



# Seller Guide Update



SEL-2023-050: Multiple Topics

September 1, 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.



## Freddie Mac Unplanned Buydown

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

## Loan Collateral Advisor Warning Messages and Unacceptable Appraisal Practice Policy

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

**Effective Date:** Immediately

Freddie Mac announced the elimination of Unplanned Buydown guidelines.

Freddie Mac eliminated the unplanned buydown with Pools settled on or after August 1, 2023. All buydowns paid by an interested party will follow the interested party contribution guidelines published in the Freddie Mac Selling guide section [5501.5: Interested party contributions](#).

As awareness, on June 29, 2023, Freddie Mac [published](#) that Loan Collateral Advisor® was adding new feedback messages that alert users when subjective and/or potentially biased words or phrases are included in appraisal reports submitted to the Uniform Collateral Data Portal® (UCDP®). These messages are intended to help identify potential issues and to assist in compliance with Freddie Mac *Single-Family Seller/Service Guide* requirements (Guide [Section 5603.4](#) Unacceptable appraisal practices). This followed their original announcement previously shared in [April](#).

As part of their prior announcement, they also noted that, for certain words and phrases, the Warning message would transition to a Fatal message in Q4. **The date for this transition has been set for October 26, 2023.**

Warning messages **do not** currently prevent successful appraisal submission to UCDP or the delivery of the loan to Freddie Mac; however, beginning in October when the Warning messages transition to Fatal, the Fatal message will prevent submission of the appraisal to UCDP and delivery of the loan to Freddie Mac.

Lenders are encouraged to take proactive steps such as enhancing procedures and training to ensure unsuccessful appraisal submissions are addressed and minimize delays in origination turnaround times. NOTE: Messages will show in Loan Collateral Advisor and on the Submission Summary Report (SSR) shared in UCDP.

### Additional Resources

- [Q&A: Focus on the Right Words and Phrases for More Objective Appraisal Reports](#)
- [New Feedback Messages](#)
- [Loan Collateral Advisor Feedback Messages List](#)
- [UCDP Feedback Messages List](#)
- [Guide Section 5603.4](#)
- [Loan Collateral Advisor](#)
- [Collateral Evaluation and Appraisal Resources Page](#)

## 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 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
August 31, 2023	Florida	Citrus, Dixie, Hamilton, Lafayette, Levy, Suwannee, Taylor

**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.