



# U.S. Bank Home Mortgage – Correspondent / HFA

## COVID- 19 Frequently Asked Questions

Updated April 17, 2020

This document provides answers to frequently asked questions regarding U.S Bank Home Mortgage’s residential mortgage policy updates as they relate to COVID-19. The FAQ document will be dynamic and will continually be edited and updated.

The FAQ provides guidance for temporary relief of policies due to COVID-19. Please continue to reference the U.S. Bank Seller Guide as the primary resource for all U.S. Bank policies.

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## Allonge / NOTE

Will you fund with copy of the NOTE?	No, U.S. Bank requires the original NOTE.
Will U.S. Bank accept electronic signatures on the NOTE?	U.S. Bank currently does not have eNote capability.

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## Appraisal

Will U.S. Bank accept a PIW on 2 <sup>nd</sup> mortgage transactions, when the lender is selling the refinanced 1 <sup>st</sup> mortgage to U.S. Bank?	At this time, U.S. Bank still requires a full appraisal for all 2 <sup>nd</sup> lien transactions.
Are interior inspections required?	<p style="text-align: center;"><b><u>Conventional Agency</u></b></p> <p>When an interior inspection is not feasible because of COVID-19 concerns, either a desktop appraisal or an exterior-only inspection appraisal in lieu of the interior and exterior inspection appraisal (i.e., traditional appraisal) will be allowed. If a traditional appraisal is not obtained and there is insufficient information about the property for an appraiser to be able to complete an appraisal assignment with a desktop or exterior-only inspection appraisal, the loan will not be eligible for delivery to Fannie Mae or Freddie Mac.</p> <p>The above guidance applies to Purchases and Rate/Term Refinances. Cash out refinances require a traditional appraisal.</p> <p>Refer to Seller Guide update <a href="#">SEL-2020-021: Multiple Topics including Temporary Flexibilities</a> for additional details.</p> <p style="text-align: center;"><b><u>Portfolio</u></b></p> <p>Currently there are no changes for interior inspections on Portfolio loans.</p>
Will appraisal waivers be accepted?	<p>U.S. Bank will continue to accept an Appraisal Waiver from Fannie Mae and Automated Collateral Evaluation (ACE) from Freddie Mac as an acceptable alternative to appraisals.</p> <p style="text-align: center;"><b><u>HFA Only</u></b></p> <p>Appraisal waivers (PIW/ACE) are not acceptable on HFA loan transactions regardless of AUS findings.</p>





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<p>Will a desktop appraisal be accepted?</p>	<p>For purchase money transactions when an interior and exterior appraisal is not available, desktop appraisals are preferred rather than an exterior-only appraisal.</p> <p>The minimum scope of work for a desktop appraisal does not include an inspection of the subject property or comparable sales. The appraiser relies on public records, multiple listing service (MLS) information, and other third-party data sources to identify the property characteristics.</p> <p>Refer to Seller Guide update <a href="#">SEL-2020-021: Multiple Topics including Temporary Flexibilities</a> for additional details.</p>
<p>Will U.S. Bank accept an exterior only- 2055 report in lieu of traditional appraisal during this health crisis?</p>	<p style="text-align: center;"><b><u>Conventional Agency</u></b></p> <p>An exterior-only inspection appraisal may be obtained in lieu of an interior and exterior inspection appraisal for the following transactions:</p> <ul style="list-style-type: none"><li>• Purchase money loans</li><li>• Limited cash-out refinances where the loan being refinanced is a Fannie to Fannie or a Freddie to Freddie.</li></ul> <p>Lenders will not receive value representation and warranty relief under Agency programs for loans with exterior-only appraisals.</p> <p>Refer to Seller Guide update <a href="#">SEL-2020-021: Multiple Topics including Temporary Flexibilities</a> for additional details.</p> <p style="text-align: center;"><b><u>HFA Only</u></b></p> <p>As per current policy, a Drive-by/Exterior Only appraisal is not eligible for HFA loans.</p> <p>Refer to Seller Guide update <a href="#">SEL-2020-021: Multiple Topics including Temporary Flexibilities</a> for additional details.</p>

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## Closing

<p><b>Will the Bank accept hybrid closings?</b></p>	<p>Yes, Lenders wishing to submit loans to U.S. Bank with eligible documentation with electronic signatures <b>MUST</b> first complete the Lender Approval Request.</p> <p>The following documents are <b>ineligible</b> for electronic signature.</p> <p><u>Ineligible Documentation</u></p> <ul style="list-style-type: none"> <li>• Notes or Modifications</li> <li>• Power of Attorney</li> <li>• Documents creating Revocable Trusts</li> <li>• Any document requiring Notarization (i.e. Security Instrument, Riders, etc.)</li> <li>• IRS and Social Security Administration documents. Although the IRS accepts an e-signed 4506-T, U.S. Bank is unable to process e-signed forms with the IRS, at this time. U.S. Bank will announce when the 4506-T will be accepted with an electronic signature.</li> </ul> <p>Refer to the Funding Documentation Requirements in the Delivery and Funding section 900 of the Seller Guide.</p>
<p><b>Will U.S. Bank accept remote notarization, eNotary?</b></p>	<p style="text-align: center;"><b>Under Review</b></p>

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## Early Payment Default

<p><b>Will waivers be accepted due to COVID-19 on EPDs?</b></p>	<p>Should any Mortgage Loan underwritten by Seller become delinquent during the first three (3) scheduled monthly payments that are payable to U.S. Bank and the Mortgage Loan not be brought current by the borrower within 90 days of such delinquency, Seller shall refund to U.S. Bank the SRP received by Seller from U.S. Bank with respect to that Mortgage Loan. Additionally, a processing fee of \$1,000 on Conventional Loans and \$2,500 on Government Loans shall be due from the Seller and payable to U.S. Bank.</p> <p>Refer to Early Payoff and Early Payment Default, section 200 of the Seller Guide.</p>
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## Final Documents

### Will consideration to delivery time lines for Final Documents due to COVID-19 be updated?

Final Document Delivery Requirement Extended – As a result of the closures of many businesses and county offices across the country, U.S. Bank will implement the following updates to our policy effective immediately:

**Final Document Delivery** – U.S. Bank will require all final documents be received no later than 180 days (vs 90-days) after the date of purchase date.

**Final Document Billing Notifications** – U.S. Bank will only send billing notifications for the month of March for any documents aged more than 180-days old (thus eliminating charges for the new final documents reflecting the 120-day category.)

Refer to Seller Guide update [SEL-2020-015: Multiple Topics](#) for additional details.

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## Forbearance

### Is U.S. Bank offering forbearance programs to support borrowers?

If a borrower is unable to make their mortgage payment, we are offering several customer assistance programs that may allow them to have their mortgage payments suspended for up to 180-days (6-months). Our forbearance program allows for a suspension of payments for up to 180 days. With our customer assistance programs, borrowers will not be charged any late fees and their account be reported as current to the Credit Reporting Agencies.

- If, after the initial 180 days suspension of payments their hardship has still not been resolved, we will continue to work with them. If they are unable to pay the suspended installments in full, options such as extending the forbearance program up to an additional 180-days, repayment plans, or a loan modification may be available if they meet requirements.

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## Inspections

<b>Carbon Monoxide and smoke inspections: The fire department has halted all inspections. Will you allow a purchase loan to close without that?</b>	Lenders are responsible for complying with state and local municipality guidelines.
<b>Are there updated requirement for Certificate of Occupancy?</b>	<b>Under Review</b>

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## Power of Attorney

<b>Are POA requirements changing?</b>	<b>Under Review</b>
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## Pricing / Rate Lock

<b>What is U.S. Bank's position on lock extensions during COVID-19?</b>	<p>For loans locked on or before <b>March 27<sup>th</sup></b> that, due to COVID-19, require an extension that is outside of U.S. Bank policy, please utilize one of these options for assistance:</p> <ul style="list-style-type: none"> <li>• Submit a request through the <b>UniteUS Communication Panel (Client Support Category)</b>, or</li> <li>• Call our <b>Client Support Team</b> 800.200.5881, option 1.</li> </ul> <p>Please include the purpose and detail of the delay and the number of extension days needed.</p>
<b>How will U.S. Bank handle repricing or applying penalties to loans when stipulations cannot be met?</b>	Refer to Pricing/ Registration/Fees, section 600 of the Seller Guide.
<b>How do I contact the Mandatory Commitment Desk?</b>	<p>Beginning Wednesday, March 18, 2020, please send all inquiries for the Mandatory Commitment Desk including call-in bids, pair-off requests, or other time sensitive bid related items to the following email address as outlined:</p> <ul style="list-style-type: none"> <li>• <b>Mandatory Commitment Desk Email:</b> <a href="mailto:SubmitToUS@USBank.com">SubmitToUS@USBank.com</a></li> </ul>





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	<b>Note:</b> Please indicate <b>**Urgent Request**</b> in the subject line of your email.
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## Recording

<b>Is Electronic Recording Allowed?</b>	Yes, U.S. Bank will accept Electronic Recordings where allowed.
<b>Will U.S. Bank allow the use of Gap Insurance due to closure of recording offices?</b>	Yes, as long as U.S. Bank is in 1 <sup>st</sup> lien position <b>and</b> the title company accepts gap insurance.

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## Tax Returns / Tax Transcripts

<b>With the tax filing date being extended to July 15, 2020, are there any process impacts?</b>	<p>At the time of underwriting, U.S. Bank will require the previous year tax returns after April 15<sup>th</sup>, if available, otherwise July 15<sup>th</sup> of the current year unless an extension has been filed with the IRS. A copy of that extension must be documented in the file.</p> <p>Refer to Seller Guide update <a href="#">SEL-2020-021: Multiple Topics including Temporary Flexibilities</a> for additional details.</p>
<b>How are we handling tax returns/transcripts?</b>	<p><b>Due to the COVID-19 national emergency, all IRS Tax Transcript Processing Centers are now closed and they have not announced a firm re-open date. The IRS will not issue tax return transcripts. During this time, U.S. Bank will temporarily cease the requirement for obtaining tax transcripts effective immediately.</b></p> <ul style="list-style-type: none"> <li>• There is no change to the current requirement that the form 4506 T be executed by the borrower(s) and contained in the file so that income can be verified with the IRS at a later date.</li> <li>• When the borrower is self-employed and tax transcripts are required per Underwriting Guidelines (per Underwriting Documentation), the underwriter must use one the following alternative methods to confirm the borrower(s) income. <ul style="list-style-type: none"> <li>○ Copy of cancelled check(s) matching amount due the IRS</li> <li>○ Copy of deposit matching exact amount of any return using bank statement,</li> </ul> </li> </ul>





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	<p>deposit receipt, or direct bank verification indicating the transaction</p> <ul style="list-style-type: none"> <li>Electronic filing receipt from IRS indicating the Submission Identification Number (SID), and AGI that matches the return.</li> </ul> <p>Refer to Seller Guide update SEL-2020-031 for additional details.</p>
<p><b>Will U.S. Bank allow an electronically signed 4506-T Form?</b></p>	<p>Yes, U.S. Bank is able to process the e-signed 4506T form. U.S. Bank will purchase loans where documents are signed using an electronic signature provided the documents are delivered and signed in compliance with UETA, ESIGN, State law, all U.S. Bank policies and procedures, or agency guidelines as outlined in our guide.</p> <p>Refer to Delivery and Funding section 900 of the Seller Guide for details.</p>

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## Verification of Employment

<p><b>How will U.S. Bank handle employees on furlough? Employer closed, still employed but out of work.</b></p>	<p><b><u>Conventional Agency Only</u></b></p> <p>If the borrower is on temporary leave at the time of closing and the income is needed to qualify for the loan, we must determine the allow income and confirm employment per the Agency guidelines.</p> <p>Fannie Mae: Refer to the requirements in the <a href="#">Selling Guide B3-3.1-09, Other Sources of Income</a>.</p> <p>Freddie Mac: Refer to the requirements in the <a href="#">Selling Guide 5303.5: Income while on temporary leave</a>.</p>
<p><b>With employers closing, what will U.S. Bank accept in lieu of a Verbal Verification of Employment (VVOE)?</b></p>	<p>U.S. Bank is providing very specific guidance for Verbal Verifications of Employment.</p> <p>Refer to the following Seller Guide updates for details:</p> <p>Agency <a href="#">SEL-2020-021 Multiple Topics including Temporary Flexibilities</a></p> <p>Government <a href="#">SEL 2020-022 Multiple Topics including Temporary Flexibilities</a></p> <p>Clarification Update <a href="#">SEL-2020-030 Portfolio Credit and Product Guideline Changes</a></p>

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