



Seller Guide Update



SEL-2023-040: Multiple Topics

July 14, 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.



**Reminder:
Secured
Overnight
Financing Rate
(SOFR) ARMs
Coming Soon**

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

As published in **SEL-2023-036** on July 7th, U.S. Bank is pleased to announce that we will soon offer our Conventional Agency Secured Overnight Financing Rate (SOFR) ARM products **effective with new loan registrations on and after July 17, 2023.**

We would like to take a moment to provide you with advance notice of the new offerings and important information that will assist you in preparation to take advantage of the new Agency Conforming and Super Conforming SOFR ARM products including:

- 3863 FNMA Conf. 7/6 ARM (5/1/5)
- 3864 FHLMC Conf. 7/6 ARM (5/1/5)
- 3865 FHLMC Super Conf. 7/6 ARM (5/1/5)
- 3866 FNMA Conf. 10/6 ARM (5/1/5)
- 3867 FHLMC Conf. 10/6 ARM (5/1/5)
- 3868 FHLMC Super Conf. 10/6 ARM (5/1/5)

Note: In [Fannie Mae's Selling Guide Announcement SEL-2023-05](#) published on June 7th, they announced updates to the qualifying rate for 7- and 10-year ARMs. Lenders may take advantage of this policy change immediately for manually underwritten loans. It will be implemented in DU the weekend of Aug. 19, 2023. U.S. Bank will align with the DU implementation.

Please refer to **SEL-2023-036** for complete details.

**Address Change
Reminder: Final
Document
Delivery Penalties
Fees**

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: Immediately, but no later than August 11, 2023.

As is referenced in Section 640.2 of our Correspondent Seller and HFA Lending Guides, if a lender does not deliver all accurate/correct final documents required for any mortgage loan to U.S. Bank within 120 days of purchase, U.S. Bank may assess a \$50 monthly penalty fee per deficient mortgage loan.

Updated Penalties/Fee Address

Effective immediately, we have updated the address used for lenders to submit fee payments for outstanding Final Document penalties. Please send checks to U.S. Bank to:

New Address (May begin using immediately)	Current Address (Will no longer be active beginning August 11, 2023)
U.S. Bank Attention J. Spradlin 3151 Highland Pointe Dr Owensboro, KY 42303-7836	U.S. Bank Attention: S. Deininger 6000 Lombardo Center Ste. 100 Seven Hills, OH 44131

Important Notes:

- We have already updated our monthly letter that includes the Final Document Tracking Report which is sent to your company each month in an effort to keep you informed of your outstanding final loan documentation for the mortgage loans you have sold to U.S. Bank.
- This address change is for **Final Document Penalty Fees** only and **does not** impact the address used for sending in Final Documents as stated in our guides.

Awareness: Updates to USDA RD HB-1-3555

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

The USDA Single Family Housing Guaranteed Loan Program (SFHGLP) recently announced revisions to technical [Handbook-1-3555](#), Chapter 5, Origination and Underwriting Overview; Chapter 13, Special Property Types; Chapter 15, Submitting the Application Package; and Appendix 4, Agency Contact Information. These changes became effective upon the recent issuance of a [Procedure Notice \(PN\)](#). Below are the highlighted revisions:

Chapter 5 – Origination and Underwriting Overview

- Paragraph 5.3 was revised to indicate that GUS is mandatory for all supported applications and clarified that prior to a GUS Final Submission, the lender is responsible for uploading all required documents outlined in Attachment 15-A, Loan Origination Checklist.

Chapter 13 – Special Property Types

- Paragraph 13.3 was revised to add guidance on appraisals for units in a community land trust.
- Paragraph 13.4, Restrictions on Resale Price, was added to provide additional guidance and to clarify that restrictions on resale are not limited to properties located in a community land trust.
- Paragraph 13.6 was revised to define and provide guidance for lending on Native American restricted land.
- Paragraph 13.7 was added to provide guidance for loans made on Hawaiian Home Lands.
- Paragraph 13.8 was revised to expand the definition of manufactured homes.
- Paragraph 13.9 was revised to provide clarification that manufactured homes must have been built within 12 months of the purchase contract, as well as provides guidance on how to locate the manufacture date and how to obtain an alternative to the original HUD Certification Label, when necessary.

Chapter 15 – Submitting the Application Package

- Paragraph 15.2 was revised to clarify that closing a loan prior to receiving a Conditional Commitment from the Agency will render the loan ineligible for a Loan Note Guarantee.
- Paragraph 15.3 was revised to add instructions on how to submit manually underwritten loans to the Agency.
- Paragraph 15.6 was revised to reflect the automated process used to receive a Conditional Commitment and clarified the lender is responsible for informing the Agency when missing documentation has been uploaded for review.
- Attachment 15-A was revised to indicate that appraisals must be in color and clarified that a Verification of Rent is only applicable when a rental history is indicated.

Appendix 4 – Agency Contact Information

- Updated the contact information for the SFHGLP to align with the Agency's current structure.

Please refer to the USDA Single Family Housing Guaranteed Loan Program (SFHGLP) technical [Handbook-1-3555](#) for complete details.

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.