



# Seller Guide Update



SEL-2022-062: Multiple Topics

October 21, 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.



## Fannie Mae HomeReady Guideline Clarification

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

**Effective Date:** Effective with locks on and after October 21, 2022.

We have updated our Fannie Mae HomeReady guidelines to clarify and eliminate the following requirement:

### For loans with >95%LTV/TLTV/HTLTV:

- **Eliminated:**
  - at least one borrower must be a first-time homebuyer.
- **Remains unchanged:**
  - when all borrowers are first-time homebuyer's, homeownership education is required to be completed.
  - subordinate financing must be Community Second loan program. See subordinate financing section.
  - borrower must have a minimum of \$1,000 personal funds into the transaction when using subordinate financing.

### Client Support

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 Update:** 3519 (FNMA HomeReady Fixed Rate Program) has been updated.

## USDA Guaranteed Rural Housing Funding Update

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input 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 type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

[As announced by USDA](#), at the beginning of Fiscal Year 2023 (FY 2023), which began October 1, 2022, funding for USDA's Single Family Housing Guaranteed Loan Program (SFHGLP) was not available for a temporary time period. Effective October 18, 2022, Fiscal Year 2023 funding for Single-Family Guaranteed Housing Loans is now available

### Temporary Lapse of Funding

As announced in **SEL-2022-054**, during the temporary lapse of funding, U.S. Bank **continued to purchase** USDA Rural Housing loans with Conditional Commitments "*subject to the availability of commitment authority*" for purchase and refinance transactions.

### Final Documents - Final Conditional Commitment and Loan Note Guaranty

As a reminder, for loans purchased during the temporary lapse of funding, lenders are required to provide U.S. Bank the **final Conditional Commitment (RD 3555-18/18E)** and the **Loan Note Guaranty** once they are received from USDA as post-closing documentation requirements.

As referenced in the **Correspondent Seller and HFA Division Lending Guides (900: Delivery and Funding > M. Final Documentation)**, lenders are required to provide original loan documents for each loan purchased by U.S. Bank within 90 days from date of purchase. Loans without a Conditional Commitment are not eligible for purchase.

## 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	State	County
October 14, 2022	FL	Brevard, Glades, Hendry, Monroe, Okeechobee, Pasco
October 17, 2022	IL	St. Clair

**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

## 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.