



# Seller Guide Update



SEL-2023-043: Multiple Topics

July 28, 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.



## Enhanced Correspondent Product Guidelines

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)
X	Conv. (Portfolio)
X	FHA
X	VA
X	Rural Development

We have recently enhanced our Correspondent Product Guidelines within Section 500 of our AllRegs library as follows:

- Mortgage Programs Library Organization** – we have updated the Mortgage Programs library and product headings so that products are more closely aligned to the main product category as shown below:

Mortgage Programs (Section 500)		
Product	Product Guide	
<b>Product Matrix</b>	➤ Agency/Government/USBHM Portfolio/Second Mortgage/Construction Conversion	
<b>Agency</b>	<ul style="list-style-type: none"> <li>➤ Conforming Fixed Fannie Mae</li> <li>➤ Conforming SOFR ARM Fannie Mae</li> <li>➤ HomeReady Fixed Fannie Mae</li> <li>➤ Conforming Fixed Freddie Mac</li> <li>➤ Conforming SOFR ARM Freddie Mac</li> </ul>	<ul style="list-style-type: none"> <li>➤ Jumbo Fixed Freddie Mac</li> <li>➤ Jumbo SOFR ARM Freddie Mac</li> <li>➤ LPMI Fixed Freddie Mac</li> <li>➤ Home Possible Fixed Freddie Mac</li> <li>➤ Manufactured Housing Fixed Freddie Mac</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>➤ FHA Fixed/Jumbo/Buydown/ARM</li> <li>➤ FHA 203K               <ul style="list-style-type: none"> <li>➤ Limited 203K Manual</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ VA Fixed/Jumbo/ARM</li> <li>➤ USDA</li> </ul>
<b>USBHM Portfolio</b>	<ul style="list-style-type: none"> <li>➤ Jumbo Fixed</li> <li>➤ Jumbo LPMI Fixed</li> </ul>	<ul style="list-style-type: none"> <li>➤ ARM 7/1 – 10/1</li> <li>➤ Jumbo LPMI ARM 10/1ARM</li> </ul>
<b>USBHM Second</b>	<ul style="list-style-type: none"> <li>➤ Fixed</li> </ul>	<ul style="list-style-type: none"> <li>➤ 1 Year ARM</li> </ul>
<b>Construction Conversion</b>	<ul style="list-style-type: none"> <li>➤ Construction Conversion</li> </ul>	<ul style="list-style-type: none"> <li>➤ Construction Conversion Financing FAQ's</li> </ul>
<b>Other Documents</b>	<ul style="list-style-type: none"> <li>➤ Manufactured Housing</li> <li>➤ Eligible States</li> </ul>	<ul style="list-style-type: none"> <li>➤ Approved Assistance Program</li> <li>➤ Expired Product Guidelines</li> </ul>

- Printable ‘PDF’ Version** – The PDF-printable version document has been reformatted for ease-of-use including alphabetizing the sections of the document, as well as overall updates for clarity.
- Product Matrix** – we have enhanced the overall presentation of the Product Matrix so that it also aligns now more closely to the products listed above. Additional updates were also made for overall ease-of-use.

Note: No changes to eligibility guidelines have been made.

## Condo Project Advisor Project Assessment Request (PAR) Enhancement

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

## MGIC Homebuyer Education

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

[Freddie Mac issued Bulletin 2023-15](#) on July 5<sup>th</sup> announcing that effective for mortgages with Settlement Dates on or after September 4, 2023 (lenders may implement for mortgages with Settlement Dates on or after July 28, 2023, if they are operationally able to do so) that they are enhancing the Project Assessment Request (PAR) capability in Condo Project Advisor to add a new status called “Project Certified.”

As shared by Freddie Mac, when Condo Project Advisor finds that a project complies with the requirements for Established Condominium Projects and is not an ineligible project, it will assign a “Project Certified” status. See Guide Section 5701.1(e) for all requirements for Project Certified status and details on what Condo Project Advisor assesses and does not assess for Project Certified status.

For Mortgages with a Project Certified status PAR finding, the Note Date must be within 120 days of the issue date of the Condo Project Advisor Feedback Certificate.

**U.S. Bank is currently reviewing this information for overall business readiness and will advise in a future communication once ready to accept the new status, including any additional eligibility and/or requirements.**

**Effective Date:** Effective with locks on and after July 31, 2023

MGIC has partnered with Finally Home! to provide Homebuyer Education. Finally, Home! is provided by a HUD Certified Housing Counseling Agency and exceeds the National Industry Standards for Homeownership Education and Counseling. **U.S. Bank is aligning with acceptance beginning with locks on and after July 31, 2023.**

### How the Finally Home! Education program works

- The Finally Home! program is comprised of seven chapters that guide a borrower through the homebuying process from start to finish.
- Borrowers must complete all chapters to receive their certificate of achievement.
- Once completed, the course certificate will become available for download.
- The program is designed to be taken at leisure. Borrowers may log in and log out as needed.

### Product Guidelines and Homebuyer Education Requirements

Please refer to the following updated Product Guidelines for complete details including all Homebuyer Education requirements:

- Agency HomeReady Fannie Mae
- Agency Conforming Fixed Fannie Mae
- Agency Home Possible Fixed Freddie Mac
- Agency Conforming Fixed Freddie Mac

## 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 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.**

## 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 have been declared as Presidential Disaster Areas with Individual Assistance.

- Agency, Portfolio, VA, and RD loans with subject properties located in counties listed below that have not CLOSED by the Disaster Declaration Date must follow the requirements listed in in AllRegs.
- FHA loans with subject properties located in the counties 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
July 21, 2023	VT	Caledonia and Orange

**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

## Reminder: Supplemental Consumer Information Form (Form 1103) for FHA Loans

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)
X	FHA
	VA
	Rural Development

**Effective Date:** The new Supplemental Consumer Information Form (Form 1103) must be present in all FHA loans delivered to U.S. Bank with application dates on or after August 28, 2023.

As was originally published in **SEL-2023-041**, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2023-13 on June 27<sup>th</sup>](#), announcing the requirement for the *Supplemental Consumer Information Form*. The Supplemental Consumer Information Form (SCIF) contains information about the borrower's language preference, if any, and any homeownership education and housing counseling the borrower may have received. This ML requires mortgagees to provide prospective forward mortgage borrowers with the SCIF at the time of application, and to submit this information to FHA as part of the lender's required loan application data submissions. **Borrowers may elect to provide their lenders with no information, some information or all the information requested in the SCIF. FHA loans delivered for purchase should include at least one SCIF form with at minimum one borrower name present on the form. A blank form is acceptable as long as it has the borrower name.**

### SEL-2023-009: SCIF (Form 1103) For Conventional Agency Loans

As a reminder and as published in SEL-2023-009 on February 10, 2023, this requirement further compliments the requirement for Form 1103 to be present in all Conventional Agency loans delivered to U.S. Bank with application dates on or after March 1, 2023 of this year.

### FHA Resources

Please refer to the FHA ML Letter for complete details:

[Mortgagee Letter \(ML\) 2023-13](#)

## 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.