



Seller Guide Update



SEL-2024-006: Multiple Topics

February 2, 2024

- Correspondent Lending
- Housing Finance Agency (HFA)

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Summary



U.S. Bank Correspondent Seller and HFA Lending Guides

The items listed above have recently been updated in the Correspondent Seller and HFA Lending Guides, specific to Loan Delivery, Underwriting and Credit Policy.

- 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 Correspondent Seller and HFA 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 always be utilized as the source of truth.
- As a reminder, U.S. Bank publishes a monthly summary of all Correspondent and HFA communications published for the previous month. This summary is intended to assist you in making sure your organization received and read all U.S. Bank communications published during the prior month. All documents are published in our Correspondent and HFA Communications libraries in Section 1000 of AllRegs:
 - 1010: Bulletins
 - 1011: Seller Guide Updates
 - 1012: Best Practices
 - 1013: Pricing Flashes

Underwriting, Delivery, and Product Grids

For overall ease of use, we have enhanced our communications to include underwriting and delivery method checkboxes to each section when applicable.

You'll also find grids that outline the applicable products.

Effective Date

Immediately unless otherwise noted within each section.



Reminder Awareness: Condo Project Advisor Project Assessment Request (PAR) Enhancements

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

Effective Date: Requirements pertaining to the Not Eligible status are effective February 26, 2024.

As originally published in **SEL-2024-003**, as a point of awareness, on December 6, 2023, Freddie Mac published [Bulletin 2023-24](#) announcing they are enhancing Condo Project Advisor Project Assessment Request (PAR) to include a new PAR finding status, Not Eligible, to indicate that a project does not meet certain project review and general eligibility requirements.

Freddie went on to share that a mortgage secured by a Condominium Unit in a Condominium Project that receives a Not Eligible status is ineligible for sale to Freddie Mac and will be identified as such in Condo Project Advisor (CPA), Loan Product Advisor (LPA), Loan Quality Advisor® (LQA) and Loan Selling Advisor (LSA). Condominium Projects that do not receive a Not Eligible status must still be assessed for compliance with all applicable requirements.

Loan Product Advisor (LPA) Feedback Messages - Condominium Projects: Not Eligible Status Messages

Freddie Mac has also published updated [feedback messages](#) to support updates to the condo project policy announced in Bulletin 2023-24.

- When a loan is submitted to LPA and the Project Legal Structure type is “Condominium,” an LPA service will run an internal check to identify whether the project is one that has a Not Eligible status in Condo Project Advisor®. If the project has this status, LPA will return a message identifying the reason for the ineligibility and indicating that Freddie Mac will not purchase the loan secured by the condo unit in the condo project.
- With this new feedback message, Freddie Mac is assisting their sellers early in the origination process in identifying condo projects that do not meet their requirements.
- They have also added an informational message in the Collateral section of the feedback certificate to alert users when Condo Project Advisor is not available and thus the project has not been assessed for a Not Eligible status.

Easy D Delivery (LQA Green)

For lenders delivering loans via Easy D delivery, when a loan is processed through LQA and the address matches an address to an ineligible project, a delivery edit will be triggered. This will not change the risk assessment; however, Easy D lenders could receive a LQA green, but would be ineligible for delivery. Lenders should review for the purchase eligibility messages to ensure there are no ‘Not eligible’ status messages.

Additional Resources

Freddie Mac

- [Bulletin 2023-24](#) (12/6/23)
- Feedback Messages - More information on the new Output (including feedback messages) can be found on [Resources & Learning - Freddie Mac Single-Family](#).
- Frequently Asked Questions (FAQs) - updated [FAQs](#) for more information.

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
January 7, 2024	RI	Providence

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.