



Seller Guide Update



SEL-2022-039: Multiple Topics

July 22, 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.



VA Pest Inspection and COE Status Update

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

Sending the Appraisal to U.S. Bank

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

Effective Date: Immediately

VA is introducing two policy changes: a funding fee status on the Certificate of Eligibility (COE) when a pre-discharge claim is pending, and veterans are now allowed to pay for the pest inspection and pest repairs in termite states.

VA COE Status: Active-duty service members indicating they have a pre-discharge disability claim pending with VA requires lenders to submit [VA Form 26-8937](#) (Verification of VA Benefits) to VA. If the service member is eligible for the home loan benefit and the pre-discharge claim has not been decided the COE will reflect the funding fee status of *Non-Exempt- In Development*. The service member is not exempt until the final rating is obtained. If the loan closes prior to the final rating the service member will not be entitled to a refund. Lenders must ensure prior to loan closing whether a borrower is exempt from the funding fee as per [VA Circular 26-21-11](#).

VA Pest Inspection Fee: VA is authorizing that veterans may be charged for wood destroying pest inspection fees, where required by the NOV (Notice of Value) and veterans may pay for repairs identified on the pest inspection report to comply with minimum property requirements.

The following information will assist lenders in sending an appraisal to U.S. Bank:

• Delegated Correspondents

U.S. Bank informs lenders by placing a condition on the file immediately upon registration when a loan requires collateral review. If the loan has been identified/tagged for appraisal review, upload the appraisal to the condition shown on Lender Portal. For these loans, we strongly recommend lenders submit the appraisal to U.S. Bank before loan closing. Submitting the appraisal to us prior to loan closing will ensure any appraisal related conditions are resolved to mitigate purchase delays following the delivery of the closed loan file.

• Non-Delegated Correspondents

U.S. Bank informs lenders by placing a condition on the file immediately upon registration when a loan requires collateral review. Lenders may either choose to attach the appraisal to the condition or include the appraisal in the credit package submission for underwriting to U.S. Bank. Either is acceptable, however an appraisal should never be submitted for review utilizing the "Closing Package" upload functionality. Doing so can cause unnecessary delays in the processing of your file.

• First-Generation Appraisal

A first-generation appraisal is the PDF appraisal delivered directly from the appraiser/AMC. You may validate the appraisal is a first generation by:

- For the purposes of the UAD, a first-generation PDF is a PDF file of the appraisal report that is produced and embedded within the XML by the appraiser's forms software before the appraisal is transmitted by the appraiser.
- **Verifying First-Generation Status**
 - When you click on a page of the actual Appraisal Report-Uniform Residential Appraisal Report and the entire page turns blue – this is not a first-generation PDF.
 - Search within the appraisal (use Ctrl and F) by typing a generic word found in the appraisal (e.g. borrower's last name, or part of the property address). By using the search function, each time you click Next, the functionality will find the word and the word only will be highlighted in Blue. If the appraisal is searchable by individual word, the appraisal is a first generation.
- **Checking properties of your Appraisal** - page size should be 8.5 x 14 not 8.5 x 11, and file size should be less than 8 MB.

Please refer to the appropriate section within our Correspondent Seller Guide for additional details regarding Appraisal requirements.

Reminder: Tax Service Fee

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 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 increased 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.