



# Seller Guide Update



SEL-2024-043: Multiple Topics

October 18, 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.



**FHA Mortgage Letter 2024-13: Updates to the 203(k) Program**

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

**Effective Date:** Effective for FHA casefile numbers assigned on or after November 4, 2024.

The Department of Housing and Urban Development (HUD) announced in [FHA Mortgage Letter 2024-13](#) expansions to the 203(k) program. U.S. Bank is aligning to these changes specific to our 203(k) program offering:

- Correspondent Seller Guide > Section 500: Mortgage Programs > [Limited 203\(k\) Program Guidelines](#)
- HFA Lending Guide > Section 500: Housing Finance Agency Programs > [Limited 203\(k\) Program Guidelines](#)

203(k) Type	Updates
Limited 203(k) Updates	<ul style="list-style-type: none"> <li>• Updated the total rehabilitation costs maximum from \$35,000 to \$75,000.</li> <li>• Extended timeframe for definition of ineligible “major” repairs:               <ul style="list-style-type: none"> <li>○ Repairs that are expected to require more than 6-months expanded to 9-months.</li> <li>○ Repairs preventing the borrower from occupying expanded from 15-days to 30-days.</li> </ul> </li> <li>• Extended timeframe for completion of repairs from 6-months to 9-months.</li> <li>• Now permitting the consultant fee to be financed.</li> </ul>
General 203(k) Updates	<ul style="list-style-type: none"> <li>• Increased the 203(k) Consultant maximum fees for the following:               <ul style="list-style-type: none"> <li>○ Feasibility Study</li> <li>○ Work Write-Up</li> <li>○ Draw Inspection Fee</li> <li>○ Change Order Fee</li> <li>○ Reinspection Fee</li> <li>○ Mileage Fee</li> </ul> </li> </ul>

## 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
October 8, 2024	Virginia	Bedford, Bland, Carroll, Pittsylvania, Radford, Russell, Smyth, Wise
October 13, 2024		Scott
October 9, 2024	South Carolina	Chester, Kershaw, Orangeburg
October 9, 2024	Georgia	Bryan, Butts, Camden, Charlton, Dodge, Effingham, Elbert, Glynn, Hancock, Long, Newton, Rabun, Thomas, Tift, Treutlen, Warren, Wayne
October 14, 2024		Brantley, Fulton, McIntosh
October 11, 2024	Florida	Brevard, Charlotte, Citrus, Clay, Collier, DeSoto, Duval, Flagler, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Marion, Martin, Miccosukee Reservation, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Volusia

**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.