



# Seller Guide Update



SEL-2023-019: Multiple Topics

April 7, 2023

- 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.



## Fannie Mae SEL-2023-02: Valuation modernization

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
	HFA Delegated
	HFA Non-Delegated
Products	
	Conv. (Freddie)
X	Conv. (Fannie)
	Conv. (Portfolio)
	FHA
	VA
	Rural Development

## Reminder: Recent VA Form Updates

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
	Corr. EZD
X	Corr. Mandatory
X	HFA Delegated
X	HFA Non-Delegated
Products	
	Conv. (Freddie)
	Conv. (Fannie)
	Conv. (Portfolio)
	FHA
X	VA
	Rural Development

On March 1<sup>st</sup>, [Fannie Mae published SEL-2023-02](#) including their update on Valuation modernization which is transitioning to a range of options to establish a property's market value, with the option matching the risk of the collateral and loan transaction.

U.S. Bank is currently reviewing this information; however, we will not be aligning with these changes at this time and will not accept loans submitted that have the Value acceptance + property data designation on DU.

As a reminder, U.S. Bank does not currently accept loans submitted that have the ACE + PDR designation on LPA.

### Guide Update

We have updated our Correspondent Overlay Matrices as follows:

- 1400.01: Agency Overlays applicable to Delegated Correspondent Lending
- 1400.03: Agency Overlays applicable to Non-Delegated Correspondent Lending

**Effective Date:** Effective with new loan applications taken on and after April 1, 2023.

As a reminder, and as recently shared by VA, please note the following recent updates:

- **VA Form 26-6393 – Loan Analysis**
  - Updated with additional information on lines 45 through 52 that is intended to capture information used in determining the borrower's ability to qualify for a VA home loan and should be completed for all loans that require use of this form.
    - For non-supervised lenders with automatic authority, please note that VA home loans to be closed on the non-supervised automatic basis must be reviewed and decided by a VA-approved underwriter.
    - If a lender uses an AUS to assist in the processing of a loan, the underwriter's signature is not required on the VA Form 26-6393, but a VA-approved underwriter must still determine whether or not to approve the loan. The VA underwriter ID number for the approving underwriter should be entered in box 52 of the new form.
- **VA Form 26-1820 – Report and Certification of Loan Disbursement**
  - Revised and is used to report a loan to VA for guaranty upon closing. Lenders must complete the form on every VA guaranteed, or insured loan.
- **VA Form 26-1802a - HUD/VA Addendum to Uniform Residential Loan Application**
  - No longer required with the use of the new VA Form 26-1820. Lenders are reminded that VA Form 26-1820 should be fully completed and executed by the borrower, and co-borrower (if applicable) at the time of loan closing.

**Reference:** Find a VA form [here](#) by searching a keyword, form name, or form number.

## Reminder: Final Document Delivery Penalties

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
X	HFA Delegated
X	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
X	Conv. (Portfolio)
X	FHA
X	VA
X	Rural Development

**Effective Date:** For loans closed on and after May 1, 2023.

As a reminder, and as published in **SEL-2023-018**, as stated in Section 640.2 of the Correspondent Seller and HFA Lending Guide, U.S. Bank requires that all accurate/correct final documents be delivered to U.S. Bank within 90-days of loan purchase.

As a reminder, if all accurate/correct final documents required are not delivered to U.S. Bank within the allotted time frame, U.S. Bank may assess a \$50 monthly penalty fee per deficient loan. Billing notifications are delivered once a month for outstanding final documents from the previous month and are due within 30-days from billing date.

- **For loans closed prior to May 1, 2023, fees will apply** if all accurate/correct final documents are not received by U.S. Bank within **180-days** of purchase (when final documents are 90-days past due).
- **For loans closed May 1, 2023, and after, fees will apply** if all accurate/correct final documents are not received by U.S. Bank within **120-days** of purchase (when final document are 30-days past due).

When delivering final documentation, please remember to allocate and account for adequate time for U.S. Bank to perform our loan review of the associated loan documents.

**Guide Update:** 640.2: Final Document Delivery Penalties

## Reminder: New Email Communication Process

As a reminder and as published in **B-2023-13** on March 21<sup>st</sup>, U.S. Bank began publishing communications to our valued Correspondent and HFA lenders utilizing a new email distribution platform and new email templates. The new platform provides us the opportunity to share the same information you are used to receiving from U.S. Bank in a streamlined, more user-friendly platform. **Please also note a correction to the email address within the 'Prepare your systems now' section.**

**The following items are now emailed from our new email platform:**

- All Correspondent Rate Sheets (Delegated, Non-Delegated and Easy D)
- Lender Communications
  - Bulletins
  - Seller Guide Updates
  - Best Practices
  - Pricing Flashes
  - Webinars and training invitations
  - Other special communications including conference and event participation

**Prepare your systems:** If you have not already, to ensure that your organization receives all email communications from U.S. Bank, please make sure that you and your teams add the following email address to your address book:

- [1800USBanks@mail.usbank.com](mailto:1800USBanks@mail.usbank.com)

From time to time, we also publish customized and targeted special lender communications from our Inside Sales Support team. In order to ensure your teams receive these communications, please also add the following email address to your address book:

- [InsideSalesSupport@usbank.com](mailto:InsideSalesSupport@usbank.com)

As mentioned, you will continue to receive the same content as you normally do, but it will now be delivered from our new platform with refreshed and updated email templates. Please refer to **B-2023-13** for complete details including samples of the new email templates.

**Reminder:  
Coming Soon:  
Owensboro, KY  
Address Changes**

In **SEL-2023-015** published on March 23<sup>rd</sup>, we announced that U.S. Bank will soon require address changes for the following impacted areas **effective April 21, 2023**. We have also included an identifier for Correspondent and HFA, as applicable with Yes/No indicators.

Current Address	New Addresses (as of April 21, 2023)
4801 Frederica Street Owensboro, KY 42301	See Below for applicability (Revised Address/Information Section)

**Impacted Areas/Documents**

Functional Area/Documents	Corr.	HFA	Revised Address/Information
<b>Payments Received by Lender</b> To be used only if a payment is received by the lender <u>after</u> U.S. Bank purchases the loan. Payments received should be sent using overnight delivery. <b>Note: This will <u>not</u> impact the existing address for the Servicing Transfer Letter.</b>	Y	Y	U.S. Bank Home Mortgage Attn: Payment Processing Mail code: CN-KY-APPP 3751 Airpark Drive Owensboro, KY 42301
<b>Final Documents</b> For submitting final documents to U.S. Bank.	Y	N	U.S. Bank Home Mortgage Centralized Image Capture CN-KY-HPSC 3151 Highland Pointe Drive Owensboro KY, 42303
<b>MERS Assignments</b> Address for all MERS Assignments.	Y	Y	U.S. Bank National Association its successors and/or assigns: 2800 Tamarack Road Owensboro, KY 42301
<b>Corporate Assignment</b> AKA Assignment of Mortgage, Transfer of Lien, Assignment of Security Deed	Y	Y	U.S. Bank National Association is the beneficiary of the Assignment. Assignments should be made to: U.S. Bank National Association 2800 Tamarack Road Owensboro, KY 42301 its successors and/or assigns.
<b>Guaranteed Rural Housing Mortgagee Record Change</b> Process the Mortgagee Record Change via the Conditional Commitment, GRH (USDA). This action transfers the servicing rights to U.S. Bank N.A.	Y	Y	Address: PO BOX 20005 ( <i>no change</i> ) 2800 Tamarack Road Owensboro, KY 42301
<b>HFA DocVelocity User Manual - Checks</b> For cure payments from lenders for loans submitted through DocVelocity, send payment to.	N	Y	U.S. Bank Attn: Payment Processing Mail code: CN-KY-APPP 3751 Airpark Drive Owensboro, KY 42301
<b>Correspondent: 1100: Exhibits, Forms, &amp; Checklists</b>			
<b>1141.1: Conventional Closed Loan Documentation Delivery Requirements</b>	Y	N	<ul style="list-style-type: none"> <li>Final Documents</li> </ul>
<b>1141.2: Government Closed Loan Documentation Delivery Requirements</b>	Y	N	<ul style="list-style-type: none"> <li>Final Documents</li> <li>Correspondent Fulfillment Center</li> </ul>
<b>1160.7: Final Doc Delivery Cover Sheet</b>	Y	N	Address change made to 'Send to' address.

## Disaster Area Declarations

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
X	HFA Delegated
X	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
X	Conv. (Portfolio)
X	FHA
X	VA
X	Rural Development

The following counties and areas 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
March 30, 2023	MS	Carroll, Humphreys, Monroe, Montgomery, Panola, and Sharkey
April 2, 2023	AR	Cross, Lonoke, and Pulaski
April 3, 2023	CA	Kern, Mariposa, Monterey, San Benito, Santa Cruz, Tulare, and Tuolumne

**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.