



Seller Guide Update



SEL-2020-088: Multiple Topics

October 30, 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 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.

Keeping you informed

U.S. Bank continues to closely monitor the ever-changing landscape of our business as a result of the impacts of the coronavirus (COVID-19).

For information about our ongoing work to support our lending partners and customers, we invite you to visit our Correspondent/HFA COVID-19 Resource Page within AllRegs for regular updates and the most current information. We know you have many questions and we are diligently working to address each of them. We have developed a list of [COVID-19 Frequently Asked Questions](#) and will continue to update this document on a regular basis to keep you informed of process and policy updates.

For additional information about our ongoing work to support customers, we invite you to visit [U.S. Bank's COVID-19 support site](#) for regular updates and the most current information.



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 type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

The state of **Nevada** has been identified as continuing to experience sustained home price appreciation above historical norms. In compliance with U.S. Bank Corporate Credit Policy, product guidelines will be updated as follows **effective with locks as of November 16, 2020**:

- U.S. Bank Portfolio fixed-rate and ARMs will be updated to a maximum of 75% LTV/TLTV (previously 90%.)
- U.S. Bank Second mortgage guidelines will be updated to a maximum of 75% TLTV (previously 80%.)
- Investor-Paid Mortgage Insurance products are not impacted by this change

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

- | | |
|--|-------------------------------------|
| • 3104 USBHM Fixed Rate Second (15-Yr Am) | • 3777 USBHM Fixed 15 year |
| • 3105 USBHM Fixed Rate Second (30-Yr Am) | • 3307 USBHM Elite 3/1 ARM2/6 CAPS |
| • 3141 USBHM Conventional One-Year ARM 2 nd | • 3045 USBHM Elite 5/1 ARM2/6 CAPS |
| • 3776 USBHM Fixed 30 year | • 3309 USBHM Elite 7/1 ARM2/6 CAPS |
| • 3784 USBHM Fixed 20 year | • 3317 USBHM Elite 10/1 ARM2/6 CAPS |

Upcoming Address Change: HFA Final Documents

Underwriting/Delivery	
<input type="checkbox"/>	Corr. Delegated
<input type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" 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 checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

As a result of an upcoming facilities move, beginning November 13th, all **HFA Final Documents** should be delivered to the following address:

Current Address	New Address (beginning 11/13/20)
U.S. Bank Centralized Image Capture EP-MN-HMP1 7601 Penn Avenue South, Suite A1 Richfield, MN 55423	U.S. Bank Attn: CIC HFA Final Docs EP-MN-X3CI 9380 Excelsior Blvd, 3 rd Floor Hopkins, MN 55343

Note: This change is for HFA only and does not impact Correspondent loans.

Guide Updates: U.S. Bank HFA Lending > 900: Delivery and Funding > M. Final Documentation

Disaster Area Declarations

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

The following counties have been declared as Presidential Disaster Area with Individual Assistance on the [FEMA Disaster Website](#) and re-inspection requirements detailed in our Correspondent Seller's and HFA Division Lending Guide must be met. In some cases, additional counties may have been added. Lenders are responsible for verifying procedures are in place to monitor new and/or updated declarations.

Declaration Date	State	County/Parish
October 16, 2020 (counties added in green)	CA	Fresno, Los Angeles, Madera, Mendocino, Napa , San Bernardino, San Diego, Shasta , Siskiyou and Sonoma

Guide Section: 711.20 – Natural Disaster Procedures (VA), 712.20 – Natural Disaster Procedures (FHA), 713.21 – Natural Disaster Procedures (Conventional), 714.1.10 – Appraisal Procedures (Portfolio – Correspondent Only), 715.20: Natural Disaster Procedures (USDA)

**Reminder:
COVID-19
Borrower
Attestation**

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

As a reminder, and as announced in **SEL-2020-037**, U.S. Bank requires a COVID-19 Borrower Attestation to be included in all loan files beginning with loans closed on and after May 13, 2020.

We recognize that the COVID-19 pandemic has disrupted daily life and has far-reaching personal and economic consequences. We want to ensure borrowers have sustainable homeownership and have the ability to repay their mortgage. The recently passed federal CARES Act provides forbearance protections for certain federally backed mortgages. Mortgages eligible for those forbearance are those:

- purchased or securitized by Fannie Mae or Freddie Mac;
- insured by the Federal Housing Administration (FHA);
- guaranteed or insured by the Department of Veterans Affairs (VA); or
- guaranteed or insured by the Department of Agriculture (USDA).

It is critical that borrowers understand that their new loan may not qualify for forbearance, and if it does, they will still have to make the payments that are deferred.

Please be advised, U.S. Bank sells loans on the secondary market, which does not occur immediately after our purchase of your loan. If a loan is pending purchase, it will not be eligible for forbearance until, if and when, it is purchased or insured/guaranteed by an entity covered by the CARES Act.

We comply with all federal requirements for all residential mortgage loans, including documenting the borrower's/co-borrower's ability to repay the loan, and we require that borrowers attest to the following statements.

1. You are not aware of any future changes in your employment status and/or income that will affect your ability to repay your loan.
2. The income documentation previously submitted by you to qualify for your loan is unchanged and not affected by the COVID-19 pandemic.

U.S. Bank has provided a sample **COVID-19 Borrower Attestation** that can be found in the Exhibit section of our guides (1100: Exhibits, Forms, & 1160: General.) It is, however, acceptable to utilize an alternative attestation statement provided it contains the required information outlined above.

The next generation of AllRegs® Online

In an upcoming deployment on October 31, 2020, AllRegs is enhancing its search capabilities to help users find information in all libraries. AllRegs® Online leverages artificial intelligence to provide the most relevant, personalized search results, helping lenders save time, reduce risk, and increase ROI. With AllRegs, search results retrieve what you need, when you need it. With the help of AI, users can access the most relevant search results, tailored to your unique needs. As robust analytics software runs in the background, our intuitive analysis of similar users and distinct user behavior provides smarter, improved search results in real-time.

New features to help you:

- Simplify browsing with Quick View and color-coded term highlighting
- Easily identify relevant documents
- Improve filtering of search results
- Efficiently navigate large results

Quick Tour: [Click here to access a Quick tour of the upcoming changes](#) with quick links to a **Reference Guide** and the **Frequently Asked Questions (FAQ)** for the new AllRegs Online Search.

Improved Searching: The search engine has been improved to provide more relevant results to users, the enhancements include:

- Using a combination of both the number of times a searched term appears and the Area of Responsibility listed on in the user's account to determine the order in which results are displayed. The search will now consider what other user with the same Area of Responsibility accessed and used when they searched for the term or its synonyms in the order of the results. Users may notice that the order results display in will change over time as the search is used.
- Will include synonyms (a word or phrase that means the exact or nearly the exact same), including for mortgage specific terms, unless the *Find synonyms* checkbox is unchecked. For example, if you search "LTV" the search will now also search the content for instances where "Loan to Value" appear in the content.
- You can still perform a filtered search to only search in specific libraries or sections of libraries. However, if there is content in the library searched that is duplicated in another library that the user did not select in the filtered search, the results will appear for the library that was not in the filtered search as well. This will be fixed in a future enhancement. The workaround for this issue is to select the library you wanted to search from in the Content Areas on the search results page.

Improved Search Results Screen: The Search Results screen has been enhanced to make it easier to find the relevant document and locate the terms searched:

- The Content Areas can be used to filter results to specific libraries and now includes the number of results in each library.
- Search results will now list the entire folder pathway to get to the document. No longer will users be unable to see which product the guideline is for when the search result is found within Underwriting / Credit Policy.
- Each result will have 1 of 2 icons to indicate what format the information is:
 - a) The orange icon with </> indicates it is a html file (text on page).
 - b) The red icon that says PDF indicates the information is a pdf.
- A *Quick View* icon  has been added that will display the information in a pop-up window. Users will not be able to print from the Quick View popup.
- The Quick View popup will display the searched term and the synonyms of the term at the top of the popup, with each term receiving a different color. These colors are used to help you locate the terms in the document, with each term being highlighted in its respective color and the colors appearing on the scroll bar signifying where they are mentioned in the document. Click the arrows next to the terms will bring you to the next instance of the term.
- The number of results that can appear per page can be changed at the bottom of the page. This change will last for your current session in AllRegs but will revert to the default of 10 results per page the next time AllRegs is accessed.

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.