

**U.S. Bank Consolidated Agency Overlays and Clarifications applicable to Non-Delegated Housing Finance Agency Lending Division (as of 01/30/2025)**

To mitigate the risk on the loans we purchase, U.S. Bank Home Mortgage has overlays to Agency guidelines (i.e., Fannie Mae and Freddie Mac).

- An "X" in the investor column indicates that the overlay applies to loans submitted under a lender's non-delegated underwriting authority.
- The Overlay Descriptions are summarized alphabetically by subject in each section.
- References are not all-inclusive and this document should be used in conjunction with the Correspondent Seller Guide. For complete product guidelines, refer to the applicable product and underwriting guidelines within our seller guide.
- Items added, removed or modified are referenced in the Seller Guide Update that are released along with the most recent version of the Matrix.
- If there are conflicts between the Overlay Matrix and the Underwriting and/or Product Guidelines, follow the Underwriting and/or Product Guidelines.
- Overlays are shown in **orange font** and clarifications are shown in **brown font** in the Underwriting and/or Product Guidelines.

Section	Overlay and Clarification Description	Freddie Mac	Fannie Mae
<b>Underwriting Guideline Overlays applicable to Non-Delegated Underwriting Authority</b>			
<a href="#">500</a> <a href="#">3-4 Unit Properties</a>	Mortgage Programs Maximum LTV of 90%		X
<a href="#">500</a> <a href="#">Product Guidelines</a>	2-4 Unit Properties See HFA specific Product Guide for 2-4 Unit Property Eligibility, LTVs, DTIs and FICO score requirements. (non-occupant borrowers allowed on 1-2 Unit Only)	X	
<a href="#">500</a> <a href="#">Product Guidelines</a>	Debt-to-Income (DTI) Maximum DTI requirements are stated within the HFA specific product guides	X	X
<a href="#">500</a> <a href="#">Product Guidelines</a>	FICO Minimum FICO score requirements are stated within the HFA specific product guides Section 500	X	X
<a href="#">500</a> <a href="#">Product Guidelines</a>	Manufactured Housing See HFA specific Product Guide for Manufactured Housing Product Type, LTVs, DTIs and FICO score requirements.		X
<a href="#">500</a> <a href="#">Product Guidelines</a>	See HFA specific Product Guide for Manufactured Housing Product Type, LTVs, DTIs and FICO score requirements. (non-occupant borrowers not eligible)	X	
<a href="#">500</a> <a href="#">Product Guidelines</a>	Texas Home Equity Loans Acreages exceeding 10 acres not allowed.	X	X
<a href="#">713.02</a> <a href="#">Underwriting Documentation</a>	Debt-to-Income (DTI) For non-delegated loans underwritten by U.S. Bank, Underwriters should comment on the 1008 and/or another underwriting loan summary form on their assessment of the sufficiency of borrower's income to repay the loan for DTIs > 43%.	X	X
<a href="#">713.02</a> <a href="#">Underwriting Documentation</a>	Form 1077 Alternative USBHM will require the Fannie Mae Form 1008/Freddie Mac Form 1077 on all loan files and will not accept alternative forms.	X	X
<a href="#">713.05</a> <a href="#">Eligible Borrowers</a>	Non-Permanent Resident Aliens <ul style="list-style-type: none"> <li>• Meets documentation requirements. Refer to 713.5.1 Most Common Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA. For assistance.</li> <li>• Purchase and Rate Term Refinances only, Cash Out Refinances not allowed</li> <li>• SSN required (Tax ID Numbers will not be accepted)</li> <li>• Must have an AUS Approval – No manual underwrites allowed</li> <li>• Standard Agency requirements for Credit, Employment and Income apply</li> <li>• Refer to 713.8 Funds for Closing for additional requirements.</li> </ul>	X	X
<a href="#">713.05</a> <a href="#">Eligible Borrowers</a>	Trusts <ol style="list-style-type: none"> <li>1. Refer to the specific HFA's Guideline</li> <li>2. If the property is currently in the name of the borrowers Trust the loan may close in the trust as long as the trust meets all U.S. Bank requirements.</li> <li>3. To close in the borrower's name, the property title must be in the borrower's name prior to final approval.</li> <li>4. Attorney Opinion Letter Required for those states that a completed Certification of Revocable Trust is not allowed.</li> </ol>	X	X
<a href="#">713.05</a> <a href="#">Eligible Borrowers</a>	Valid SSN Required All borrowers must have valid and verifiable Social Security Numbers. Other forms of taxpayer identification are not allowed.	X	X
<a href="#">713.07</a> <a href="#">Effective Income</a>	Asset Dissipation Asset dissipation (Non-Retirement) cannot be used as a form of income to qualify the Borrower.	X	X
<a href="#">713.07</a> <a href="#">Effective Income</a>	Foreign Income Income from High Risk Countries will be accepted on the all transactions except the following: <ul style="list-style-type: none"> <li>• Cash-Out Refinances</li> <li>• 2nd Homes</li> <li>• Investment Properties</li> <li>• Loans requiring Gift Funds sourced from a High-Risk Country</li> </ul> U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.	X	X

Section	Overlay and Clarification Description	Freddie Mac	Fannie Mae
<a href="#">713.07</a> <a href="#">Effective Income</a>	<p>Restricted Stock Units (RSU)</p> <p>Restricted stock units may be used as income to qualify the borrower if the income has been verified with a 2-year history of receipt and likelihood of continuance from the same employer.</p>	X	X
<a href="#">713.08</a> <a href="#">Funds for Closing</a>	<p>Credit Card Reward Points</p> <p>These rewards must be converted to cash prior to the application of the loan.</p>	X	X
<a href="#">713.08</a> <a href="#">Funds for Closing</a>	<p>Cryptocurrency</p> <p>To be used as a source of funds for down payment, closing costs, or reserves, cryptocurrency, digital currencies or altcoins must be converted into US Currency and be held within a US Financial Institution and verified prior to underwriting final approval.</p> <p>In addition to the verification of US Currency, the borrower(s) must be able to provide acceptable documentation for the source of funds used to initially acquire the cryptocurrency prior to the conversion. Any purchase of the cryptocurrency within the most recent 12 months will be required to have evidence of the source of funds used to acquire the cryptocurrency.</p>	X	X
<a href="#">713.08</a> <a href="#">Funds for Closing</a>	<p>Foreign Assets</p> <p>Assets from High Risk Countries will be accepted on the all transactions except the following:</p> <ul style="list-style-type: none"> <li>• Cash-Out Refinances</li> <li>• 2nd Homes</li> <li>• Investment Properties</li> <li>• Loans requiring Gift Funds sourced from a High-Risk Country</li> </ul> <p>U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank.</p>	X	X
<a href="#">713.08</a> <a href="#">Funds for Closing</a>	<p>Gift Funds</p> <p>Must provide evidence of one of the following:</p> <ol style="list-style-type: none"> <li>1. Transfer of funds from the donor's account in a financial institution to the Borrower's account. For example, copies of bank statements from both the donor and the Borrower's accounts, a copy of a canceled gift check or a copy of a donor's withdrawal slip and the Borrower's deposit slip, or</li> <li>2. Transfer of the funds from the donor's account in a financial institution to the settlement or closing agent. For example, a copy of a cashier's check or wire transfer confirmation.</li> <li>3. Funds transferred using a third-party money transfer application or service are acceptable only when the documentation included in the Mortgage file evidences that the funds were transferred using the application or service directly from the donor's bank account to the Borrower's bank account or to the settlement or closing agent.</li> </ol>		X
<a href="#">713.08</a> <a href="#">Funds for Closing</a>	<p>Sweat Equity</p> <p>Sweat equity is an acceptable source of funds. The Borrower must have a minimum of \$1,000 personal funds into the transaction to be used towards down payment, closing costs, prepaids and/or reserves. See product guides for max LTV/TLTV/HTLTV when sweat equity is used.</p>	X	X
<a href="#">713.09</a> <a href="#">Credit/Debt Underwriting</a>	<p>Collection &amp; Non-Mortgage Charge Off Accounts</p> <p>For manually underwritten loans, collection accounts and charge-offs on non-mortgage accounts do not have to be paid off at or prior to closing if the balance of an individual account is less than \$250 or the total balance of all accounts is \$1,000 or less.</p>	X	
<a href="#">713.09</a> <a href="#">Credit/Debt Underwriting</a> <a href="#">500 Product Guidelines</a>	<p>Manual Underwriting</p> <ol style="list-style-type: none"> <li>1. Minimum two months PITIA reserves after closing (or per product guide if greater)</li> <li>2. See specific HFA Product Guide as additional restrictions may apply.</li> </ol>	X	X
<a href="#">713.09.1</a> <a href="#">Credit/Debt Underwriting</a>	<p>Recovery Time Periods</p> <p>Short Sale time frame is from date of title transfer to application date regardless of AUS response.</p>	X	X
<a href="#">713.11</a> <a href="#">Secondary/Subordinate Financing and Other Financing Agreements</a>	<p>PACE Funding</p> <p>Not allowed.</p>	X	X
<a href="#">713.14</a> <a href="#">Monthly Payment Escrows</a>	<p>Full Monthly Housing Payment</p> <p>Special Levied Assessments - U.S. Bank requires these monthly assessment amounts be added to the qualifying PITIA.</p>	X	X
<a href="#">713.16</a> <a href="#">Appraisal Documentation</a>	<p>Property Condition</p> <p>U.S. Bank does not accept properties with a condition rating of C5.</p>		X
<a href="#">713.17</a> <a href="#">Eligible Properties</a>	<p>Community Land Trusts</p> <p>U.S. Bank will not permit the following property types on Community Land Trusts:</p> <ul style="list-style-type: none"> <li>• Attached condos</li> <li>• Manufactured homes</li> </ul>	X	X

Section	Overlay and Clarification Description	Freddie Mac	Fannie Mae
<a href="#">713.17 Eligible Properties</a>	Deed/Resale Restrictions 1. The right of first refusal is limited to 90-days from notification to program administrator 2. Deed restrictions regarding borrower's restriction to equity of any kind is allowed when it is through a governmental entity, such as a city, county, or municipality. 3. For properties where the resale restrictions survive foreclosure or recordation of a deed-in-lieu of foreclosure, oproperty will be limited to an 80% LTV.	X	
<a href="#">713.17 Eligible Properties</a>	Deed/Resale Restrictions 1. The subsidy provider or program administrator has procedures to approve capital improvements on the property and guidelines for the borrower to receive credit for any costs of capital improvements paid by the borrower that are eligible by the program. 2. Deed restrictions regarding borrower's restriction to equity of any kind is allowed when it is through a governmental entity, such as a city, county, or municipality. 3. For properties where the resale restrictions survive foreclosure or recordation of a deed-in-lieu of foreclosure, oproperty will be limited to an 80% LTV.		X
<a href="#">713.17 Eligible Properties</a>	Property with a Manufactured Home accessory unit U.S. Bank will not allow properties with a manufactured home (does not include modular homes) as an accessory dwelling to be eligible property.	X	X
<a href="#">713.17 Eligible Properties</a>	Solar Panels U.S. Bank will require a subordination agreement or release of the UCC-1 Financing Statement is required when their Solar Panels attached to the property.	X	X
<a href="#">713.19 Manufactured Housing</a>	Manufactured Housing U.S. Bank Home Mortgage will not make or purchase loans that are single-wide manufactured homes. U.S. Bank will require the interior HUD Data Plate to be on all established Manufactured Homes. When not available, the IBTS label verification search must be completed. Mortgages secured by manufactured homes located on leasehold estates or within condominium projects are not eligible.		X
<a href="#">713.31 Refinance Loans</a>	Refinance Documentation Maximum principal curtailment \$2,500	X	X
<a href="#">811.05 Waiver of Traditional Project Review</a>	Condominium - Rate and Term Refinances with the Same Investor U.S. Bank does not allow a Rate and Term Refi with the same investor. Traditional (Limited or Full) reviews are required.	X	X
<a href="#">900.H Manufactured Housing Requirements</a>	Manufactured Housing ALTA 7.1 needed on manufactured homes. Manufactured Home Limited Power of Attorney is required for loans where Title has not already been surrendered.	X	
<a href="#">900.M Final Documentation</a>	Survey Exceptions ALTA 9 required if there are survey exceptions.	X	X

Section	Overlay and Clarification Description	Freddie Mac	Fannie Mae
<a href="#">713.05</a> <a href="#">Eligible Borrowers</a>	<p>Ineligible Borrowers</p> <p>Loans with title or interest held in various forms/legal entities such as Life Estates, Non-Revocable Trusts, LLC's, Corporations, or Partnerships are not eligible.</p>	X	X
<a href="#">713.07</a> <a href="#">Effective Income</a>	<p>Extended Absence</p> <p>Borrowers who were out of the work force due to unemployment for a period of 6 months or longer must be on the current job 2 months or longer to utilize their income for qualifying.</p>	X	X
<a href="#">713.07</a> <a href="#">Effective Income</a>	<p>Restricted Stock Units (RSU)</p> <p>Must be listed on the NYSE or NASDAQ major U.S. Stock exchanges. Foreign exchanges will be excluded.</p>	X	X
<a href="#">713.09</a> <a href="#">Credit/Debt Underwriting</a>	<p>Flood Insurance Premium</p> <p>When flood insurance is required, the full risk premium (all fees and surcharges included, and all discounts excluded) must be used to calculate the housing expense-to-income and debt payment-to-income ratios.</p>		X
<a href="#">713.15</a> <a href="#">Anti-Flipping Policy</a>	<p>Anti-Flipping Policy</p> <p>1.If the seller acquired the property 90- or fewer days prior to the date of the sales contract and the current sales price exceeds 10% of the seller's acquisition, a second review of the appraisal must be completed by U.S. Bank Home Mortgage Collateral Review Department (refer to selling guide for additional information).</p> <p>2.Properties acquired by the seller over 90-days, but less than 180-days prior to the date of the sales contract (and the current sales price exceeds 20% of the seller's acquisition) requires a second review of the appraisal completed by U.S. Bank Home Mortgage Collateral Review Department (refer to selling guide for additional information).</p>	X	X
<a href="#">713.17</a> <a href="#">Eligible Properties</a>	<p>Eligible Property Requirements</p> <p>To be considered an eligible property, regardless of occupancy, the property must be suitable for year-round occupancy.</p>	X	
<a href="#">713.25</a> <a href="#">Funding Documentation Requirements</a>	<p>Escrow Holdback</p> <p>Timeframe requirements are 90 days for exterior improvements (weather permitting) and 30 days for interior improvements.</p>	X	X
<a href="#">900.D</a> <a href="#">Escrow Information</a>	<p>Levied Special Assessments</p> <p>All levied special assessments must be included in the PITIA for proper DTI and reserve calculations.</p>	X	X



This document is not a Consumer Credit Advertisement and is intended for Correspondent use only. This information is provided to assist Correspondents and is not a consumer credit advertisement as defined by Regulation Z. Loan approval is subject to credit approval and program guidelines. Not all loan programs are available in all states for all amounts. Interest rates and program terms are subject to change without notice. Mortgage and Home Equity products are offered by U.S. Bank National Association. Deposit Products offered by U.S. Bank National Association. Member FDIC. ©2024 U.S. Bank.