



# Seller Guide Update



SEL-2024-053: Multiple Topics

December 20, 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.



## Update to Portfolio Underwriting Guidelines

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

## FHA New Construction Flood Elevation Requirements

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

## Compliance Updates

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

## Questions

**Effective Date:** Immediately including loans in the pipeline.

U.S. Bank has made recent clarifications to our Portfolio underwriting guidelines as follows. For ease of review, the updated content listed below are in **green** in our AllRegs library.

- **714.01.09 Portfolio Property**
  - Clarified that Accessory Dwelling Units (ADU) must not be an ineligible property type.
- **714.2.2.3 Portfolio Non-Employment Related Borrower Income**
  - Added required documentation for Trust Income.

**Effective Date:** Building permits on or after January 1, 2025

## New Construction in Special Flood Hazard Areas (SFHA)

FHA is updating the flood elevation requirements for New Construction properties located in SFHA.

The lowest floor of the property improvements including the basement, other permanent enclosures, and all related structures essential to the Property Value must be at least two feet above the FEMA determined Base Flood Elevation.

## HOEPA/High-Cost Thresholds

We have updated the Correspondent Seller and HFA Lending Guides specific to HOEPA/High-Cost Thresholds for 2025.

**Guide Updates:** 400.3: Anti-Predatory Lending and Unfair and Deceptive Practices Act (UDAAP), 400.19: Truth in Lending Act (TILA) and Regulation Z.



**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.