note that the hours of operation for the Correspondent Underwriting Customer Care Help Line are 8 a.m. – 4 p.m. CT.

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.
