



Seller Guide Update



SEL-2020-055: Multiple Topics

July 17, 2020

- 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.



Agency Extension of Temporary Flexibilities Related to COVID-19

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

Due to the current economic disruption and market uncertainty associated with the COVID-19 event, U.S. Bank will continue to update temporary guidelines with changes and clarifications as we align our communications with investor guidance.

Extension of Temporary Changes from Previous Seller Guide Updates

We are extending the temporary requirements and flexibilities previously announced that were effective for application received dates through June 30, 2020 to mortgages with application received dates through August 31, 2020 for the following:

Communication	Topic
SEL-2020-021	<ul style="list-style-type: none"> Correspondent: Temporary Flexibilities for Appraisals HFA: Temporary Flexibilities for Appraisals Temporary Flexibilities for Employment Verifications
SEL-2020-027	<ul style="list-style-type: none"> Temporary Credit Underwriting Requirements for Agency Loans Temporary Flexibilities for Agency Appraisals on New Construction Properties
SEL-2020-029	<ul style="list-style-type: none"> Clarification: Temp. Credit Underwriting Requirements for Agency Loans – Investment Properties

Correspondent Approved Assistance Programs

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

We have updated the Correspondent Seller Guide to reflect the following approved assistance programs for Correspondent non-delegated lenders. This approved list is updated monthly.

DPA Program	Program Summary
Inhabit Beaverton Down Payment Assistance Program	<ul style="list-style-type: none"> Maximum assistance \$25,000 0% interest Deferred years 1-10, then forgiven 20% per year years 11-15 Available for all Correspondent Fannie/Freddie
City of Lowell First Time Homebuyer Assistance Program	<ul style="list-style-type: none"> Maximum assistance \$11,800 0% interest Deferred, due upon sale Available for all Correspondent Fannie/Freddie
Lowell Development & Financial Corporation Downpayment Assistance Program	<ul style="list-style-type: none"> Maximum assistance 2.5% of the purchase price, up to \$5,000 0% interest Deferred first 5 years, then paid back in annual installment payments of 2% per year Available for all Correspondent Fannie/Freddie
Philly First Downpayment Assistance Program	<ul style="list-style-type: none"> Maximum assistance lesser of 6% of the purchase price, or \$10,000 0% interest Forgiven after 15 years of owner occupancy Available for all Correspondent Fannie/Freddie

Guide Section: 500: Mortgage Programs > Approved Assistance Programs

FHA Condo Form and Properties in LLC

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 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

Effective Date: Applications on or after July 1, 2020

U.S. Bank is announcing the following changes and reminders for FHA loans:

Properties currently or formerly in the name of an LLC: Due to risk involved, 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 application is not eligible for FHA refinancing into the borrower's name.

Condominium Certification Form: FHA Condo Form Lender Certification for Individual Unit Financing Appendix B has been replaced with HUD 9991 FHA Condominium Loan Level form.

Review of Approved FHA Condominiums and Certification: U.S. Bank Home Mortgage allows Condominiums posted as approved on the [FHA Approved Condominium List](#) for financing. Single Unit Approval for loans underwritten by U.S. Bank is not available at this time.

Previously all FHA approved Condominium documents were sent to Project Approval Department (PAD) for review. Once approved by PAD, the Underwriter completed the Loan Level Certification Appendix B. HUD has retired the Appendix B and replaced it with the HUD Form 9991.

Effective with this announcement for all loans underwritten by U.S. Bank, Operations will obtain a completed 9991 and forward it, along with all FHA approved condominium documents to PAD for review. Once approved PAD will send a U.S. Bank FHA Loan Level Approval letter along with the HUD 9991 FHA Condominium Loan Level form to the submitter to be included in the DocV loan file.

Guide Updates: 711.3 FHA – Eligible Borrowers, Correspondent Overlay Matrix, HFA Overlay Matrix

Third Party Certification of Condominium Approval

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

We have made miscellaneous updates to the **Third-Party Certification of Condominium Approval for Delegated Lenders** form which is now available in the AllRegs.

The form allows the lender to certify that the unit in this condominium project meets the applicable warranties as outlined on the form.

Guide Updates: 1134.2 Third-Party Certification of Condominium Approval for Delegated Lenders

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.