



# Seller Guide Update



SEL-2023-056: Multiple Topics

September 22, 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.



## USDA Guaranteed Rural Housing Funding Update

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
	VA
X	Rural Development

[As announced by USDA](#), at the beginning of Fiscal Year 2024 (FY 2024), which will begin October 1, 2023, funding for USDA’s Single Family Housing Guaranteed Loan Program (SFHGLP) will not be available for a temporary time period.

### Temporary Lapse of Funding

During the temporary lapse of funding, Rural Development will issue Conditional Commitments (Form RD 3555-18/18E) “*subject to the availability of commitment authority*” for purchase and refinance transactions.

U.S. Bank will continue to purchase USDA Rural Housing loans during the temporary lapse with Conditional Commitments “*subject to the availability of commitment authority*” for purchase and refinance transactions.

### Final Documents - Final Conditional Commitment and Loan Note Guaranty

Lenders will be required to provide U.S. Bank the **final Conditional Commitment (RD 3555-18/18E)** and the **Loan Note Guaranty** once they are received from USDA as post-closing documentation requirements. As referenced in the **Correspondent Seller and HFA Division Lending Guides (900: Delivery and Funding > M. Final Documentation)**, lenders are required to provide original loan documents for each loan purchased by U.S. Bank within 90 days from date of purchase.

#### Notes:

- Loans without a Conditional Commitment are not eligible for purchase.
- In the event of a Government Shutdown, additional guidance may be required.

## Awareness: Updated GSE Security Instrument/Note

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

As an awareness item, on July 7, 2021, the GSEs announced updates to their uniform instruments with a mandatory use requirement as of January 1, 2023.

The 2023 GSE Forms no longer align with FHA’s 2015 instructions, which set forth FHA-specific modifications based on the 2001 GSE legal documents (2001 GSE Forms). As a result, FHA published instructions to its Single Family Mortgage Model Documents webpage that provides the FHA-specific modifications required for the 2023 GSE Forms now in use by the GSEs.

As a point of clarification, FHA is not requiring the use of the 2023 GSE Forms; however, if a Mortgagee does utilize the 2023 GSE Forms, they are advised that FHA has added instructions on the FHA-specific modifications that must be made to the 2023 GSE Forms to be acceptable for FHA mortgage insurance.

Lenders are encouraged to review [Mortgagee Letter 2023-01 \(01/20/23\)](#) and the [Single Family Model Documents webpage](#) for complete details.

U.S. Bank currently accepts both versions of forms.

**Coming Soon:  
Original Note  
(Note Vault)  
Address Change**

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:** Original Notes delivered on and after October 1, 2023.

As a reminder, and as published in **SEL-2023-052**, U.S. Bank will soon update the address for all original Notes delivered to U.S. Bank for both Correspondent and HFA as shown in **green** below:

New Address	Current Address <i>(Will no longer be active beginning September 30, 2023)</i>
U.S. Bank Attention: Note Vault <b style="color: green;">6<sup>th</sup> Floor</b> 9380 Excelsior Blvd. Hopkins, MN 55343	U.S. Bank Attention: Note Vault <b style="color: red;">5<sup>th</sup> Floor</b> 9380 Excelsior Blvd. Hopkins, MN 55343

**Warehouse Banks:** If your Notes are delivered directly to us from your Warehouse Bank, please instruct your Warehouse Bank:

- To update the address as shown above for Notes delivered to U.S. Bank.
- Attach the Note to a cover sheet, which reflects the U.S. Bank loan number, borrower’s name, and the property address. In addition, the Note should be accompanied with the Bailee Letter.

**Guide Updates:** Upon the effective date, we will update the applicable sections of the Correspondent Seller and HFA Lending 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 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
September 9, 2023	GA	Cook, Glynn, Lowndes

**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.