



Seller Guide Update



SEL-2022-024: Multiple Topics

June 3, 2022

- 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.



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

Effective Date: Immediately

U.S. Bank is announcing updates to Agency Underwriting Guidelines impacting the following:

- Freddie Mac Only – Continuity of Obligation
- Virtual Currency
- Foreign Assets

Freddie Mac – Continuity of Obligation

To ensure an acceptable payment history on the Mortgage being refinanced, Freddie Mac is updating their requirements for refinance transactions where none of the Borrowers on the Mortgage being refinanced is a Borrower on the new Mortgage. For these Mortgages where LPA was run, unless the Borrower inherited or was legally awarded the Mortgaged Premises, the new Borrower must:

- Have held title to and resided in the Mortgaged Premises as a Primary Residence for the most recent 12-month period, and
- Provide documentation evidencing that he or she has been making timely Mortgage payments on the Mortgage being refinanced for the most recent 12-month period

Example (Borrower 1 and Borrower 2)

A mortgage is in Borrower 1's name and Borrower 2 is refinancing the loan into Borrower 2's name only. Borrower 2 must be on the title and have made the payment for the most recent 12 months. The payments must have come from Borrower 2's individual account or a joint bank account where only Borrower 2 makes deposits (direct payroll deposits.) If the payments were made from a joint bank account where both Borrower 1 and Borrower 2 make deposits, the loan would not be eligible for only Borrower 2 to refinance in their name only.

Virtual Currency

Fannie Mae has updated their policy in regard to virtual currency. Cryptocurrency, digital current, or altcoins (i.e., Bitcoins, Litecoin, Ethereum, etc.,) that has been exchanged into U.S. dollars is acceptable for the down payment, closing costs, and financial reserves provided:

- There is documented evidence that the virtual currency was exchanged into U.S. dollars and is held in a U.S. or state regulated financial institution, and
- The funds are verified in U.S. dollars prior to the loan closing.

U.S. Bank will continue to require the borrower to provide acceptable cryptocurrency documentation for the most recent 12 months. Any purchase of the cryptocurrency will be required to have evidence of the source of funds used to acquire the cryptocurrency.

Note: Portfolio policy will be updated to mirror the 12-month requirement.

Foreign Assets

Fannie Mae has made updates to their policy on foreign assets used for qualifying a borrower regardless of citizenship status. U.S. Bank has made no changes to our foreign asset policy.

Guide Updates: 713.8 Agency - Funds for Closing, 714.1.6 Portfolio – Assets Funds to Close, Correspondent and HFA Delegated and Non-Delegated Agency Overlay Matrices

Reminder: Tax Service Fee Change Coming Soon

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 originally published in **SEL-2022-021**, effective with new Correspondent loan registrations and/or new HFA loan reservations on or after July 17, 2022, U.S. Bank will increase the **Tax Service Fee** charged on all loans from \$80 to \$84 for all properties located in all states.

Timeline	Tax Service Fee
Current: Loans registered or reserved before July 17 th	\$80
Coming Soon: Loans registered or reserved on/after July 17 th	\$84

- When the specific program allows for the fee to be charged to the consumer, we will accept placement of the fee in Section B of the Loan Estimate (LE) and Closing Disclosure (CD) paid to CoreLogic Tax Services, or the vendor of the lender's choice. U.S. Bank does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank. Lenders may also disclose the fee as payable to themselves (the lender). The payee should not be listed as TBD or left blank.
- Lenders are reminded to review specific program guidelines and regulatory requirements on what fees may be charged to the borrower.

Please refer to **SEL-2022-021** for complete details.

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.