



Seller Guide Update



SEL-2024-024: Multiple Topics

June 14, 2024

- Correspondent Lending
- Housing Finance Agency (HFA)

Table of Contents **The following topics are included in this update:**

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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 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.



**Awareness:
Reconsideration
of Value (ROV)**

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

Effective Dates:

- **Fannie Mae/Freddie Mac:** Applications received on and after August 29, 2024.
- **FHA:** The provisions of the HUD ML may be implemented immediately but must be implemented for FHA case numbers assigned on or after September 2, 2024.

Fannie Mae, Freddie Mac and the U.S. Department of Housing and Urban Development (HUD) recently announced updates regarding their requirements to Reconsideration of Value (ROV) processes.

Among the updates communicated, the intent is to develop a framework for lenders to review and respond to a borrower-initiated reconsideration of value (ROV). The lender’s policies and procedures must include steps for the borrower(s) to appeal an appraisal. Regardless of the outcome of the ROV, the lender is responsible for ensuring the appraisal report and opinion of value are reliable, adequately supported, and that the borrower’s concerns with the valuation are addressed in a timely manner.

Lenders are encouraged to review **all** GSE/Government communications linked below to review specific requirements relevant to any process changes required.

Additional Resources

- Freddie Mac
 - [Bulletin 2024-6](#) (5/1/2024)
 - [Bulletin 2024-7](#) (6/5/2024)
- Fannie Mae
 - [Selling Guide 2024-03](#) (5/1/2024)
- HUD
 - [Mortgagee Letter 2024-07](#) (5/1/2024)

Note: As of the time of this publication, neither USDA nor VA have issued recent ROV communication.

**Correspondent
Final Documents
Address Change
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) |
| X | Conv. (Portfolio) |
| X | FHA |
| X | VA |
| X | Rural Development |

As a reminder and as originally published in **SEL-2024-020**, beginning **June 28, 2024**, all **Correspondent Final Documents** should be delivered to the following address:

| Current Address | New Address (beginning 6/28/24) |
|---|--|
| <p>U.S. Bank National Association Attn: Centralized Image Capture (CIC) CN-KY-HPSC 3151 Highland Pointe Drive Owensboro, KY 42303-7836</p> | <p>U.S. Bank National Association Attn: Centralized Image Capture (CIC) CN-KY-MSMI 800 Moreland Street Owensboro, KY 42301-2046</p> |

Note: This change is for **Correspondent only** and does **not** impact HFA loans.

Guide Updates: U.S. Bank Correspondent Lending > 900: Delivery and Funding > M. Final Documentation

Attorney Opinion of Title Requirements

| 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) |
| | FHA |
| | VA |
| | Rural Development |

U.S. Bank has updated Section 900 of our Correspondent Seller and HFA Lending Guides to include Agency requirements specific to Attorney Opinion of Title as follows. Please note that updates are in **green** in AllRegs for ease of review:

- Fannie Mae and Freddie Mac have expanded the types of loans allowing Attorney Opinion of Title (following requirements) in lieu of the title insurance policy. The additions include:
 - Condominiums.
 - Properties subject to restrictive agreements or restrictive covenants.
 - Properties located in U.S. jurisdictions unless prohibited by law or identified as an ineligible transaction.
- Note: Attorney Opinion of Title is not applicable on the following loan types:
 - Community Land Trust
 - Cooperatives (Fannie Mae only)
 - Homestyle Energy/Homestyle Renovation (Fannie Mae only)
 - Leasehold
 - Manufactured
 - Power of Attorney
 - TX50(a)(6)

Attorney Opinion of Title product eligibility includes:

- Permitted on Conventional Agency following agency guidelines.
- Permitted on U.S. Bank Portfolio only in states that do not permit title insurance (refer to Section 714.1.8).
- Not permitted on, FHA, VA, and USDA.

Guide Update: Section 900: Delivery and Funding > M. Final Documentation

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 |
|------------------|-------------|--|
| June 5, 2024 | Arkansas | Baxter |
| June 10, 2024 | Mississippi | Hancock, Hinds, Humphreys, Madison, Neshoba, Scott |

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.