



Seller Guide Update



SEL-2021-051: Multiple Topics

September 10, 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.



Interested Party Contributions

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

U.S. Bank Portfolio policy follows conventional standard guidelines when any policy item is not specifically addressed. To bring further clarity to our underwriting guidelines, we are adding the following conventional standard guideline to our Portfolio underwriting guidelines for Interested Party Contributions (IPCs).

All Government loans will continue to follow government standard guidelines.

Interested Party Contributions: Interested parties to a transaction include, but are not limited to, the property seller, the builder/developer, the real estate agent or broker, or an affiliate who may benefit from the sale of the property and/or the sale of the property at the highest price possible.

Agency Loans: IPC are allowed for Conventional Agency real estate loans are permitted up to a maximum financing amount as follows:

Occupancy	LTV/TLTV Ratios >90%	LTV/TLTV Ratios > 75% and ≤ 90%	LTV/TLTV Ratios ≤ 75%
Primary Residences and second homes	3%	6%	9%
Investment Properties	2%	2%	2%

IPCs that exceed published limits or exceed actual cost are considered sales concessions and not allowed. The property's sales price must be adjusted downward to reflect the amount of contribution that exceeds the maximum or actual cost, and the maximum LTV/CLTV ratios must be recalculated using the reduced sales price or appraised value.

U.S. Bank does not allow principal curtailments/reductions. The Effective Sales Price (sales price minus sales concessions amount) must be reduced by the amount that exceeds the acceptable limit or the IPC reduced.

AUS must be re-run and the Lender is responsible to ensure that the sales concession and updated LTV is accurately notated.

Portfolio Loans: IPC are allowed for Conventional real estate loans up to a maximum of 6% for owner occupied, primary or second/vacation homes and 2% for investment properties.

IPCs that exceed published limits or exceed actual cost are considered sales concessions and not allowed. The property's sales price must be adjusted downward to reflect the amount of contribution that exceeds the maximum or actual cost, and the maximum LTV/CLTV ratios must be recalculated using the reduced sales price or appraised value.

U.S. Bank does not allow principal curtailments/reductions. The Effective Sales Price (sales price minus sales concessions amount) must be reduced by the amount that exceeds the acceptable limit or the IPC reduced.

Government Loans: IPC are allowed for all government loans up to the maximum requirement. Any IPC that exceed actual Origination fees, other closing costs, prepaid items, and discount points are considered an inducement to purchase. Premium pricing credits from the Lender or TPO are excluded from the limits. Payment of commissions or fees typically paid by the seller is not considered an IPC.

Principal curtailments/reductions are not allowed. A dollar for dollar reduction to the purchase price must be applied prior to applying the Loan to Value percentage.

IPC must not be used to meet any borrowers Minimum Required Investment. The maximum IPC allowed for government loans are as follows:

- FHA – 6%
- VA - 4%
- USDA - 6%

Guide Updates: 711.5 FHA – Funds for Closing, 712.8 VA – Funds for Closing, 713.8 Agency – Funds for Closing, 714.1.8 Portfolio – Transaction Documentation, 715.5 RD - Funds for Closing

Reminder: Correspondent Lending Directory

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

As a reminder, U.S. Bank publishes our **Correspondent Lending Directory** in AllRegs which provides resources for key areas of business as outlined below. We encourage lenders to utilize these contacts as the most expedient means of communication. We have highlighted our Client Support and Correspondent Client Relations contact information below as the most widely utilized resource for your convenience.

- **Client Support (Help Desk)** - For origination platform support, rate sheets, registration, lock, re-lock, loan status, or cancellations:
 - Phone: 800.200.5881, Option 1
 - Email: correspondenthelpdesksupport@usbank.com
 - Email: owensboro@usbank.com
- **Nevada Fulfillment Contacts** - For questions regarding File Review, Receiving, Compliance, Pre-Pooling, Post closing:
 - Nevada Correspondent Relations
 - Phone: 800.874.7988, Option 5
 - Email: correspondentloanreview@usbank.com
- **Owensboro Fulfillment Contacts** - For questions regarding File Review, Receiving, Compliance, Pre-Pooling, Post closing:
 - Owensboro Correspondent Relations
 - Phone: 888.647.7417, Option 2
 - Email: owensboroloanreview@usbank.com

HFA Lending Directory

We also publish a customized **HFA Lending Directory** with similar contact information which is also available from the HFA Lending Guide as outlined below.

Guide Section: U.S. Bank Correspondent Seller Guide > Directory > [Correspondent Lending Directory](#) or [HFA Lending Directory](#)

Disaster Area Declarations

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

The following counties have been declared as Presidential Disaster Area with Individual Assistance on the [FEMA Disaster Website](#) and re-inspection requirements detailed in our Correspondent Seller's and HFA Division Lending Guide must be met. In some cases, additional counties may have been added. Lenders are responsible for verifying procedures are in place to monitor new and/or updated declarations.

- Agency, Portfolio, VA, and RD loans with subject properties located in counties listed below that have not CLOSED by the Disaster Declaration Date must follow the requirements listed in AllRegs.
- FHA loans with subject properties located in the parishes listed below that have not been ENDORSED as of the Disaster Declaration Date must follow the FHA requirements listed in AllRegs.

Declaration Date	ST	County/Parish
September 5, 2021	NJ	Bergen, Gloucester, Hunterdon, Middlesex, Passaic, Somerset
September 5, 2021	NY	Bronx, Kings, Queens, Richmond, Westchester

Guide Section: 711.20 – Natural Disaster Procedures (FHA), 712.20 – Natural Disaster Procedures (VA), 713.21 – Natural Disaster Procedures (Conventional), 714.1.10 – Appraisal Procedures (Portfolio – Correspondent Only), 715.20: Natural Disaster Procedures (USDA)

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.