



Seller Guide Update



SEL-2022-049: Multiple Topics

August 26, 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.



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

The following recent Seller Guide Updates announcing various overlay and product updates have now been implemented systemically, thereby not requiring U.S. Bank's Client Support team's assistance to register and lock:

SEL-2022-040: Correspondent Agency and Government (FHA) Overlay Updates

Effective Date: Effective with Correspondent locks on and after of July 22, 2022.

Agency Overlay Matrix: For loans with an LTV/TLTV >95%, item 6 below was eliminated:

1. Minimum credit score of 680
2. Maximum DTI of 45%
3. Purchase Transactions only
4. 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
5. Subordinate financing must be Community Second loan program, Shared appreciation is Not allowed, and must be listed on U.S. Bank Approved Community Seconds List for Non-Delegated Clients.
6. Max LTV 95% when TLTV is >97% (now eliminated)

Government (FHA) Overlay Matrix Clarification: For FHA purchase transactions with a CLTV >97%, we clarified that this applicable for loans using a Community Second, the additional requirements apply:

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.

Product Guides were updated and are available in Section 500: Mortgage Programs:

- **Conventional Agency:** 3501, 3502, 3503, 3507; 3601, 3602, 3604, 3619; 3519; 3687, 3691
- **FHA:** 1001, 1002, 1004, 1005, 1024, 1025
- **Correspondent Overlay Matrices:** 1400.01, 1400.02, 1400.03, 1400.04

SEL-2022-043: Portfolio Product Guideline Expansion

Effective Date: Effective with Correspondent locks on and after of August 1, 2022.

U.S. Bank is pleased to announce the following updates to our Portfolio fixed-rate and ARM product suite:

- **Increase LTV to 80% for loans amounts ≤ \$2.0 MM** for 1-unit primary occupancy loans including purchase and rate/term refinances (*previously limited to \$1.5 MM*).
- **Increase LTV to 75% for loans amounts ≤ \$2.5 MM** for 1-unit primary occupancy loans including purchase and rate/term refinances (*previously limited to \$2.0 MM*).
- All loans > \$1.5 MM must be underwritten by U.S. Bank and are not eligible for delegated underwriting.

Product Guides were updated and are available in Section 500: Mortgage Programs:

- Portfolio Fixed Mortgages: 3776 - Non-Conforming Fixed 30 Year, 3784 - Non-Conforming Fixed 20 Year, 3777 - Non-Conforming Fixed 15 Year
- Portfolio Adjustable Rate Mortgages: 3309 - 7/1 ARM, 3317 - 10/1 ARM

Title Insurance 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

Reminder: W-9 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

Questions

U.S. Bank has updated our Title Insurance requirements as shown below:

U.S. Bank will accept a title policy issued by an American Land Title Association (ALTA) title company specially authorized by law or licensed to do business within the state where the property is located. Title insurance providers must be acceptable to Fannie Mae, Freddie Mac, and Ginnie Mae to be eligible as title insurers for loans purchased by U.S. Bank.

Title policies will be reviewed to ensure they meet U. S. Bank and investor requirements; any guideline violations are expected to be cleared within 90 days of loan purchase.

The title policy must contain the following:

- a. Insured Party in Schedule A – The original mortgagee

Please refer to the Seller guide for complete details including additional requirements.

Guide Update: 900: Delivery and Funding < M. Final Documentation

As a reminder, all loans submitted for purchase must include a W-9 form for the primary Borrower. The form is to be complete with the name, mailing address and Social Security number. It must be signed and dated.

Form W-9, Request for Taxpayer Identification Number and Certification, serves two purposes. First, it is used by third parties to collect identifying information to help file information returns with the IRS. It requests the name, address and taxpayer identification information of a taxpayer (in the form of a Social Security Number or Employer Identification Number). The form is never actually sent to the IRS, but is maintained by the person who files the information return for verification purposes. The information on the Form W-9 and the payment made are reported on a Form 1099.

The second purpose is to help the payee avoid back up withholding. The payer must collect withholding taxes on certain reportable payments for the IRS. However, if the payee certifies on the W-9 they are not subject to back up withholding they generally receive the full payment due them from the payer. This is similar to the withholding exemptions certifications found on Form W-4 for employees.

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



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.
