



Seller Guide Update



SEL-2020-001: Multiple Topics

January 13, 2020

- Correspondent Lending
- Housing Finance Agency (HFA)

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Summary



The following items have recently been updated in the U.S. Bank Correspondent Seller and HFA Division Lending Guides, specific to Loan Delivery, Underwriting and Credit Policy.

U.S. Bank Correspondent Seller and HFA Division Lending Guides

Unless otherwise 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 U.S. Bank Correspondent Seller and HFA Division 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 Division Lending Guides for the most current policy. Guidelines are updated with the information in this communication and should be referred to instead of the communication for guidance.

Underwriting, Delivery, and Product Grids

For overall ease of use, we have enhanced our communications to now include underwriting and delivery method checkboxes to each section when applicable. You'll also find a new grid that outlines the applicable products.

Effective Date

Immediately unless otherwise noted within each section below.



Freddie Mac Bulletin 2019-25 Changes

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

Freddie Mac announced the following changes in [Bulletin 2019-25](#). U.S. Bank Home Mortgage will follow these changes as outlined effective immediately.

Rental Income

In certain transactions where, rental income is used to qualify the Borrower, Freddie Mac will now allow the Borrower to provide either bank statements, electronic transfer of rental payments or canceled rent checks that verify two months receipt of rental income, in lieu of Form 72 or 1000 to support the net income reflected on the lease.

Verification of Employment

Freddie Mac has revised their requirements to allow the use of a Leave and Earnings Statement (LES) dated no more than 120 days prior to the Note Date to verify the Borrower's employment as part of the 10-day pre-closing verification (10-day PCV).

This is an expansion of the current requirement that allows for use of an LES dated no more than 30 days prior to the Note Date (or 31 days for longer months).

No Cash-Out Refinance Mortgage Proceeds

Freddie Mac has revised their requirements to allow proceeds of a "no cash-out" refinance to be used to pay down any junior liens that were used in their entirety to acquire the subject property.

This is an expansion of their current requirement that allows proceeds of a "no cash-out" refinance Mortgage to be used to pay off any junior liens used for this purpose.

Loan Product Advisor® feedback messages will be updated by February 4, 2020 to reflect this change; however, U.S. Bank is choosing to implement this change immediately.

Compliance Updates

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

We have made updates to the following sections within our Compliance section of the U.S. Bank Correspondent Seller and HFA Division Lending Guides. Highlights of the changes include:

Section	Update
400.15: Right to Financial Privacy Act and Requests for Customer Information	We have added a new section for the California Consumer Privacy Act (CCPA.) The CCPA requires all businesses to provide notices to consumers about the personal information it collects, the purpose for collection, and how that information is shared. It also provides a limited right of deletion. CCPA allows individuals to request information on what information a business has about them and businesses are required to respond.
400.13: National Flood Insurance Act and Flood Disaster Protection Act	We have updated the non-participating community charts.

Guide Section: 400: Compliance

Reminder: Points and Fees

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
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<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
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Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
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<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

Reminder: High Cost Loans Prohibited

Underwriting/Delivery	
<input type="checkbox"/>	Corr. Delegated
<input type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
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<input checked="" type="checkbox"/>	Rural Development

Underwriting Customer Care Help Line

Questions

U.S. Bank Home Mortgage charges certain fees when purchasing a closed loan (e.g., funding fees and commitment fees).

The secondary market transaction is separate from the lender transaction with the consumer. Any funding or commitment fees a lender passes to the consumer must be disclosed on the Closing Disclosure under Section A Origination charges paid to the lender. U.S. Bank Home Mortgage includes all lender origination charges in the Annual Percentage Rate (APR) and the points and fees calculations.

Guide Section: 400.19: Truth in Lending Act (TILA) and Regulation Z

U.S. Bank Home Mortgage will not purchase loans that were federal high cost at the time of origination. U.S. Bank Home Mortgage does not accept post-closing attempts to remove High cost status or attempts to satisfy High cost requirements.

Guide Section: 400.19: Truth in Lending Act (TILA) and Regulation Z

As a part of our continued focus on enhancing processes and simplifying the way we do business, U.S. Bank launched the enhanced **Correspondent Underwriting Customer Care Help Line** and dedicated email address. Lenders are encouraged to utilize this resource with any **underwriting** questions you may have.

- **Dedicated Email Address -** UWCustomerCare@usbank.com
- **Correspondent Underwriting Customer Care Help Line -** 800.200.5881
 - Lenders are prompted to 'select Option 2 for Underwriting Customer Care.'

Note: As our preferred method, emails will be returned within two hours; emails received after 3 p.m. CT will be returned the following business day. Voicemails will be returned within two hours; voicemails received after 2 p.m. CT will be returned the following business day. Please also note that the hours of operation for the Correspondent Underwriting Customer Care Help Line are 8 a.m. – 4 p.m. CT.



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.