



# Seller Guide Update



SEL-2021-048: Multiple Topics

August 27, 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.



## Construction Conversion Financing FAQ Updated

U.S. Bank has updated the Construction Conversion Financing Frequently Asked Questions (FAQ) document to now include new items specific to the recent updates made to the General Qualified Mortgage Final Rule.

**Guide Update:** 500: Mortgage Programs > Construction Conversion > Construction Conversion Financing FAQ's

## Conventional-Cash Conversion of Credit Card Reward Points

U.S. Bank is clarifying the requirements for cash conversion of credit card reward points which may be used as acceptable funds for use towards closing costs, down payment and financial reserves.

For Agency loans underwritten by U.S. Bank, if the credit card reward points are converted to cash and deposited into the borrower's depository account (for example, checking or savings), no additional documentation is required unless the deposit is considered a large deposit. These rewards must be converted to cash prior to the application of the loan. In this event, the requirements outlined in Large Deposits Defined must be followed.

If the credit card reward points are converted to cash, but not deposited into a borrower's depository account prior to application, U.S. Bank must provide evidence the reward points were:

- available to the borrower prior to the conversion, including verification of the cash value (for example, credit card reward statement prior to conversion); and
- converted to cash prior to the application of the loan.

For Portfolio loans, the converted credit card reward points are not acceptable funds.

**Guide Update:** 713.8 Agency – Funds for Closing; 714.1.6 Portfolio – Assets/Funds to Close; 1400 Overlay Matrix > 1400.03 U.S. Bank Non-Delegated Agency Overlays

## End of Cycle Coming Soon - Government ARM Change Dates

As a reminder, we have approached the end of a cycle to accept **October 1, 2026** change dates for FHA/VA ARM loans.

- **Loans Purchased and Change Date Requirements** - Loans purchased after **August 20, 2021**, must have a **January 1, 2027** change date.

**Guide Update:** 1300: ARM Documents > Disclosures > [FHA/VA ARM Change Dates](#)

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

## 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.