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Seller Guide Update



SEL-2023-029: Agency Underwriting Changes, Government ARM Change Dates

May 19, 2023

- □ Correspondent Lending

Agency Underwriting Changes

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

Effective Date: Immediately

U.S. Bank is announcing our alignment to the recent updates to Agency Guidelines impacting the following:

• Real estate tax abatements and exemptions

Real estate tax abatements and exemptions

When there is a partial or complete real estate tax abatement on the property, or the borrower is exempt from real estate taxes, you may use the reduced real estate tax amount in the monthly housing expense calculation or exclude the real estate tax amount from the monthly housing expense calculation, as applicable.

The mortgage file must contain evidence of the tax abatement or exemption, and the documentation must show that the tax abatement or exemption will continue for at least five years after the Note Date.

If the tax exemption is due to the borrower's age or disability, documentation verifying five years' continuance is not required, provided; however, the exemption must not have a predetermined expiration date within five years of the Note Date.

End of Cycle
Coming Soon Government
ARM Change
Dates

As a reminder, we are quickly approaching the end of a cycle to accept specific change dates for FHA/VA ARM loans as follows:

- Last Day to Purchase May 22, 2023, was the last day to purchase FHA/VA ARM loans with an July 1, 2028 change date.
- Loans Purchased and Change Date Requirements Loans purchased after May 22, 2023 must have a October 1, 2028, change date.

This applies to all loans that are scheduled to be delivered or have been delivered.

Guide Update: 1300: ARM Documents > Disclosures > FHA/VA ARM Change

Dates

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.





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