

**U.S. Bank Consolidated Agency and Government Overlays applicable to Housing Finance  
Agency Lending Division (as of 11/06/2020)**



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

- An "X" in the investor column indicates that the overlay applies to loans submitted under a lender's delegated and non-delegated underwriting authority
- A "ND" in the investor column indicates that the overlay applies to loans submitted under a lender's non-delegated underwriting authority
- Where the overlay matrix is silent or for information not contained herein, Lenders must follow the more restrictive guidelines.
- The Overlay Descriptions are summarized alphabetically by topic
- 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


Topic	Overlay Description					
		Freddie Mac	Fannie Mae	FHA	USDA	VA
<b>Underwriting/Credit Policy (Section 700), Product (Section 500) and Delivery/Funding (Section 900) of the HFA Lending Guide</b>						
Acreage/ Eligible Properties 711.12	Parcels exceeding 20-acres will be considered an exception and must follow the U.S. Bank Home Mortgage exception process. All acreage must be included in value.			X		
Adverse Credit/Recovery Time Periods 711.7.1	Must meet all time frame requirements as U.S. Bank Home Mortgage does not allow shorter time frames for extenuating circumstances.			X		
	Deed-in-lieu or short sale require a two-year period from transfer of title to new application.					ND
Anti-Flipping Policy 712.15; 715.14	If 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.				ND	ND
Anti-Flipping 713.15	1. If Seller acquired property 90 days or fewer 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). 2. If Seller acquired property more than 90 days but fewer than 180 days prior to the date of the Sales Contract and the current sales price exceeds 20% of the seller's acquisition a 2nd review of the appraisal must be completed by U.S. Bank Home Mortgage Collateral Review Department (refer to selling guide for additional information).	X	X			
Appraisal Waivers 500	Appraisal waivers (PIW/ACE) are not accepted regardless of AUS findings.	X	X			
Asset Dissipation 713.7	Asset dissipation (Retirement or Non-Retirement) cannot be used as a form of income to qualify the Borrower.	X	X			
FICO 500	Minimum FICO score requirements are stated within the HFA specific product guides Section 500	X	X	X	X	X
	For loans where one borrower has a FICO score that is less than 660 the following requirements apply: 1. All borrowers who's income is being used to qualify for the loan must have been on their current job for 6 months 2. One month reserves required			X		
Collection & Non-Mortgage Charge Off Accounts 713.9	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. Collection accounts and charge-offs on non-mortgage accounts that exceed these limits do not have to be paid off at or prior to closing, provided the file has documented compensating factors as referenced in the business line exception process.	ND				
Condominium Single Unit Approval 815.6; 500	Any Delegated Client utilizing their own DE may use the Single Unit Approval review however, any loan utilizing the Single Unit Approval will have a maximum LTV of 90% LTV (including MIP).			X		
Debt-to-Income (DTI) 711.2; 712.2; 713.2; 715.2	Maximum DTI requirements are stated within the HFA specific product guides Section 500	X	X	X	X	X
	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%.	ND	ND	ND	ND	ND

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Delinquent Credit 712.9	All judgements are required to be paid off; Credit with collections requires a downgrade.					ND
Early Start Letter 711.11	No Early Start Letters allowed for New Construction			ND		
Extended Absence 713.7	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 6 months or longer to utilize their income for qualifying.	X	X			
Federal and State Tax Repayment Plans 715.7	All Federal and State Tax repayment plans must be paid in full				X	
Final Inspection New Construction 711.11	Final inspection required by appraiser or RCI/CI Inspector; USBHM will not allow licensed contractors to do any inspections.			X		
Foreign Assets 711.5, 712.8, 713.8, 715.5	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	X	X	X	X
Foreign Income 711.4, 712.6, 713.7, 715.4	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	X	X	X
Form 1077 Alternative 713.2	U.S. Bank will require the Fannie Mae Form 1008/Freddie Mac Form 1077 on all loan files and will not accept alternative forms.	X				
Funding Requirements/ Escrow Holdback 900.C	Escrow holdbacks: Timeframe requirements are 90 days for exterior improvements (weather permitting) and 30 days for interior improvements.	X	X			
Funding Documentation/ Survey Exceptions 900.M	ALTA 9 required if there are survey exceptions.	X	X	X	X	X
Gift Funds 713.8	Lenders must provide evidence of one of the following: 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 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. 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.		ND			
Gross Up Rate 713.7	The percentage non-taxable income can be grossed up in an amount equal to the tax rate, if borrower is required to file tax returns. If the borrower is not required to file a Federal income tax return, the tax rate of 25 percent should be used.  U.S. Bank will not allow gross up without documentation. U.S. Bank will continue to follow Fannie Mae policy and only allow Social Security income to use a gross-up factor of 25%		ND			
Individual Water Systems 715.17	Individual Water Systems including Rain Catchment Systems in Hawaii and Western Pacific Region will not be allowed				X	
VA IRRRL (Not Serviced by U.S. Bank) 712.12	Credit required. Income source (not amount) is required. No 30 days late last 12-months on mortgage being refinanced. No Investment or Second Homes permitted.					X
Large Deposits/Funds to Close 712.8	Any deposit in any one month that is greater than 1% of sales price must be verified and sourced.					ND
Manual Underwriting 500; 711.7, 712.9, 713.9, 715.7	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	X		X	X
Manual Underwriting	Not allowed			X		
	Not allowed. For possible exception, see specific HFA Product Guide.			X	X	X

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Manufactured Homes 500	Standard HFA Preferred loans, 95% LTV 45% maximum DTI and 640 minimum FICO. For MH Advantage loans, 97% LTV, 45% maximum DTI 680 minimum FICO. See HFA specific Product Guide		X			
Manufactured Housing 713.17, 713.19, 900.H	ALTA 7.1 needed on manufactured homes.		X			
Manufactured Home Limited Power of Attorney Section 900:H	Required for all Manufactured Homes where Title has not already been surrendered or the property is located in a non-titling state.	X	X	X	X	X
Non-Borrowing Spouse Debt 712.9	The underwriter must count all debt for non-borrowing spouse in Community Property States regardless if they volunteer income information.					ND
Non-Traditional Types of Properties 713.17	Due to the risk nature of not being able to fully comply with the appraisal requirements for these types of properties, U.S. Bank Home Mortgage will not make or purchase loans that are non-traditional types of properties.	X				
PACE 711.16 712.24 713.11 715.6	Not permitted on purchases or refinances.	X	X	X	X	X
Properties currently or Formerly in the name of an LLC 711.3	Any property in the name of the borrower's LLC or has been in the name of the borrower's LLC in the most recent 120 day period, as measured backward from the date of the initial application, it is not eligible for refinancing into the borrower's name.			X		
Property with a Manufactured Home accessory unit 713.17	U.S. Bank will not allow properties with a manufactured homes as an accessory dwelling to be eligible property.	X	X			
Recovery Time Periods 713.9.1	Short Sale time frame is no earlier than three years from date of application regardless of AUS response.	X	X			
Recovery Time Periods for Reestablishment of Credit after Bankruptcy, Foreclosure, Short Sale and Deed in Lieu 715.7.1	U.S. Bank requires 3 years to have passed from the completion date of the event and the application date.				X	
Refinance Loans 711.10, 713.31	Maximum principal curtailment \$1,000.			X		
Seller paying borrower debts and property gifts 712.8	Not allowed.					X
Social Security Number 711.3	All borrowers are required to have a valid Social Security Number.			ND		
Special Levied Assessments 713.14, 712.1, 711.8, 715.8, 900:D	U.S. Bank requires these monthly assessment amounts be added to the qualifying PITIA.	X	X	X	X	X
Streamline Refi	Not allowed			X		
Termite Inspections 711.18	Soil poisoning method for treating termites is unacceptable regardless if the treatment will not endanger the quality of the water.			ND		
Texas Home Equity Loans 713.17	Acreages exceeding 10 acres not allowed.	X	X			
Title/ Eligible Borrowers 711.3, 712.5; 713.5; 715.3	Life estates, guardianships, and conservatorships are not eligible.	X	X	X	X	ND
Trusts 711.3; 712.5; 713.5	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	X	X		ND

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Trust Income 713.7	Income from trusts may be used with a minimum twelve (12) months history of trust income distribution to borrower.	X	X			
Work Completion Escrows 713.25	The maximum dollar amount to be the lesser of \$30,000 or the cost to complete the incomplete items does not exceed 10% of the 'as completed' value of the Mortgaged	ND	ND			
USDA/RD Credit/Debt Waivers 715.9	U.S Bank does not allow any credit or debt ratio waivers for Rural Development loans.				X	
<b>COVID-19 Related Overlays (Found in Seller Guide Updates)</b>						
203K	U.S. Bank will not allow any temporary flexibility allowed by FHA to continue administering the Rehabilitation Escrow Account, including the approval of extension requests and release of funds, which will allow the project to continue for mortgages where the Borrower is in forbearance due to the impacts of COVID-19.			X		
Appraisals - Drive-by/Exterior-Only	Drive-by/Exterior-only appraisals are not acceptable for any loan type.	X	X			
NOV Conditions	Any additional items that need to be met on the NOV to comply with VA requirements must be met and completed in 60 days from the date of the NOV issuance.					X
Rental Income	Rental income for qualifying purposes will only be considered stable provided the lease is at least 12 months in duration. If the lease has expired and has gone month to month, proof the rental is still rented (lease extension, proof of rent received, etc). Leases must be provided.	X	X			
	Borrowers utilizing rental income for qualification must now have the net rental income reduced by 25% for each property generating rental income. For loans underwritten by U.S. Bank, the alternative options noted in the mortgage letter will not be allowed; there will be no exceptions to income reduction requirement.			ND		
Re-Verification of Employment	U.S. Bank requires reverification of employment for all loan types:  Written VOE: U.S. Bank permits the lender to obtain a written VOE confirming the borrower's current employment status within the same timeframe as the verbal VOE requirements. An email directly from the employer's work email address that identifies the name and title of the verifier and the borrower's name and current employment status may be used in lieu of a verbal VOE; or  Paystub: The lender may obtain a year-to-date paystub from the most recent pay period that immediately precedes the note date. Continue to follow the income requirements and guidance in the Agency guides; or  Bank statements: The lender can provide bank statements (or other alternative documentation) evidencing the payroll deposit from the most recent pay period that immediately precedes the note date.				X	X
	If a reverification of employment is not able to be obtained within 10 days prior to closing the following items can be obtained as alternative methods of reverification of employment:  For all (purchase and refinance) transactions, evidence the Borrower has a minimum of 2 months of Principal, Interest, Taxes and Insurance (PITI) in reserves; and  One of the following: * A year-to-date paystub for the pay period that immediately precedes the Note date, or * A bank statement showing direct deposit from the Borrower's employment for the pay period that immediately precedes the Note date.			X		
Self-Employed Borrowers	* No business assets will be allowed for down payment, closing costs or reserves, regardless of impact to business. * See Verification of Business for additional requirements			X	X	X
Termite Inspections	Termite Inspection report for properties located in an area on the Termite Infestation Probability Map of "very heavy" or moderate to heavy" will still be required.					X
Verification of Business	U.S. Bank requires a VOB for all self-employed borrowers for all loan types:  For self-employed borrowers, operations should verify the borrower's business is operational closer to the note date rather than rely on current Guide requirements (within 10 calendar days instead of 120 days requirement). If the business is currently closed, the income may not be used to qualify.				X	X

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Verification of Employment	If the required VOE documentation cannot be obtained U.S. Bank and its lenders will not follow guidance allowing the borrowers to close with 2 months cash reserves. The loan will not be approved or purchased without VOE documentation.			X	X	

	<p>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. Please consult the Correspondent Seller Guide (<a href="https://uniteus.usbank.com">https://uniteus.usbank.com</a>). 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. ©2020 U.S. Bank.</p>
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