



Seller Guide Update



SEL-2024-045: Multiple Topics

November 8, 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.



Mortgage Insurance (MI) Best Practices

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)
	FHA
	VA
	Rural Development

U.S. Bank would like to remind lenders of the following best practices as it relates to Mortgage Insurance (MI):

- U.S. Bank expects the correct/final MI policy to be provided in the closing package when delivered for purchase.
- If an update is made to the MI coverage after closing, but prior to U.S. Bank purchasing the loan, the lender is responsible for forwarding a copy of the updated MI policy to U.S. Bank prior to purchase,
- Lenders should not make changes to the MI policy/coverage percentage (%) after U.S. Bank has purchased the loan without prior approval from U.S. Bank.

Additional Reminders:

- If using a U.S. Bank Lender Paid MI (LPMI) product, the MI is always ordered by U.S. Bank.
- Delegated Agency clients must obtain MI for applicable loans they underwrite and provide a copy of the MI certificate with the closed loan package.
- U.S. Bank will require our non-delegated clients to order their own MI Certificates prior to submission to U.S. Bank for Underwriting. We will require that you submit your file documents to your preferred MI provider rather than use your MI Delegation and the MI Certificate must be ordered using your specific Master Policy or Agreement with that MI provider. The MI compliance underwriting decision and Mortgage Insurance Commitment /Certificate must be in the underwriting package delivered to U.S. Bank for full review. U.S. Bank Underwriting will determine if coverage is acceptable based on our guidelines.

Guide Reference: 713.13: Private Mortgage Insurance

Tax Relief in Disaster Situations

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

Disaster relief can be authorized by the IRS when certain criteria from the Federal Emergency Management Agency are met. The IRS will automatically provide administrative disaster tax relief and special tax law provisions that grants additional time for individuals and businesses to file returns, pay taxes, and perform certain other time-sensitive acts to taxpayers affected by a federally declared disaster.

The IRS's Tax relief in disaster situations on [IRS.gov](https://www.irs.gov) provides updates and links to resources.

IRS Resources

- [Tax relief in disaster situations on IRS.gov](https://www.irs.gov)
- [Disaster assistance and emergency relief for individuals and businesses](https://www.irs.gov)
- [FAQs for disaster victims](https://www.irs.gov)

Guide Updates: 711.2 FHA – Underwriting Documentation, 712.2 VA - Underwriting Documentation, 713.2 Agency – Underwriting Documentation, 714.1.3 Portfolio – Underwriting Documentation, 715.2 RD - Underwriting Documentation, 722.3.2 AD – Transaction 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
November 1, 2024	New Mexico	Chaves

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.