

**U.S. Bank Consolidated Government Overlays and Clarifications applicable to Non-Delegated Housing Finance Agency Lending Division (as of 12/11/2024)**

To mitigate the risk on the loans we purchase, U.S. Bank Home Mortgage has overlays to Government guidelines (i.e. FHA, VA and USDA/RD). Currently, U.S. Bank does not provide any Non-Delegated products for FHA and USDA/RD

- 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 HFA Lending 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	FHA	VA
<b>Underwriting Guideline Overlays applicable to Non-Delegated Underwriting Authority</b>			
<a href="#">500 Product Guidelines</a>	Debt-to-Income (DTI) Maximum DTI requirements are stated within the HFA specific product guides	X	X
<a href="#">500 Product Guidelines</a>	FICO Minimum FICO score requirements are stated within the HFA specific product guides Section 500	X	X
<a href="#">500 Product Guidelines</a>	Manufactured Housing See HFA specific Product Guide for Manufactured Housing Product Type, LTVs, DTIs and FICO score requirements. U.S. Bank Home Mortgage will not make or purchase loans that are single-wide manufactured homes.	X	X
<a href="#">711.03 Eligible Borrowers</a>	Non-Permanent Resident Aliens  <ul style="list-style-type: none"> <li>• Meets Evidence of Eligibility to Live and Work requirements. Refer to 711.3.1 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/Simple/Streamline Refinances only. Cash Out Refinances not allowed.</li> <li>• Must have an AUS Approval - No manual underwrites allowed (Excluding Streamline Refinances)</li> <li>• SSN required (Tax ID Numbers will not be accepted)</li> <li>• Must have a valid FICO score</li> <li>• Standard FHA requirements for Credit, Employment and Income apply</li> <li>• Refer to 711.5 Funds for Closing for additional requirements.</li> </ul>	X	
<a href="#">711.03 Eligible Borrowers</a>	Properties currently or Formerly in the name of an LLC To close in the borrower's name, the property title must be in the borrower's name prior to final approval.	X	
<a href="#">711.03 Eligible Borrowers</a>	Social Security Number All borrowers are required to have a valid Social Security Number.	X	
<a href="#">711.03 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> </ol>	X	
<a href="#">711.03 Eligible Borrowers</a>	Trusts If the property is currently in the name of the borrower Trust the loan may close in the trust as long as the trust meets all U.S. Bank and FHA requirements. To close in the borrower's name, the property title must be in the borrower's name prior to final approval.	X	
<a href="#">711.04 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	
<a href="#">711.05 Funds for Closing</a>	Foreign Assets Assets 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	

Section	Overlay and Clarification Description	FHA	VA
<a href="#">711.06 Secondary/Subordinate Financing</a>	PACE Funding Not allowed.	X	
<a href="#">711.07 Credit/Debt Underwriting; 500 Product Guidelines</a>	Manual Underwriting Not allowed; For possible exception, see specific HFA Product Guide.	X	
<a href="#">711.07.1 Recovery Time Periods for Reestablishment of Credit after Bankruptcy, Foreclosure, Short Sale</a>	Recovery Time Periods for Reestablishment of Credit Financial Mismanagement Must meet all time frame requirements as U.S. Bank Home Mortgage does not allow shorter time frame for extenuating circumstances.	X	
<a href="#">711.10 FHA Refinance Loans</a>	Documentation Requirements Maximum curtailment \$1000	X	
<a href="#">711.12 Eligible Properties</a>	Excess Acreage Parcels exceeding 20 acres will be considered an exception and must follow the FHA exception process. All acreage must be included in value.	X	
<a href="#">711.18 Property Inspections</a>	Termite Inspections Soil poisoning method for treating termites is unacceptable regardless if the treatment will not endanger the quality of the water.	X	
<a href="#">712.05 Eligible Borrowers</a>	Illinois Land Trust Legal and complex title requirements prohibit U.S. Bank Home Mortgage from originating or purchasing any Government loans in Illinois Land Trusts.		X
<a href="#">712.05 Eligible Borrowers</a>	Ineligible Borrowers Guardianships or Conservatorships are not eligible.		X
<a href="#">712.05 Eligible Borrowers</a>	Trusts 1. Refer to the specific HFA's Guideline 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. 3. To close in the borrower's name, the property title must be in the borrower's name prior to final approval. 4. Attorney Opinion Letter Required for those states that a completed Certification of Revocable Trust is not allowed.		X
<a href="#">712.06 Effective Income</a>	Foreign Income Income from High Risk Countries will be accepted on the all transactions except the following: • Cash-Out Refinances • 2nd Homes • Investment Properties • Loans requiring Gift Funds sourced from a High-Risk Country 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
<a href="#">712.08 Funds for Closing</a>	Foreign Assets Assets from High Risk Countries will be accepted on the all transactions except the following: • Cash-Out Refinances • 2nd Homes • Investment Properties • Loans requiring Gift Funds sourced from a High-Risk Country 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
<a href="#">712.08 Funds for Closing</a>	Seller paying borrower debts and property gifts Not allowed.		X
<a href="#">712.09 Credit/Debt Underwriting</a>	Non-Borrowing Spouse Debt The underwriter must count all debt for non-borrowing spouse in Community Property States regardless if they volunteer income information.		X
<a href="#">712.09 Credit/Debt Underwriting; 500 Product Guidelines</a>	Manual Underwriting 1. Minimum two months PITIA reserves after closing (or per product guide if greater) 2. No manufactured homes 3. See specific HFA Product Guide as additional restrictions may apply.		X
<a href="#">712.12 VA Refinance Loans</a>	VA IRRRL (Not Serviced by U.S. Bank) 1. Tri-merged credit report required. 2. No Investment or Second Homes permitted. 3. 0x30 days delinquent in most recent 12-months. 4. VVOE/VVOB is required (No income documentation is required)		X
<a href="#">712.24 Secondary/Subordinate Financing</a>	PACE Funding Not allowed.		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	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	FHA	VA
<b>Underwriting Guideline Clarifications</b>			
<a href="#">711.03 Eligible Borrowers</a>	Ineligible Borrowers Life Estates, guardianships, and conservatorships are not eligible.	X	
<a href="#">711.04 Effective Income</a>	Restricted Stock Units (RSU) Restricted stock units may be used as income to qualify the borrower if the income meets the stable income requirements listed in the Underwriting Guidelines and has a likelihood of continuance from the same employer, based on the vesting/payout schedule. A comparison of the historic income to the projected income must be completed to determine the qualifying income.	X	
<a href="#">711.04 Effective Income</a>	Self Employed Business Verification At time of underwriting the file must contain verification, no more than 30 calendar days prior to note date, of the existence of the business for at least two years from a third party source such as a regulatory agency, phone directory, the Internet, or applicable licensing bureau.	X	
<a href="#">711.08 Monthly Payment Escrows</a>	Monthly Housing Payment Special Levied Assessments - U.S. Bank requires these monthly assessment amounts be added to the qualifying PITIA.	X	
<a href="#">712.05 Eligible Borrowers</a>	Ineligible Borrowers Life Estates, Non-Revocable Trusts, Split Trusts, LLC's, Corporations or Partnerships are not eligible.		X
<a href="#">712.06 Effective Income</a>	Restricted Stock Units (RSU) Restricted stock units may be used as income to qualify the borrower if the income meets the stable income requirements listed in the Underwriting Guidelines and has a likelihood of continuance from the same employer, based on the vesting/payout schedule. A comparison of the historic income to the projected income must be completed to determine the qualifying income.		X
<a href="#">712.06 Effective Income</a>	Self Employed Business Verification At time of underwriting, the file must contain verification, no more than calendar 30 days prior to note date, of the existence of the business for at least two years from a third party source such as a regulatory agency, phone directory, the Internet, or applicable licensing bureau.		X
<a href="#">712.08 Funds for Closing</a>	Large Deposit Defined Any deposit in any one month that is greater than 1% of Sales Price must be verified and sourced.		X
<a href="#">712.09 Credit/Debt Underwriting</a>	Adverse Credit/ Recovery Time Periods Deed-in-lieu or short sale require a two-year period from transfer of title to new application.		X
<a href="#">712.09.1 Recovery Time Periods for Reestablishment of Credit after Bankruptcy, Foreclosure, Short Sale</a>	Recovery Time Periods for Reestablishment of Credit Financial Mismanagement Deed-in-lieu or short sale require a two-year period from transfer of title to new application.		X
<a href="#">712.10 Monthly Payment Escrows</a>	Monthly Housing Payment Special Levied Assessments - U.S. Bank requires these monthly assessment amounts be added to the qualifying PITIA.		X
<a href="#">712.15 Anti-Flipping Policy</a>	Purchase Transactions The Seller must have taken title to the subject property more than 90 days prior to the contract date on the sale of the property to the applicant.  Resales occurring between 91-180 days with a resale price increase of 100% or more over the price the seller acquired the property will require a second appraisal. This does not have to be a VA, FHA, or USDA appraisal.		X
<a href="#">900.D Escrow Information</a>	Levied Special Assessments All levied special assessments must be included in the PITIA for proper DTI and reserve calculations.	X	X



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