



Seller Guide Update



SEL-2021-001: Multiple Topics

January 8, 2021

- 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.



Freddie Mac's Home Possible and Portfolio Guideline Updates

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 type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

Coastal Areas in Special Flood Hazard Areas

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input type="checkbox"/>	Corr. Mandatory
<input type="checkbox"/>	HFA Delegated
<input type="checkbox"/>	HFA Non-Delegated
Products	
<input type="checkbox"/>	Conv. (Freddie)
<input type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

As a reminder, and as published in **SEL-2020-098** on December 18th, please note the following guideline changes effective with locks on and after January 8, 2021.

Freddie Mac's Home Possible

Effective with locks on and after January 8, 2021, U.S. Bank will align with the recent changes to Freddie Mac's Home Possible product announced in [Bulletin 2020-45](#), reducing the maximum LTV for 2-4-unit properties from 95% to 85%. The TLTV/HTLTV for these properties will remain at 95%.

- 2-4-unit properties will now have a maximum LTV of 85%.

The complete closed loan package must be delivered by January 22, 2021; loans must be purchased no later than February 1, 2021.

Guide Update: 3687 Home Possible, 3691 Home Possible Manufactured Housing

Portfolio Loans

Effective with locks on and after January 8, 2021, U.S. Bank will also update our portfolio products to limit the LTV/TLTV for 2-unit properties to 85%.

- 2-unit properties will now have a maximum LTV/TLTV of 85%.

Guide Update: 3776 USBHM 30 year, 3784 USBHM 20 year, 3777 USBHM 15 year, 3307 USBHM 3/1 ARM, 3045 USBHM 5/1 ARM, 3309 USBHM 7/1 ARM, 3317 USBHM 10/1 ARM, 3320 USBHM ARM Investor paid MI 85%, 3319 USBHM ARM Investor paid MI 90%, 3783 USBHM Fixed Investor paid MI 85%, 3782 USBHM Fixed Investor paid MI 90%

As a reminder, and as published in **SEL-2020-097** on December 11th, please note the following guideline changes **effective with locks on and after January 1, 2021**.

Special Flood Hazard Area (SFHA) designated as V, VE and V1-V30 are areas susceptible to coastal flooding, which is likely to increase over time with sea-level rise due to climate change. Risks and associated costs from potential sea level rise and coastal flooding are not yet fully embedded in coastal real estate property values. To mitigate this risk, U.S. Bank will be limiting the maximum LTV/CLTV for structures located in these coastal areas.

Maximum LTV/CLTV

In coastal areas that are susceptible to flooding, the maximum Loan-to-Value (LTV)/Combined Loan-to-Value (CLTV) is 80%. These structures are identified by a Special Flood Hazard Area (SFHA) designated as V, VE and V1-V30 flood zone, by the Federal Emergency Management Agency (FEMA).

Because the risk is associated with the property value and not with the structure or the borrower, there will be no compensating factors (e.g. 100% Replacement Cost coverage, Mortgage Insurance) to allow for LTV/CLTV exceptions in these coastal areas.

Special Flood Hazard Area (SFHA) Defined

The SFHA designated as V, VE and V1-V30 are areas subject to inundation by the 1-percent-annual-chance flood event with additional hazards associated with either storm-induced waves or storm-induced velocity wave action.

Guide Update: The Product Guidelines (listed below) have been updated in AllRegs:

3776 USBHM 30 year
 3784 USBHM 20 year
 3777 USBHM 15 year
 3783 USBHM Investor Paid Mortgage Insurance Fixed
 3782 USBHM Investor Paid Mortgage Insurance Fixed

3307 USBHM 3/1 ARM
 3045 USBHM 5/1 ARM
 3309 USBHM 7/1 ARM
 3317 USBHM 10/1 ARM
 3320 USBHM Investor Paid Mortgage Insurance ARM
 3319 USBHM Investor Paid Mortgage Insurance ARM

New IRS Form 4506-C Delivery Requirements

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-2020-092** and **SEL-2020-099**, in September of this year, the IRS released a new form, 4506-C for requesting IRS Tax Transcripts that replaces the current Form 4506-T. **U.S. Bank will require usage of Form 4506-C (or Tax Transcripts) for all closed loan packages delivered on and after January 14, 2021.**

- **Taxpayer First Act** - The 4506-C form does not replace the Taxpayer First Act Consent to Use of Tax Return Information Form as was outlined in **SEL-2019-065**. This form will still be required to be present in all delegated and non-delegated loan file submissions.
- **IRS Form 4506-T and 4506-C, Line 5a** - Lenders are required to follow the same requirements in regards to completing line 5a outlined in 900: Delivery and Funding - C. Funding Documentation Requirements regardless of if they are using the 4506-T or 4506-C form.
 - IRS form 4506T will be required on all loans purchased unless specifically indicated in U.S. Bank program guidelines as not required. When completing line 5a on IRS Form 4506-T (or 4506-C), it is recommended that our vendor be listed:
 - C/O CoreLogic 10277 Scripps Ranch Blvd San Diego, 92131
Participant #: 302617 | Mailbox ID: CLGX4506T | Phone: 877-877-6188
 - It is recommended that line 5b is left blank.

Guide Update: Multiple sections of the Correspondent Seller and HFA Lending Guide will be updated to reflect the acceptability of the 4506-C requirements.

Correspondent Approved Assistance Programs

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 type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

We have updated the Correspondent Seller Guide to reflect the following approved assistance programs for Correspondent non-delegated lenders. This approved list is updated as new information is available.

DPA Program	Program Summary
Forsythe County Affordable Housing Program	<ul style="list-style-type: none"> • Max assistance amount the lesser of 15% of the purchase price, or \$20,000 • 0% interest • Deferred, due upon sale • Available for all Correspondent • Available in Forsythe County, NC • Fannie/Freddie
Hacienda CDC / OHCS Grant Assistance Program	<ul style="list-style-type: none"> • Max assistance amount \$15,000, OR \$30,000 if property is located in the City of Portland • True grant • Available for the Oregon Counties of Multnomah, Clackamas, and Washington • Available for all Correspondent • Fannie/Freddie
Wintrust Community Bank Grant Assistance Program	<ul style="list-style-type: none"> • Max assistance amount \$5,000 • True grant • Available in the following IL or WI Counties: Illinois – Six-county Metro Chicagoland area (partial Will county and partial McHenry County), Lake County, Wisconsin – Counties of Kenosha, Racine, Milwaukee, Waukesha, Ozaukee, Washington, and Dane • Available for all Correspondent • Fannie/Freddie

Guide Section: 500: Mortgage Programs > Approved Assistance Programs

2021 Holiday Schedule

U.S. Bank observed holidays for the 2021 calendar year include:

U.S. Bank Observed Holiday	Date Observed
New Year's Day	January 1, 2021
Martin Luther King Jr. Day	January 18, 2021
Presidents Day	February 15, 2021
Memorial Day	May 31, 2021
Independence Day	July 5, 2021
Labor Day	September 6, 2021
Columbus Day	October 11, 2021
Veterans Day	November 11, 2021
Thanksgiving Day	November 25, 2021

Servicing Transfer Notice

As a reminder, the Servicing Transfer Notice must provide the borrower(s) with an address to send payments to, the name of the new servicer, a mailing address of the new servicer, and toll-free phone number for support that can answer questions from the borrower on the servicing transfer.

Lenders must use the following for the mailing address and phone number for U.S. Bank on the Notice:

U.S. Bank National Association
Attn: Customer Service
4801 Frederica Street
Owensboro, KY 42301
Phone: 800-365-7772

Lenders must use the following address for payments to be sent on the Notice:

U.S. Bank National Association
P.O. Box 790415
St. Louis, MO 63179-0415

If a borrower sends mortgage payments to the lender after U.S. Bank purchases the loan, the lender should forward the mortgage payment overnight to:

U.S. Bank Home Mortgage
Attn: Payment Processing
4801 Frederica St
Owensboro, KY 42301

Guide Section: 900: Delivery and Funding > C. Funding Documentation Requirements

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.