



Seller Guide Update



SEL-2021-025: Changes to Government COVID-19 Guidelines and Practices

May 21, 2021

- Correspondent Lending
- Housing Finance Agency (HFA)

Summary

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

In **SEL-2021-022**, we announced phase 1 updates made to Agency, Government and Portfolio flexibilities. As also mentioned in that update, we are now implementing phase 2 of these updates **for Government loans as outlined below effective with locks and/or new reservations as of May 21, 2021.**

Many of the COVID credit-related restrictions and flexibilities are being eliminated. These restrictions and flexibilities were put in place due to the uncertainty of the impact of the pandemic on economic and housing markets and associated mortgage lending risks.

- **Current/Phase 2:** Additional Flexibility/Overlay removals and updates effective with Government locks and/or new reservations as of May 21, 2021.
- **Previously Issued Phase 1 as announced in SEL-2021-022:** Agency, Government and Portfolio Flexibility/Overlay removal and flexibility updates.

Key Changes

- Any overlay that was directly correlated due to a restriction or flexibility issued by FHA or RD will be removed when that guidance has expired.
- Certain credit restrictions will remain due to the determination of prudent lending practices that should become U.S. Bank Home Mortgage standard guidelines.
- **Summary of Changes Document:** A summary of the changes that are being made as referenced in this announcement in Phase 2 with a more in depth listing are included on the last page.

FHA Products

Returning to the pre-COVID product requirements except for the following:

- Maximum 50% DTI

VA Products

Returning to the pre-COVID product requirements except for the following:

- Maximum 50% DTI

RD Products

Returning to the pre-COVID product requirements except for the following:

- Maximum 50% DTI

Community Seconds or Down Payment Assistance Programs

Returning to the pre-COVID product requirements. Refer to the summary document at the end of this announcement for details.



Appraisal Flexibilities

Appraisal flexibilities related to COVID will remain unchanged at this time.

- Refer to U.S. Bank's SEL-2020-022 for additional details, as well as SEL-2021-007 for expirations currently scheduled to expire June 30, 2021.

Communication	Topic
SEL-2020-022	<ul style="list-style-type: none">Temporary Flexibilities for Employment Verifications and Appraisal Requirements for FHATemporary Flexibilities for Employment Verifications and Appraisal Requirements for RD

- As a reminder, VA flexibilities expired with applications taken on or after April 1, 2021. Refer to SEL-2021-017 for additional details.

Underwriting Flexibilities

Underwriting flexibilities related to COVID that will remain unchanged at this time include:

- Employment Verifications: Refer to U.S. Bank's SEL-2020-022 for additional details, as well as SEL-2021-007 for expirations currently scheduled to expire June 30, 2021.

Communication	Topic
SEL-2020-022	<ul style="list-style-type: none">Temporary Flexibilities for Employment Verifications and Appraisal Requirements for FHATemporary Flexibilities for Employment Verifications and Appraisal Requirements for RD

- As a reminder, VA flexibilities expired with applications taken on or after April 1, 2021. Refer to SEL-2021-017 for additional details.

Operational Procedures

The following requirements/overlays will remain unchanged at this time:

- For salary and wage earners underwritten by U.S. Bank, employment must be reverified within 5-business days of the note date using the standard Verbal Verification of Employment (VVOE). If the VVOE is not available, the alternative documentation process outlined in the memo may be used. If the initial closing date was extended, an additional employment reverification is not required unless the closing date was extended by 5-days or more (maximum of 10-days prior to note date.)
- U.S. Bank will require a COVID Borrower Attestation be included in all loan files.

Seller and Lending Guide Updates

Underwriting Guidelines: The following requirements/overlays will remain unchanged:

- When a borrower is using self-employment income to qualify, the lender must verify the borrower's business is operating and generating income within 10-calendar days prior to the note date. (Overlay for VA and RD).

Product Guidelines: The following Correspondent Product Guidelines (listed below) will be updated in AllRegs with a targeted publication date of May 21, 2021:

Correspondent Impacted Products	
1001 FHA 30 year 1002 FHA 15 year 1004 FHA buydown 1105 FHA Jumbo 30 year 1024 FHA 5/1 ARM 1025 FHA Jumbo 5/1 ARM	2001 VA 30 year 2002 VA 15 year 2009 VA Jumbo 30 year 2024 VA 5/1 ARM 3001 USDA 30 year

Correspondent and HFA Overlay Matrices: The Correspondent and HFA Overlay Matrices have been updated:

- 1400.02: U.S. Bank Delegated Correspondent Government Overlays
- 1400.04: U.S. Bank Non-Delegated Correspondent Government Overlays
- U.S. Bank HFA Overlay Matrices (refer to SEL-2021-028)

COVID-19 Frequently Asked Questions: The COVID-19 FAQ has also been updated.

Summary of Changes

The following is a summary of the changes being made to Government guidelines in Phase 2:

Correspondent Product Guideline Changes:		
Product	Current Guidelines/Overlay	May 2021
FHA		
FICO Score	680	Delegated 640 or higher based on specific loan criteria Non- Delegated 660 or higher based on specific loan criteria
Down Payment Assistance	Non-Delegated Lenders: Minimum FICO score of 700 with maximum DTI of 43% when any funds used for closing costs or down payment are from Down Payment assistance (DPA) or Closing Cost assistance grants, loans or other similar programs	Removed in its entirety
VA		
FICO Score	680	640 or Higher based on Purpose, Loan Amount and LTV
RD		
FICO Score	680	640
Down Payment Assistance	Non-Delegated Lenders: Minimum FICO score of 700 with maximum DTI of 43% when any funds used for closing costs or down payment are from Down Payment assistance (DPA) or Closing Cost assistance grants, loans or other similar programs.	Removed in its entirety

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.



U.S. Bank Consolidated Government Overlays applicable to Delegated Correspondent Lending (as of 05/21/2021)

To mitigate the risk on the loans we purchase, U.S. Bank Home Mortgage has overlays to Government guidelines (i.e. FHA, VA and USDAR/D).

- Note: Unless outlined above/below as a U.S. Bank Credit Overlay, Delegated Lenders can follow Government Underwriting Guidelines and their own interpretation and application of those guidelines. Underwriting and Loan Eligibility compliance is backed by the Lender's Reps & Warrants as a Seller to U.S. Bank Home Mortgage. U.S. Bank Home Mortgage publishes on AllRegs our underwriting guidelines, practices, and clarifications that we follow when we underwrite a loan based on our own assessment of risk. Delegated Lenders are encouraged but not required to use these guidelines and clarifications when underwriting a loan to be sold to U.S. Bank.

- An "X" in the investor column indicates that the overlay applies to loans submitted under a lender's delegated underwriting authority or delivery channel.
- The Overlay Descriptions are summarized alphabetically by subject in each section.
- References are not all-inclusive and this document should be used in conjunction with the Correspondent Seller Guide. For complete product guidelines, refer to the applicable product and underwriting guidelines within our seller guide.
- Items added, removed or modified are referenced in the Seller Guide Update that are released along with the most recent version of the Matrix.
- If there are conflicts between the Overlay Matrix and the Underwriting and/or Product Guidelines, follow the Underwriting and/or Product Guidelines.

Section	Overlay Description	FHA	VA	USDAR/D	Mandatory
Underwriting Guideline Overlays applicable to Delegated Underwriting Authority These overlays DO NOT apply to loans purchased by U.S. Bank through Mandatory Delivery					
000 COVID-19 Resources	<p>Re-Verification of Employment for VA IRRRL Only (For applications taken before April 1, 2021)</p> <p>U.S. Bank requires reverification of employment for all loan types:</p> <p>Written VOE: U.S. Bank permits the lender to obtain a written VOE confirming the borrower's current employment status within the same timeframe as the verbal VOE requirements. An email directly from the employer's work email address that identifies the name and title of the verifier and the borrower's name and current employment status may be used in lieu of a verbal VOE; or</p> <p>Paystub: The lender may obtain a year-to-date paystub from the most recent pay period that immediately precedes the note date. Continue to follow the income requirements and guidance in the Agency guides; or</p> <p>Bank statements: The lender can provide bank statements (or other alternative documentation) evidencing the payroll deposit from the most recent pay period that immediately precedes the note date.</p>		X		
711.07 Credit/Debt Underwriting	<p>Non-Traditional Credit</p> <p>Non-traditional credit not allowed with exception of erroneous or inaccurate credit. If non-traditional credit is used with a manual underwrite: Maximum 36% Debt-to-income ratio and Minimum two months PITIA reserves after closing (or per product guide if greater).</p>	X			
711.13 Manufactured Housing	<p>Manufactured Housing Eligibility</p> <p>Not allowed.</p>	X			
712.09 Credit/Debt Underwriting	<p>Non-Traditional Credit</p> <p>Non-traditional credit not allowed with exception of erroneous or inaccurate credit. If non-traditional credit is used with a manual underwrite: Maximum 36% Debt-to-income ratio and Minimum two months PITIA reserves after closing (or per product guide if greater).</p>		X		
712.12 VA Refinance Loans	<p>VA IRRRL Transactions</p> <ol style="list-style-type: none"> Tri-merged credit report required. Existing loan must be current. 0x30 days delinquent in most recent 12-months. VVOE/VVOB is required (No income documentation is required) 		X		
712.14 Manufactured Housing	<p>Manufactured Housing</p> <p>Not allowed.</p>		X		
712.24 Secondary/Subordinate Financing	<p>Down Payment and Closing Assistance</p> <p>Eligibility varies by product and specific loan criteria as outlined by product guidelines</p> <ol style="list-style-type: none"> Shared appreciation is not allowed Non delegated correspondents must use U.S. Bank Approved Community Seconds List as provided in the Seller Guide. 		X		
712.24 Secondary/Subordinate Financing	<p>PACE Funding</p> <p>Not allowed.</p>		X		
715.06 Secondary/Subordinate Financing	<p>PACE Funding</p> <p>Not allowed.</p>			X	
715.06 Secondary/Subordinate Financing	<p>Down Payment and Closing Assistance</p> <p>Eligibility varies by product and specific loan criteria as outlined by product guidelines</p> <ol style="list-style-type: none"> Shared appreciation is not allowed Non delegated correspondents must use U.S. Bank Approved Community Seconds List as provided in the Seller Guide. 			X	
715.07 Credit/Debt Underwriting	<p>Non-Traditional Credit</p> <p>Non-traditional credit not allowed with exception of erroneous or inaccurate credit. If non-traditional credit is used with a manual underwrite: Maximum 36% Debt-to-income ratio and Minimum two months PITIA reserves after closing (or per product guide if greater).</p>			X	
715.07 Credit/Debt Underwriting	<p>Federal and State Tax Repayment Plans</p> <p>All Federal and State Tax repayment plans must be paid in full</p>			X	
715.13 Manufactured Housing	<p>Manufactured Housing Eligibility</p> <p>Not allowed.</p>			X	
715.17 Water Systems	<p>Individual Water Systems in Hawaii</p> <p>Individual Water Systems including Rain Catchment Systems in Hawaii will not be allowed</p>			X	

Section	Overlay Description	FHA	VA	USD/RD	Mandatory
Specific to Mortgage Program/Product Guidelines of Seller Guide including Product Code (Section 500)					
These overlays DO apply to loans purchased by U.S. Bank through Mandatory Delivery					
Debt to Income (DTI)	Maximum DTI 50%	X	X	X	X
Manufactured Housing	Not Allowed	X	X	X	X
FHA					
Condominium Single Unit Approval	Any Delegated Client utilizing their own DE may use the Single Unit Approval review however, any loan utilizing the Single Unit Approval will have a maximum LTV of 90% LTV (including MIP). (Refer to 815.06)	X			X
Purchases with CLTV > 97%	1. Minimum credit score of 680 2. Maximum DTI of 45% 3. If subordinate financing, the borrower must have a minimum of \$1,000 personal funds into the transaction to be used towards down payment, closing cost, prepaids, or reserves	X			X
Streamline Refinance	For loans not currently serviced by USB: • No second homes or investment homes • Credit Report required • No 30 days past due last 12 months • No Bankruptcy, short sale or foreclosure in the past 7 years	X			X
USD/RD					
Credit/Debt Waivers	U.S. Bank does not allow any credit waivers and qualifying ratios cannot be exceeded			X	
Loan Amount	Max loan amount Conforming Loan Limit			X	X
VA					
IRRL	For loans not currently serviced by USB: • \$750,000 max loan • No second homes or investment homes • Credit Report required • No 30 days past due last 12 months		X		
Loan Amount	Max loan amount for 15 yr term is Conforming Loan Limit Max loan amount is \$2,000,000		X		X
Purchase LTV/CLTV	Primary 3-4 Units Max 80% with a max loan amount of \$2,000,000 and minimum FICO of 700		X		
Purchase LTV/CLTV	Primary 1-2 Units Max 95% for loan amounts greater than \$750,000 Max 90% for loan amounts greater than \$1,000,000		X		X
Refinance/Cash Out Type II LTV/CLTV	Max LTV/CLTV 80% 1-4 unit unless loan is a Rate/Term refinance \$300,000 cash back to borrower		X		
Seller Paying Borrower Debts and Property Gifts	Not allowed.		X		X



This document is not a Consumer Credit Advertisement and is intended for Correspondent use only. This information is provided to assist Correspondents and is not a consumer credit advertisement as defined by Regulation Z. Please consult the Correspondent Seller Guide (UniteUS EXT). Loan approval is subject to credit approval and program guidelines. Not all loan programs are available in all states for all amounts. Interest rates and program terms are subject to change without notice. Mortgage and Home Equity products are offered by U.S. Bank National Association. Deposit Products offered by U.S. Bank National Association. Member FDIC. ©2021 U.S. Bank.



U.S. Bank Consolidated Government Overlays applicable to Non-Delegated Correspondent Lending (as of 05/21/2021)

To mitigate the risk on the loans we purchase, U.S. Bank Home Mortgage has overlays to Government guidelines (i.e. FHA, VA and USD/ARD).

- An "X" in the investor column indicates that the overlay applies to loans submitted under a lender's non-delegated underwriting authority.
- The Overlay Descriptions are summarized alphabetically by subject in each section.
- References are not all-inclusive and this document should be used in conjunction with the Correspondent Seller Guide. For complete product guidelines, refer to the applicable product and underwriting guidelines within our seller guide.
- Items added, removed or modified are referenced in the Seller Guide Update that are released along with the most recent version of the Matrix.
- If there are conflicts between the Overlay Matrix and the Underwriting and/or Product Guidelines, follow the Underwriting and/or Product Guidelines.

Section	Overlay Description	FHA	VA	USD/ARD
Underwriting Guideline Overlays applicable to Non-Delegated Underwriting Authority				
000 COVID-19 Resources	203K U.S. Bank will not allow any temporary flexibility allowed by FHA to continue administering the Rehabilitation Escrow Account, including the approval of extension requests and release of funds, which will allow the project to continue for mortgages where the Borrower is in forbearance due to the impacts of COVID-19.	X		
000 COVID-19 Resources	Appraisals - Exterior Only Each Exterior-Only appraisal report must include the following: • a street map that shows the location of the subject property and of all comparable sales that the appraiser used; • clear, descriptive photographs (either in black and white or color) that show the front of the subject property, and that are appropriately identified (photographs must be originals that are produced either by photography or electronic imaging); and • any other data as an attachment or addendum to the appraisal report form that are necessary to provide an adequately supported opinion of market value.	X		X
000 COVID-19 Resources	NOV Conditions (For applications taken before April 1, 2021) Any additional items that need to be met on the NOV to comply with VA requirements must be met and completed in 60 days from the date of the NOV issuance.		X	
000 COVID-19 Resources	Re-Verification of Employment (For VA applications taken before April 1, 2021) U.S. Bank requires reverification of employment for all loan types: Written VOE: U.S. Bank permits the lender to obtain a written VOE confirming the borrower's current employment status within the same timeframe as the verbal VOE requirements. An email directly from the employer's work email address that identifies the name and title of the verifier and the borrower's name and current employment status may be used in lieu of a verbal VOE; or Paystub: The lender may obtain a year-to-date paystub from the most recent pay period that immediately precedes the note date. Continue to follow the income requirements and guidance in the Agency guides; or Bank statements: The lender can provide bank statements (or other alternative documentation) evidencing the payroll deposit from the most recent pay period that immediately precedes the note date.		X	X
000 COVID-19 Resources	Re-Verification of Employment If a reverification of employment is not able to be obtained within 10 days prior to closing the following items can be obtained as alternative methods of reverification of employment: For all (purchase and refinance) transactions, evidence the Borrower has a minimum of 2 months of Principal, Interest, Taxes and Insurance (PITI) in reserves; and One of the following: • A year-to-date paystub for the pay period that immediately precedes the Note date, or • A bank statement showing direct deposit from the Borrower's employment for the pay period that immediately precedes the Note date.	X		
000 COVID-19 Resources	Self-Employed Borrowers See Verification of Business for additional requirements		X	X
000 COVID-19 Resources	Termite Inspections (For VA applications taken before April 1, 2021) Termite Inspection report for properties located in an area on the Termite Infestation Probability Map of "very heavy" or moderate to heavy" will still be required.		X	
000 COVID-19 Resources	VA Cash Out Type II (For VA applications taken before April 1, 2021) Traditional appraisal is the only permissible appraisal for this loan type		X	
000 COVID-19 Resources	Verification of Business U.S. Bank requires a VOB for all self-employed borrowers for all loan types: For self-employed borrowers, operations should verify the borrower's business is operational closer to the note date rather than rely on current Guide requirements (within 10 calendar days instead of 120 days requirement). If the business is currently closed, the income may not be used to qualify.		X	X

Section	Overlay Description	FHA	VA	USDARD
000 COVID-19 Resources	Verification of Employment (For applications taken before April 1, 2021) If the required VOE documentation cannot be obtained U.S. Bank and its lenders will not follow guidance allowing the borrowers to close with 2 months cash reserves. The loan will not be approved or purchased without VOE documentation.		X	X
711.02 Underwriting Documentation	Debt-to-Income (DTI) Refer to Product Guidelines for maximum DTI requirements. Transactions with DTI >43% do require the underwriter to support approval with compensating factors.	X		
711.03 Eligible Borrowers	Ineligible Borrowers Life Estates, guardianships, and conservatorships are not eligible.	X		
711.03 Eligible Borrowers	Non-Permanent Resident Aliens <ul style="list-style-type: none"> Meets Evidence of Eligibility to Live and Work requirements. Refer to 711.3.1 Most Common Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA for assistance Purchase and Rate Term/Simple/Streamline Refinances only. Cash Out Refinances not allowed. Must have an AUS Approval - No manual underwrites allowed (Excluding Streamline Refinances) SSN required (Tax ID Numbers will not be accepted) Must have a valid FICO score Standard FHA requirements for Credit, Employment and Income apply Refer to 711.5 Funds for Closing for additional requirements. 	X		
711.03 Eligible Borrowers	Properties currently or Formerly in the name of an LLC Any property in the name of the borrower's LLC or has been in the name of the borrower's LLC in the most recent 120 day period, as measured backward from the date of the initial application, it is not eligible for refinancing into the borrower's name.	X		
711.03 Eligible Borrowers	Social Security Number All borrowers are required to have a valid Social Security Number.	X		
711.03 Eligible Borrowers	Trusts <ol style="list-style-type: none"> If the property is currently in the name of the borrower Trust the loan may close in the trust as long as the trust meets all U.S. Bank and FHA requirements. To close in the borrower's name, the property title must be in the borrower's name prior to final approval. Attorney Opinion Letter Required for those states that a completed Certification of Revocable Trust is not allowed. 	X		
711.04 Effective Income	Foreign Income Income from High Risk Countries will be accepted on the all transactions except the following: <ul style="list-style-type: none"> Cash-Out Refinances 2nd Homes Investment Properties Loans requiring Gift Funds sourced from a High-Risk Country U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.	X		
711.04 Effective Income	Schedule E Must subtract the full PITIA from the income or loss from the Schedule E to determine final rental income.	X		
711.05 Funds for Closing	Foreign Assets Assets from High Risk Countries will be accepted on the all transactions except the following: <ul style="list-style-type: none"> Cash-Out Refinances 2nd Homes Investment Properties Loans requiring Gift Funds sourced from a High-Risk Country U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.	X		
711.07 Credit/Debt Underwriting	Non-Traditional Credit Non-traditional credit not allowed with exception of erroneous or inaccurate credit. If non-traditional credit is used with a manual underwrite: Maximum 36% Debt-to-income ratio and Minimum two months PITIA reserves after closing (or per product guide if greater).	X		
711.07.1 Credit/Debt Underwriting	Recovery Time Periods Must meet all time frame requirements as U.S. Bank Home Mortgage does not allow shorter time frame for extenuating circumstances.	X		
711.07.1 Recovery Time Periods for Reestablishment of Credit after Bankruptcy, Foreclosure, Short Sale	Recovery Time Periods for Reestablishment of Credit Financial Mismanagement Must meet all time frame requirements as U.S. Bank Home Mortgage does not allow shorter time frame for extenuating circumstances.	X		
711.10 FHA Refinance Loans	Documentation Requirements Maximum curtailment \$1000	X		
711.12 Eligible Properties	Excess Acreage Parcels exceeding 20 acres will be considered an exception and must follow the FHA exception process. All acreage must be included in value.	X		

Section	Overlay Description	FHA	VA	USDAR/D
711.12 Eligible Properties	Mixed Use Properties U.S. Bank does not follow standard FHA guidelines and requires: 1. Business must be legal. 2. Maintain FHA 51% of square footage must be residential. 3. Single family residences only. 4. Must own the business.	X		
711.12 Eligible Properties	Seasoning on Recently Listed Properties Cash-out refinance not allowed for subject properties listed for sale by the current owner within 90-days of loan application.	X		
711.13 Manufactured Housing	Manufactured Housing Eligibility Not allowed.	X		
711.18 Property Inspections	Termite Inspections Soil poisoning method for treating termites is unacceptable regardless if the treatment will not endanger the quality of the water.	X		
712.02 Underwriting Documentation	Debt-to-Income (DTI) Refer to Product Guidelines for maximum DTI requirements. Transactions with DTI >43% do require the underwriter to support approval with compensating factors.		X	
712.02 Underwriting Documentation	Debt-to-Income (DTI) Refer to Product Guidelines for maximum DTI requirements. Transactions with DTI >43% do require the underwriter to support approval with compensating factors.		X	
712.05 Eligible Borrowers	Trusts 1. If the property is currently in the name of the borrower Trust the loan may close in the trust as long as the trust meets all USBHM and Agency requirements. To close in the borrower's name, the property title must be in the borrower's name prior to final approval. 2. Attorney Opinion Letter Required for those states that a completed Certification of Revocable Trust is not allowed.		X	
712.06 Effective Income	Foreign Income Income from High Risk Countries will be accepted on the all transactions except the following: • Cash-Out Refinances • 2nd Homes • Investment Properties • Loans requiring Gift Funds sourced from a High-Risk Country U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.		X	
712.08 Funds for Closing	Foreign Assets Assets from High Risk Countries will be accepted on the all transactions except the following: • Cash-Out Refinances • 2nd Homes • Investment Properties • Loans requiring Gift Funds sourced from a High-Risk Country U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.		X	
712.08 Funds for Closing	Large Deposit Defined Any deposit in any one month that is greater than 1% of Sales Price must be verified and sourced.		X	
712.09 Credit/Debt Underwriting	Adverse Credit/ Recovery Time Periods Deed-in-lieu or short sale require a two-year period from transfer of title to new application.		X	
712.09 Credit/Debt Underwriting	Delinquent Credit All judgements are required to be paid off; Credit with collections requires a downgrade.		X	
712.09 Credit/Debt Underwriting	Non-Borrowing Spouse Debt The underwriter must count all debt for non-borrowing spouse in Community Property States regardless if they volunteer income information.		X	
712.09 Credit/Debt Underwriting	Non-Traditional Credit Non-traditional credit not allowed with exception of erroneous or inaccurate credit. If non-traditional credit is used with a manual underwrite: Maximum 36% Debt-to-income ratio and Minimum two months PITIA reserves after closing (or per product guide if greater).		X	
712.09.1 Recovery Time Periods for Reestablishment of Credit after Bankruptcy, Foreclosure, Short Sale	Recovery Time Periods for Reestablishment of Credit Financial Mismanagement Deed-in-lieu or short sale require a two-year period from transfer of title to new application.		X	
712.12 VA Refinance Loans	VA IRRRL Transactions 1. Tri-merged credit report required. 2. Existing loan must be current. 3. 0x30 days delinquent in most recent 12-months. 4. VVOE/VVOB is required (No income documentation is required)		X	

Section	Overlay Description	FHA	VA	USDA/RD
712.13 Eligible Properties	Seasoning on Recently Listed Properties Cash-out refinance not allowed for subject properties listed for sale by the current owner within 90-days of loan application.		X	
712.14 Manufactured Housing	Manufactured Housing Not allowed.		X	
712.15 Anti-Flipping Policy	Purchase Transactions If the Seller must have taken title to the subject property more than 90 days prior to the contract date on the sale of the property to the applicant. Resales occurring between 91-180 days with a resale price increase of 100% or more over the price the seller acquired the property will require a second appraisal. This does not have to be a VA, FHA, or USDA appraisal.		X	
712.24 Secondary/Subordinate Financing	Down Payment and Closing Assistance Eligibility varies by product and specific loan criteria as outlined by product guidelines 1. Shared appreciation is not allowed 2. Non delegated correspondents must use U.S. Bank Approved Community Seconds List as provided in the Seller Guide.		X	
712.24 Secondary/Subordinate Financing	PACE Funding Not allowed.		X	
715.02 Underwriting Documentation	Debt-to-Income (DTI) Refer to Product Guidelines for maximum DTI requirements. Transactions with DTI >43% do require the underwriter to support approval with compensating factors.			X
715.02 Underwriting Documentation	Debt-to-Income (DTI) Refer to Product Guidelines for maximum DTI requirements. Transactions with DTI >43% do require the underwriter to support approval with compensating factors.			X
715.03 Eligible Borrowers	Ineligible Borrowers Life Estates, guardianships, and conservatorships are not eligible.			X
715.04 Effective Income	Foreign Income Income from High Risk Countries will be accepted on the all transactions except the following: • Cash-Out Refinances • 2nd Homes • Investment Properties • Loans requiring Gift Funds sourced from a High-Risk Country U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.			X
715.05 Funds for Closing	Foreign Assets Assets from High Risk Countries will be accepted on the all transactions except the following: • Cash-Out Refinances • 2nd Homes • Investment Properties • Loans requiring Gift Funds sourced from a High-Risk Country U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.			X
715.06 Secondary/Subordinate Financing	Down Payment and Closing Assistance Eligibility varies by product and specific loan criteria as outlined by product guidelines 1. Shared appreciation is not allowed 2. Non delegated correspondents must use U.S. Bank Approved Community Seconds List as provided in the Seller Guide.			X
715.06 Secondary/Subordinate Financing	PACE Funding Not allowed.			X
715.07 Credit/Debt Underwriting	Federal and State Tax Repayment Plans All Federal and State Tax repayment plans must be paid in full			X
715.07 Credit/Debt Underwriting	Non-Traditional Credit Non-traditional credit not allowed with exception of erroneous or inaccurate credit. If non-traditional credit is used with a manual underwrite: Maximum 36% Debt-to-income ratio and Minimum two months PITIA reserves after closing (or per product guide if greater).			X
715.07.1 Credit/Debt Underwriting	Recovery Time Periods U.S. Bank requires 3 years to have passed from the completion date of the event and the application date.			X
715.12 Eligible Properties	Seasoning on Recently Listed Properties Cash-out refinance not allowed for subject properties listed for sale by the current owner within 90-days of loan application.			X
715.13 Manufactured Housing	Manufactured Housing Eligibility Not allowed.			X

Section	Overlay Description	FHA	VA	USDA/RD
715.14 Anti-Flipping Policy	Purchase Transactions If the Seller must have taken title to the subject property more than 90 days prior to the contract date on the sale of the property to the applicant. Resales occurring between 91-180 days with a resale price increase of 100% or more over the price the seller acquired the property will require a second appraisal. This does not have to be a VA, FHA, or USDA appraisal.			X
715.17 Water Systems	Individual Water Systems in Hawaii Individual Water Systems including Rain Catchment Systems in Hawaii will not be allowed			X
Specific to Mortgage Program/Product Guidelines of Seller Guide including Product Code (Section 500)				
Debt to Income (DTI)	Maximum DTI 50%	X	X	X
Funds to Close / Reserves	When the CLTV >95% and there is subordinate financing, the borrower must have a minimum of \$1,000 personal funds into the transaction to be used towards down payment, closing costs, prepaid and/or reserves.	X		X
Manufactured Housing	Not Allowed	X	X	X
Ownership Interest in other properties	When the TLTV/CLTV >95%, the borrower cannot retain ownership interest in other properties financed by U.S. Bank Home Mortgage.	X		X
Temporary Buydown Options	Max DTI 43%	X	X	
FHA				
Loan Amount	No loans exceeding \$1M	X		
Purchases with CLTV > 97%	1. Minimum credit score of 680 2. Maximum DTI of 45% 3. If subordinate financing, the borrower must have a minimum of \$1,000 personal funds into the transaction to be used towards down payment, closing cost, prepaids, or reserves	X		
Streamline Refinance	For loans not currently serviced by USB: • No second homes or investment homes • Credit Report required • No 30 days past due last 12 months • No Bankruptcy, short sale or foreclosure in the past 7 years	X		
USDA/RD				
Credit/Debt Waivers	U.S Bank does not allow any credit waivers and qualifying ratios cannot be exceeded			X
Loan Amount	Max loan amount Conforming Loan Limit			X
VA				
Gift Funds	Down payment funds cannot be gifted on loan amounts greater than \$750,000		X	
IRRL	For loans not currently serviced by USB: • \$750,000 max loan • No second homes or investment homes • Credit Report required • No 30 days past due last 12 months		X	
Loan Amount	Max loan amount for 15 yr term is Conforming Loan Limit Max loan amount is \$2,000,000		X	
Purchase LTV/CLTV	Primary 3-4 Units Max 80% with a max loan amount of \$2,000,000 and minimum FICO of 700		X	
Purchase LTV/CLTV	Primary 1-2 Units Max 95% for loan amounts greater than \$750,000 Max 90% for loan amounts greater than \$1,000,000		X	
Refinance/Cash Out Type II LTV/CLTV	Max LTV/CLTV 80% 1-4 unit unless loan is a Rate/Term refinance \$300,000 cash back to borrower		X	
Seller Paying Borrower Debts and Property Gifts	Not allowed.		X	



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