



# Seller Guide Update



SEL-2022-061: Multiple Topics

October 14, 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.



## Reminder: U.S. Bank Closed for Cause Watchlist 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

As a reminder, and as announced in **SEL-2022-055** on September 20<sup>th</sup>, U.S. Bank provided advance notice that in addition to screening at loan registration, we will soon update our U.S. Bank Closed for Cause Watchlist process as shown below effective with all loan underwriting package submissions and loans submitted for purchase on and after **October 20, 2022**.

### Additional Screening Points

Currently, all Correspondent borrowers are screened against the U.S. Bank Closed for Cause Watchlist at the time of loan registration in Lender Portal.

As part of the scheduled updates to this process, all Correspondent borrowers will now be screened at two new additional points **IF** changes have been made to the borrower's data elements. This can include but is not limited to changes to a borrower's personal information as noted in Section 1a of the Uniform Residential Loan Application (URLA), as well as adding an entirely new borrower who was not previously included at the time of loan registration.

Should a lender make changes to these data elements, the two new additional points of screening post-loan registration will include:

1. Loan Underwriting upon receipt of credit package
2. Loan Review upon receipt of the closing package

If no changes have been made to the data elements, additional screening will not occur.

### Manual Rescoring

For a loan in process possibly fitting the criteria outlined above, U.S. Bank suggests reaching out to our Client Support team at the time the change occurs so that we may be able to assist by proactively manually rescoring the loan to possibly avoid any potential processing delays.

**Guide Updates:** 400.2: Anti-Money Laundering (AML), Bank Secrecy Act (BSA), and Office of Foreign Asset Control (OFAC) Compliance Policy; 1160.32: Frequently Asked Questions: Account Closure for Cause

## Reminder: Geographic Market Restrictions

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input type="checkbox"/>	HFA Delegated
<input type="checkbox"/>	HFA Non-Delegated
Products	
<input type="checkbox"/>	Conv. (Freddie)
<input type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

As a reminder and as was published in **SEL-2022-059, effective with locks and/or relocks on or after October 17, 2022**, the following states have been identified as experiencing sustained home price appreciation above historical norms. In compliance with U.S. Bank Corporate Credit Policy, second mortgage product guidelines will be updated to reflect the maximum TLTV as outlined below:

The following states will now be limited to a maximum TLTV of 80%:

- Connecticut
- Louisiana
- Mississippi
- North Dakota
- Illinois
- Maine
- New Jersey
- West Virginia
- Iowa
- Maryland
- New Mexico
- Kansas
- Michigan
- New York

We continue to fully implement our new loan origination system (LOS), Lender Portal and expect to be able to update our system soon. However, to begin offering as quickly as possible, please contact our Client Support team using the options below if you have a loan that meets these criteria, as it will require Client Support assistance to register and lock the loan. Please have the loan/data elements needed to register/lock the loan available.

Client Support Team Contact Options	Details
Email	<a href="mailto:CorrespondentHelpdeskSupport@usbank.com">CorrespondentHelpdeskSupport@usbank.com</a>
Telephone	800.200.5881, option 1
Submit a Lender Portal Communication Request	Submit via the Communications Panel

**Guide Section:** The following product guides have been updated:

- 3104 USBHM Fixed Rate Second (15-Year Amortization)
- 3105 USBHM Fixed Rate Second (30-Year Amortization)

## 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 and areas in Florida have been declared as Presidential Disaster Areas with Individual Assistance.

- Agency, Portfolio, VA, and RD loans with subject properties located in the areas 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 areas 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
September 29, 2022	FL	<p><b>New: Palm Beach</b></p> <p><b>Previously published in SEL-2022-060:</b></p> <p>Flagler, Highlands, Lake, Orange, Osceola, Polk, Putnam, Seminole, St. Johns, Volusia</p> <p><i>Indian Reservations:</i> Big Cypress, Brighton, Fort Pierce, Hollywood, Immokalee, Tampa</p> <p><b>Previously published in SEL-2022-058:</b></p> <p>Charlotte, Collier, DeSoto, Hardee, Hillsborough, Lee, Manatee, Pinellas, Sarasota, Miccosukee Tribe</p>

Guide Section: 711.20 FHA – Natural Disaster Procedures, 712.21 VA - Natural Disaster Procedures, 713.20 - Natural Disaster Procedures, 714.1.10 - Natural Disaster Procedures, 715.20 RD - Natural Disaster Procedures

## Correspondent Sample Loan Disclosure Updates

We have made annual updates to our sample loan disclosure documents located in our Correspondent Seller Guide. These updates include removing sample loan disclosures for programs no longer offered by U.S. Bank, as well as updated revision dates of 10/2022.

Please note that these are sample disclosures only, lenders are responsible for providing upfront ARM disclosures which meet regulatory requirements.

**Guide Updates:** 1300: ARM Documents > Disclosures

## 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.