



Seller Guide Update



SEL-2023-002: Multiple Topics

January 13, 2023

- 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 because 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.



Property with Two or More adjoining Parcels

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input 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

Effective Date: Loans registered on or after January 17, 2023

U.S. Bank is updating our property with two or more adjoining parcels policy as follows:

Loans secured by one parcel of land are permitted with no additional requirements. Loans secured by two parcels are permitted when the following guidelines are met:

- The parcels must be adjoining
- The entire Mortgaged Premises must contain only one dwelling unit. Limited additional non-residential improvements, such as a garage are acceptable.
- The residence or improvements may be built across the lot lines
- The Mortgage must be a valid First Lien covering each parcel
- Each parcel must have the same basic zoning (e.g., residential or agricultural)
- Each parcel must be conveyed in its entirety
- The site description must accurately describe the land and any improvements included on each of the parcels
- Parcels must be appraised together on one appraisal.

In addition, the appraiser must consider how the existence of more than one parcel, influences the value use and marketability of the property. All applicable zoning, acreage and property eligibility requirements must still be met.

Guide Updates: 714.1.9 Portfolio – Property

Truth in Lending Act (TILA) and Regulation Z – 2023 Updated Thresholds

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 guidelines to incorporate the 2023 rate thresholds for which the APR must not exceed the APOR for comparable transactions as of the date the interest rate is set. Updated 2023 rate thresholds are indicated in **green** below:

Transaction Type	Loan Amount (adjusted annually for inflation)	Percentage Points
First-lien covered transaction	Greater than or equal to \$124,331	2.25 or more percentage points
First-lien covered transaction	Greater than or equal to \$74,559 but less than \$124,331	3.5 or more percentage points
First-lien covered transaction	Less than \$74,599	6.5 or more percentage points
First-lien covered transactions secured by a manufactured home	Less than \$124,331	6.5 or more percentage points
First-lien covered transactions secured by a manufactured home	Greater than or equal to \$124,331	2.25 or more percentage points
Subordinate-lien covered transaction ¹	Greater than or equal to \$74,599	3.5 or more percentage points
Subordinate-lien covered transaction ¹	Less than \$74,599	6.5 or more percentage points

¹Not applicable to HFA: Subordinate-lien financing used by HFA are considered DPAs and are exempt from General QM Requirements.

Guide Updates: 400.19: Truth in Lending Act (TILA) and Regulation Z

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.