



Seller Guide Update



SEL-2024-032: Multiple Topics

August 9, 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 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.



ACE and Value Acceptance Now Available for HFA Lending

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

Effective Date: Effective with new HFA loan reservations on and after August 9, 2024.

We are pleased to announce that U.S. Bank will now permit the use of Freddie Mac's ACE and Fannie Mae's Value Acceptance appraisal waivers for eligible conventional appraisals, as defined by Freddie Mac and Fannie Mae.

Freddie Mac's Loan Product Advisor® (LPASM) ACE

Loan Product Advisor® (LPASM) ACE leverages proprietary models, historical data and public records to allow lenders to underwrite certain loans without an appraisal. The lender submits the loan to LPA, specifying the estimated property value (refinance transaction) or the sales contract price (purchase transaction) for the mortgaged premises.

If the analysis determines the risk is acceptable, the LPA Feedback Certificate indicates the loan is eligible for collateral rep and warranty relief with ACE and the lender can originate the loan without a traditional appraisal.

Fannie Mae's Value Acceptance (Appraisal Waivers)

Value acceptance is Fannie Mae's offer to accept the lender-submitted value (with no appraisal requirement) for eligible transactions. As part of the risk analysis, DU assesses the reasonableness of the lender's estimated value for the property and recommends the minimum level of collateral due diligence that must be performed for the loan to be delivered to Fannie Mae.

Loan casefiles that are eligible for value acceptance will receive a message indicating the availability of value acceptance.

Note: Please check with your respective HFA to determine if the HFA allows ACE/Value Acceptance. Also, U.S. Bank will not accept loans submitted that have the Value acceptance + property data designation on DU, or the ACE + PDR designation on LPA.

Additional Resources

Freddie Mac

- [Automated Collateral Evaluation \(ACE\)](#)
- [ACE Frequently Asked Questions \(FAQ\)](#)
- [5602.3: Automated collateral evaluation \(ACE\) – appraisal waiver \(06/06/2024\)](#)

Fannie Mae

- [Value Acceptance \(Appraisal Waivers\) Fact Sheet](#)
- [Value Acceptance \(Appraisal Waivers Frequently Asked Questions \(FAQ\)\)](#)
- [B4-1.4-10, Value Acceptance \(Appraisal Waiver\) \(03/01/2023\)](#)

HFA Lending Guide Updates: The following sections of the HFA Lending Guide have been updated:

- 1400.01 U.S. Bank Delegated HFA Agency Overlays
- 1400.03 US Bank Non-Delegated HFA Agency Overlays

Updated Effective Date: 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

As originally published in U.S. Bank's **SEL-2024-024**, Fannie Mae, Freddie Mac and the Federal Housing Administration (FHA) announced updates regarding their requirements to Reconsideration of Value (ROV) processes.

Since the original publication, Fannie Mae, Freddie Mac and a new Mortgagee Letter published by the Federal Housing Administration (FHA) announced that the **effective date has been extended to October 31, 2024**.

According to the updated announcements, feedback gathered after the initial ROV communications revealed more time was needed for lenders to meet all the elements outlined in the policy. As the formalization is unique to the industry, they have extended the implementation date by 60-days to provide more time for lenders to develop and deploy the requirements of the ROV policy.

Additional Resources

- Freddie Mac
 - [Bulletin 2024-6](#) (5/1/2024)
 - [Bulletin 2024-7](#) (6/5/2024)
 - [Bulletin 2024-F](#) (8/6/2024)
- Fannie Mae
 - [Selling Guide 2024-03](#) (5/1/2024)
 - [Selling Notice](#) (8/6/2024)
- FHA/HUD
 - [Mortgagee Letter 2024-07](#) (5/1/2024)
 - [FHA INFO 2024-43](#) (7/2/2024)
 - [Mortgagee Letter 2024-16](#) (8/6/2024)

Note: As of the time of this publication, neither USDA nor VA have issued recent ROV communication. Lenders are encouraged to review **all** GSE/Government communications linked below to review specific requirements relevant to any process changes required.

Clarification: Correspondent Final Documents Mail Code Update

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 recently shared in **SEL-2024-020** that beginning **June 28, 2024**, all **Correspondent Final Documents** should be delivered to the following address.

As a clarification, we have recently learned that the mail code we initially provided has changed as follows and as shown in **green**:

New Mail Code (effective immediately)

U.S. Bank National Association
 Attn: Centralized Image Capture (CIC)
CN-KY-WHCI
 800 Moreland Street
 Owensboro, KY 42301-2046

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

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.