



Seller Guide Update



SEL-2022-035: Multiple Topics

July 8, 2022

- Correspondent Lending
- Housing Finance Agency (HFA)

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The following topics are included in this update:

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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.



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

U.S. Bank has updated our Compliance section (400.13: National Flood Insurance Act and Flood Disaster Protection Act) of the Correspondent Seller and HFA Lending Guides as follows:

- Corrected an incorrect number as shown below in **green** that is contained in our Flood Determination (Servicing) transfer number (page 9).
 - For Lenders wishing to make a flood determination transfer, the number to transfer to is based on Client ID:
 - Client 515: 2767164,
 - Client 760: 2803117,
 - Client 176: 2816535.
- Update the threshold for FHA and VA non-residential detached structures from \$5,000 to \$10,000 (page 14).
- Remove the flood zone discrepancy section (previously page 10).

Guide Update: 400.13: National Flood Insurance Act and Flood Disaster Protection Act

Automated Collateral Evaluation (ACE) Eligibility + PDR

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

In March of this year, [Freddie Mac issued Bulletin 2022-6](#) regarding **Automated Collateral Evaluation (ACE) Eligibility**. In this communication, Freddie announced that effective July 17, 2022, Loan Product Advisor[®], will transition from offering automated collateral evaluation (ACE) appraisal waivers to offering ACE+ PDR (property data report) for cash-out refinance and certain “no cash-out” refinance Mortgages.

U.S. Bank has and will continue to evaluate the revised eligibility requirements for impacts including but not limited to systemic and other readiness functions. At this time, U.S. Bank will not accept loans submitted that have the ACE + PDR designation on LPA.

We will continue to assess the impacts of the change for possible future implementations.

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 and HFA Lending Guide must be met. In some cases, additional counties may have been added. Lenders are responsible for verifying procedures to monitor new and/or updated declarations.

- Agency, Portfolio, VA, and RD loans with subject properties located in counties listed below that have not CLOSED by the Disaster Declaration Date must follow the requirements listed in AllRegs.
- FHA loans with subject properties located in the parishes listed below that have not been ENDORSED as of the Disaster Declaration Date must follow the FHA requirements listed in AllRegs.

| Declaration Date | ST | County/Parish |
|------------------|----|--|
| June 30, 2022 | OK | Adair, Cherokee, Muskogee, Okmulgee, Pottawatomie, Seminole, Tulsa |

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

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 |
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| 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 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 disclose the fee as payable to themselves (lender). The payee should not be listed as TBD/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.