



# Seller Guide Update



SEL-2021-023: Multiple Topics

May 7, 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 noted 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.



## Clarification: Agency Verbal Verification of Employment

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 type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

## VA Expanded Eligibility National Guard

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

## FHA Partial Waiver for Appraisal Requirements

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

Please refer to the clarification below to recent U.S. Bank publications (SEL-2021-021 and SEL-2021-022), for Agency flexibilities:

- **Verbal Verification of Employment** – As referenced in SEL-2021-022, this Agency flexibility (Fannie Mae and Freddie Mac) expired April 30, 2021 and was not extended.

**Guide Update:** COVID-19 FAQ

**Effective Date:** Immediately

Members of the Army National Guard or Air National Guard may be eligible for VA home loan benefits.

### Eligibility Requirements

The member must have performed not less than 90 cumulative days of full-time National Guard duty, of which, at least 30 of those days must have been consecutive. Full-time National Guard duty includes training or other duty in the member's status as a member of the National Guard.

Full-time National Guard duty does not include inactive duty, such as monthly drills. It also does not include basic or initial training.

The expansion is retroactive to current and former National Guard members, regardless of service dates, who meet the requirements effective with Certificate of Eligibility (COE) applications received on or after January 5, 2021.

Please refer to [VA Circular 26-21-08](#) for COE application information.

**Effective Date:** The waiver is valid for FHA Appraisals with effective dates between April 26, 2021 and April 26, 2022.

[FHA issued](#) a Temporary Partial Waiver for appraisal (purchases and refinances) requirements that an FHA Roster Appraiser now does not need to include two active listings or pending sales on the FHA appraisal form.

This waiver applies to properties in changing markets with increasing property values and a shortage of housing supply. The appraiser is still required to meet all other appraisal requirements.

## Detached and Site Condominium Units

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
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<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

U.S. Bank is clarifying the definition and eligibility requirements for Detached and Site Condominium Units. This will make it easier to identify a detached or site condo and reduce the level of project review.

### Detached / Site Condo Units

A detached condo is defined as any condo unit that is completely detached from other condo units in the project. The unit may not share any adjoining walls, ceilings, floors, or other attached architectural elements (such as breezeways or garages) with any neighboring units.

A detached condo unit may be in a project consisting solely of detached units or in a project containing a mixture of attached and detached units.

Site condos in which the unit owner owns the detached unit and the land upon which the unit is built are a type of detached condo.

Detached and Site condominium units do not require a traditional project review for loans less than or equal to \$1,000,000.

The projects must:

- Meet the priority of common expense assessments, and
- Have insurance as required in 811.06 Insurance Requirements

Note: When an appraisal of the property is obtained, it must meet all applicable appraisal requirements.

The project must not be:

- a condo hotel or motel, or
- timeshare or segmented ownership project, or
- houseboat, or
- manufactured home

Detached and Site condominium units for loans greater than \$1,000,000 require at a minimum a Streamlined/Limited Review. Please follow the process found in 811.1 Streamlined/Limited Review for Portfolio Loans. Loans not meeting the Streamlined/Limited Review requirements (LTV/CLTV, Resort Programs, etc.) must be submitted for a Full Project Review.

**Guide Update:** 811.05 Projects that Do Not Require A Project Review by the Project Approval Department

## Uniform Closing Dataset (UCD) Changes Coming Soon

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
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<input type="checkbox"/>	Rural Development

As a reminder and as published in SEL-2021-013, [Freddie Mac and Fannie Mae \(the GSEs\) announced on August 11, 2020](#), that they are implementing a two-year transition to convert certain edits in their Uniform Closing Dataset (UCD) collection systems from “warning” to “critical.”

This transition will begin May 31, 2021, and is designed to enhance data quality and consistency for single-family loans the GSEs purchase.

Lenders are encouraged to review SEL-2021-013 for complete details.

**Reminder:  
Correspondent  
Underwriting Fee  
Updates**

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
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<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
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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

As previously published in SEL-2021-021, effective with loan registrations on and after May 21, 2021, U.S. Bank will update our Underwriting Fee based on product as outlined below:

Product	Updated Underwriting Fee: (Loans registered on/after 5/21)	Product Codes
<b>Conventional Agency</b>		
Conventional Conforming	<b>\$295</b>	3501, 3502, 3503, 3507, 3519, 3601, 3602, 3604, 3619, 3666, 3667, 3668, 3684, 3685, 3686, 3687, 3691
Conventional High Balance	<b>\$295</b>	3626, 3627
<b>FHA</b>		
FHA	<b>\$295</b>	1001, 1002, 1004, 1024, 1025, 1105, 1020,
FHA Jumbo	<b>\$295</b>	1025, 1105
<b>U.S. Bank Portfolio (First and Second Mortgages)</b>		
U.S. Bank Portfolio First Mortgage	<b>\$495</b>	3776, 3784, 3777, 3782, 3783, 3307, 3045, 3309, 3317, 3319, 3320
U.S. Bank Portfolio Second Mortgage	<b>\$250</b>	3141, 3104, 3105
<b>USDA</b>		
USDA	<b>\$305 (no change)</b>	3001
<b>VA</b>		
VA	<b>\$295</b>	2001, 2002, 2009, 2024
VA Jumbo	<b>\$295</b>	2009

**Guide Update:** The Correspondent Seller Guide will be updated to reflect a future change for section 640.1: Commitment and Underwriting.

**Questions**



**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.