



Seller Guide Update



SEL-2021-006: Multiple Topics

February 19, 2021

- 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 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.

Keeping you informed

U.S. Bank continues to closely monitor the ever-changing landscape of our business as a result of the impacts of the coronavirus (COVID-19).

For information about our ongoing work to support our lending partners and customers, we invite you to visit our Correspondent/HFA COVID-19 Resource Page within AllRegs for regular updates and the most current information.

We know you have many questions and we are diligently working to address each of them. We have developed a list of [COVID-19 Frequently Asked Questions](#) and will continue to update this document on a regular basis to keep you informed of process and policy updates.

For additional information about our ongoing work to support customers, we invite you to visit [U.S. Bank's COVID-19 support site](#) for regular updates and the most current information.



Upcoming Changes: Redesigned URLA Requirements

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

In **SEL-2020-100**, we announced that U.S. Bank Correspondent and HFA would begin to accept the redesigned URLA starting during the open production timeline with new loan registrations and loan reservations beginning January 1, 2021. Additionally, we also advised that U.S. Bank would continue to accept applications using the current 1003 taken before the Mandated usage date of March 1, 2021. **As a reminder, U.S. Bank will require submissions using the redesigned URLA for applications taken on or after March 1, 2021.**

We have also updated our Frequently Asked Questions document (attached to this announcement) to include addition items as well as clarifications.

Key highlights are included below; however, lenders are encouraged to review the FAQ in its entirety:

(Q) What information is required for delivery using the redesigned URLA?

(A) U.S. Bank will require the borrower and lender pages on all loans. Where applicable, the additional borrower, unmarried addendum and continuation sheet will be required. The redesigned URLA provides one form in five parts. Refer to the full FAQ for complete details regarding the information included in each section, as well as sample forms.

Required for all loans:

- a. Borrower Information
- b. Lender Loan Information

Use when applicable to the transaction:

- c. Additional Borrower
- d. Unmarried Addendum
- e. Continuation Sheet

(Q) Will there be a preference for displaying the loan number and/or the ULI at the top of the URLA output forms?

(A) U.S. Bank does not have a specific requirement. It would, however, be helpful if the chosen path is consistent from page to page and from application to application.

(Q) For Correspondent Lending, in regard to the (.fnm) file upload on the redesigned U.S. Bank lock request form, will there be any updates to this process?

(A) U.S. Bank will begin accepting the redesigned URLA on January 1, 2021. We will continue to accept the 3.2 version until it is no longer allowed by the GSEs.

- If a user uploads the (.fnm) file, our UniteUS EXT system will automatically set the URLA flag based on the version.
- If a user is manually creating a loan, he/she will need to select which URLA version was used for the loan.

Important Note: It is important to note, that once a loan has the URLA version selected, it cannot be changed. In the event there is an error, the loan would have to be cancelled and new loan created. Please refer the Systems section in the FAQ for important updates to the loan registration process in UniteUS EXT.

HFA System Readiness: For HFA lenders, as this is for the reservation file only, there is no impact systematically.

Guide Update: 1160.30: U.S. Bank URLA FAQ (attached)

Reminder: New IRS Form 4506-C Delivery Deadline Extended

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

Reminders: Delivery and Funding

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 type="checkbox"/>	HFA Delegated
<input 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

Questions

U.S. Bank announced in **SEL-2020-092**, that in September of this year, the IRS released a new form, 4506-C for requesting IRS Tax Transcripts that replaces the current Form 4506-T.

U.S. Bank began accepting Requests for Transcripts for Tax Returns completed by the borrower on the new 4506-C in addition to continuing to accept the 4506-T form. Additionally, U.S. Bank later announced that it would require usage of Form 4506-C (or Tax Transcripts) for all closed loan packages delivered on and after **February 22, 2021**.

Note: In order to meet the IRS requirements as published, if a loan is pulled for a post-fund quality review, and it does not contain the Form 4506-C (or Tax Transcripts), a quality requirement to execute either the Form 4506-C (or provide Tax Transcripts) will be issued.

Guide Update: Multiple sections of the Correspondent Seller and HFA Lending Guide will be updated to reflect the acceptability of the 4506-C requirements.

Loan Delivery Requirements

As a reminder, and as published in our Correspondent Seller Guide, all loans must be closed, disbursed, uploaded, and the 'Submit for Purchase' activity must be completed by midnight CST on the lock expiration date.

Guide Section: 900: Delivery and Funding > B. Loan Delivery Requirements

Right of Rescission AKA Notice of Right to Cancel

As published in our Correspondent Seller Guide, the rescission period is three (3) business days after the date documents are signed. It begins the day after documents are signed and funds may not be disbursed by the settlement agent until after midnight of the third business day after the date rescission begins. Monday through Saturday are considered business days and are counted as part of the three day rescission period. Sundays and national holidays are not counted as part of the rescission period.

Guide Section: 900: Delivery and Funding > C. Funding Documentation Requirements



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.



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

Updated February 19, 2021

U.S. Bank Correspondent and HFA began accepting the redesigned URLA starting with redesigned applications on and after January 1, 2021.

Lenders are encouraged to review our **SEL-2020-100** for additional information and details.

This FAQ document will be dynamic and will continually be edited and updated throughout the project.

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Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

Topic	Question	Response
General Information and Implementation Timelines		
Background	What is the Uniform Residential Loan Application (URLA)?	The URLA (also known as the Freddie Mac Form 65 / Fannie Mae Form 1003) is a standardized document used by borrowers to apply for a mortgage. The URLA is jointly published by the GSEs and has been in use for more than 40 years in all U.S. states and territories.
	Why was the URLA redesigned?	<p>Changes in the mortgage industry and the regulatory environment led the GSEs to reassess the information obtained at the time of loan origination. The URLA/ULAD initiative has the following objectives:</p> <ul style="list-style-type: none"> Update the URLA form to collect loan application information that is relevant and useful to the industry in making a loan underwriting decision, as well as update the physical format and layout to enhance the collection of information and usability of the form. Develop and publish a corresponding standard dataset to support the URLA. The ULAD Mapping Document provides a cross reference for every field on the redesigned URLA to the equivalent data point(s) in the MISMO Version 3.4 Reference Model. Publish GSE-specific automated underwriting system (AUS) specifications for Desktop Underwriter® (DU®) and Loan Product Advisor® updated to MISMO v3.4 and including the redesigned URLA fields. <p>Note: The URLA redesign does <u>not</u> change a creditor's obligations to provide various loan disclosures soon after it receives a consumer's application.</p>
Overall Industry Timeline	What is the timeline for implementation by the Agencies?	Freddie Mac/Fannie Mae (the GSEs) will extend the implementation timeline for the redesigned Uniform Residential Loan Application (URLA) and automated underwriting systems (AUSs) to support the industry during the COVID-19 pandemic. The new mandate date for the use of the redesigned URLA and AUS specifications is March 1, 2021.
	What is the Limited Production Phase (LPP)?	<p>Limited Production Phase – August 1, 2020: As announced in December 2019, the Limited Production Period can be thought of as a “test and learn” period. The GSEs will begin accepting the MISMO v3.4 loan application submission files in production on a limited basis. Lenders will have controlled access to the GSEs’ AUS production environments based upon validation of eligibility requirements and completion of the Partner Readiness Questionnaire.</p> <p>Only participants who have completed these prerequisites and received GSE approval will be allowed to submit loans using the redesigned URLA prior to its redesigned effective date of 1/1/21.</p>
	When does Open Production begin?	<p>Open Production – January 1, 2021: Starting January 1, 2021, all lenders may submit the MISMO v3.4 loan application submission files to GSE-specific AUS production environments using the redesigned URLA. NOTE: Freddie Mac and Fannie Mae are updating the effective date in the footer of the redesigned URLA to 1/2021.</p>
	When is the Mandated Effective Date?	<p>March 1, 2021: All lenders are required to submit the MISMO v3.4 loan application submission files to the GSEs’ AUS production environments using the redesigned URLA beginning March 1, 2021. NOTE: Freddie Mac and Fannie Mae will continue to process applications received prior to the mandate date within the AUS format on which they were initially submitted. A one-year run off old 1003's will run through March 1st, 2022.</p>



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

U.S. Bank Home Mortgage General Information and Loan Delivery

Loan Delivery	Will U.S. Bank accept the redesigned URLA prior to the Agencies mandate date of 3/1/21?	Yes, U.S. Bank will begin accepting the redesigned URLA in loan documents beginning January 1, 2021 during the Open Production period outlined on page 2 (refer to Overall Industry Timeline).
	Will U.S. Bank continue to accept the current MISMO 3.2 file configuration?	U.S. Bank requires the usage of the MISMO 3.2 file for loans created using the old loan application in alignment with GSE requirements. The 3.2 file format will remain a U.S. Bank acceptable file until it is no longer allowed by the GSEs but should only be used for loans originated using the old 1003 documentation.
	Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?	U.S. Bank will accept the MISMO 3.4 file for loans created using the redesigned loan application in alignment with GSE requirements beginning January 1, 2021. It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).
	What programs/products can I deliver to U.S. Bank beginning January 2021?	<p>You may now deliver the following programs using your delegated and non-delegated underwriting status:</p> <ul style="list-style-type: none"> Agency Fannie Mae and Freddie Mac FHA, VA and USDA* Portfolio <p>*The USDA optional use period runs from December 7, 2020 – February 26, 2021. For USDA loans submitted to U.S. Bank during the optional use period that include the redesigned URLA, lenders will be required to provide the corresponding dataset in the MISMO v3.4 format.</p> <p>RD is implementing the new Guaranteed Underwriting System (GUS) with the new URLA on March 1, 2021.</p> <p>Conditional Commitments: RD is converting to a New GUS and any loan with Conditional Commitments not issued as of February 26, 2021 must be submitted to the New GUS. The time frame for the conversion is:</p> <ul style="list-style-type: none"> February 26, 2021 - Close of business legacy GUS no longer available for editing or processing applications. It will be view only access for one year. February 27-28, 2021 - SFHGLP systems will be unavailable to transition to the new GUS. March 1, 2021 - New GUS goes live. Existing applications in legacy GUS that have not received a Conditional Commitment will require the application to be entered into the new GUS. <p>SFHGLP is receiving record volume and may not be able to review all applications submitted prior to February 26, 2021 closing of Legacy GUS, however all complete applications received by February 1, 2021 will be issued a Conditional Commitment. Monitor posted turn times on the RD website to make determination of ability to receive a Conditional Commitment before February 26, 2021 closing of legacy GUS.</p> <p>If an application in legacy GUS has not received a Conditional Commitment by the close of business on February 26, 2021, the application will need to be re-entered into the new GUS.</p> <p>New GUS Entry: Entering the application into new GUS can be done by importing the FNMA DU MISMO 3.4v1.8.1 XML file or manually entering the application.</p>





Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

		<p>U.S. Bank will require the borrower and lender pages on all loans. Where applicable, the additional borrower, unmarried addendum and continuation sheet will be required. The redesigned URLA provides one form in five parts:</p> <p>Required for all loans:</p> <ol style="list-style-type: none"> 1. Borrower Information: Collects personal information for one borrower including: <ol style="list-style-type: none"> a. Section 1 - Borrower Information: Personal Information and Employment and Income b. Section 2 - Financial Information: Assets and Liabilities (joint) c. Section 3 – Financial Information: Real Estate (joint) d. Section 4 – Loan and Property Information: Loan Amount, Property Type, Other New Mortgages, Rental Income, Gifts and Grants (joint) e. Section 5 – Declarations: About this Property and About your Finances f. Section 6 – Acknowledgements and Agreements (all borrowers sign) g. Section 7 – Military Service h. Section 8 – Demographic Information: replaces the Demographic Information Addendum i. Section 9 – Loan Originator Information 2. Lender Loan Information: Completed by the lender and includes transaction details, some may not be known at application including: <ol style="list-style-type: none"> a. Section L1. Property and Loan Information b. Section L2. Title Information c. Section L3. Mortgage Loan Information d. Section L4. Qualifying the Borrower – Minimum Required Funds or Cash Back <p>Use when applicable to the transaction:</p> <ol style="list-style-type: none"> 3. Additional Borrower: Captures personal information for a joint borrower including: <ol style="list-style-type: none"> a. Disclosed on Additional Borrower Form <ol style="list-style-type: none"> i. Section 1 - Borrower Information: Personal Information and Employment and Income ii. Section 5 – Declarations: About this Property and About your Finances iii. Section 6 – Acknowledgements and Agreements (all borrowers sign) iv. Section 7 – Military Service v. Section 8 – Demographic Information: replaces the Demographic Information Addendum b. Disclosed jointly on Borrower Information Form <ol style="list-style-type: none"> i. Section 2 - Financial Information: Assets and Liabilities (joint) ii. Section 3 – Financial Information: Real Estate (joint) iii. Section 4 – Loan and Property Information: Loan Amount, Property Type, Other New Mortgages, Rental Income, Gifts and Grants (joint) iv. Section 9 – Loan Originator Information 4. Unmarried Addendum: Identifies property laws that may affect credit worthiness 5. Continuation Sheet: Suggested format for providing additional information <p>Sample forms available FNMA Uniform Residential Loan Application.</p>
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What information is required to be delivered using the redesigned URLA if a lender is approved to do so?



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

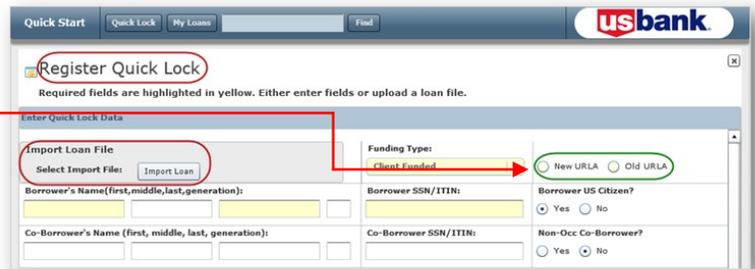
	Will there be a preference for displaying the loan number and/or the ULI at the top of the URLA output forms?	U.S. Bank does not have a specific requirement. It would, however, be helpful if the chosen path is consistent from page to page and from application to application.
Loan Delivery, continued	Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?	U.S. Bank will accept the MISMO 3.4 file for loans created using the redesigned loan application in alignment with GSE requirements beginning January 1, 2021. It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).
	What does U.S. Bank required for sections where no data is entered?	U.S. Bank does not have a specific requirement, other than a clear indication if the section does not apply so that U.S. Bank knows there is no information in it.
	In regard to the (.fsm) file upload on the redesigned U.S. Bank lock request form, will there be any updates to this process?	U.S. Bank will begin accepting the redesigned URLA on January 1, 2021. We will continue to accept the 3.2 version until it is no longer allowed by the GSEs. <ul style="list-style-type: none"> If a user uploads the (.fsm) file, our UniteUS EXT system will automatically set the URLA flag based on the version. If a user is manually creating a loan, he/she will need to select which URLA version was used for the loan. It is important to note, that once a loan has the URLA version selected, it cannot be changed. In the event there is an error, the loan would have to be cancelled and new loan created. Please refer the Systems section below for important updates to the loan registration process in UniteUS EXT.

Systems

For Correspondent, U.S. Bank will accept production utilizing the redesigned URLA through our current loan origination system, UniteUS EXT.

Functionality Highlights:

- Acceptance of the new 3.4 file including a radio button to alert file use (Redesigned URLA 3.4/Old URLA 3.2).
- If the user selects, 'New URLA', UniteUS EXT will automatically ask the user via a new pop-up message to confirm the selection as outlined below:



Register Quick Lock (RQL)	Batch Quick Lock (BQL)
<p>Warning: You have selected to register this loan using the New URLA form</p> <p>You have selected to submit a loan using the New URLA form. Please remember that a .fsm file cannot be uploaded on a loan with the New URLA form and all loan documentation, including URLA form and Underwriting Findings, must be consistent with the New URLA form. If you have selected this option in error, please do not proceed, update your loan to reflect the accurate information and proceed with registration.</p> <p>Do you wish to continue?</p> <p><input type="button" value="No, Import New Loan"/> <input type="button" value="Yes, Continue"/></p>	<p>Warning: You have selected to register loan(s) using the New URLA form</p> <p>Within your batch registration you have indicated one or more of your loans should be registered using the new URLA form. Please remember that a .fsm file cannot be uploaded on a loan with a New URLA form and all loan documentation, including the URLA form and Underwriting Findings, must be consistent with the New URLA form. If you have selected this option in error, you may wish to update those loans and complete the registration with the corrected information.</p> <p>Do you wish to continue?</p> <p><input type="button" value="Cancel Upload"/> <input type="button" value="Continue Upload"/></p>



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

Important Reminders:

- If a user uploads the (.fsm) file, our UniteUS EXT system will automatically set the URLA flag based on the version.
- If a user manually creates a loan, he/she will need to select the URLA version used for the loan.
- **It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).**

Bulk Upload: U.S. Bank's new bulk upload template has a new column dedicated to the new MISMO 3.4 file configuration.

- **LICS** - For HFA lenders, as this is for the reservation file only, there is no impact systematically.

Additional Resources

- [Fannie Mae URLA web page](#)
- [Freddie Mac URLA web page](#)
- [Fannie Mae and Freddie Mac Uniform Residential Loan Application \(URLA\) / Uniform Loan Application Dataset \(ULAD\) FAQs](#)

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