



# Seller Guide Update



SEL-2021-015: Multiple Topics

March 26, 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.



## Foreign Assets

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 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

**Effective Date:** For Correspondent locks and new HFA reservations taken on or after March 26, 2021.

### Foreign Assets – Agency and Government

#### For loans underwritten by U.S. Bank:

- All cash to close must come from borrower's assets through a financial institution located within the United States and seasoned with that institution for 30 or more days prior to application.

### Foreign Assets - Portfolio

- All cash to close must come from borrower's assets through a financial institution located within the United States and seasoned with that institution for 30 or more days prior to application.

**Guide Update:** 711.5 FHA – Funds for Closing, 712.8 VA – Funds for Closing, 713.8 Agency – Funds for Closing, 714.1.6 Portfolio – Assets/Funds to Close, 715.5 RD – Funds for Closing

## Temporary Flexibilities for Tax Return 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

**Effective Date:** Immediately for all loans in process

The Treasury Department and the Internal Revenue Service are providing special tax filing and payment relief to individuals and businesses in response to the COVID-19 national emergency. The filing deadline for tax returns has been extended from April 15 to May 17, 2021. U.S. Bank is offering the following temporary flexibilities for the tax return requirement for loan files requiring tax returns for underwriting purposes.

### Tax Return Requirements

At the time of underwriting, U.S. Bank will require the previous year tax returns after April 15th, if available, otherwise May 17th of the current year unless an extension has been filed with the IRS. A copy of that extension must be documented in the file.

For example:

If the underwriting date is:	Most recent years return is:	Most recent 2 years returns are:
March 25, 2021	2019	2019 and 2018
April 16, 2021	2019, or 2020 if available	2019 and 2018, or 2020 if available and 2019
May 18, 2021	2020 or 2019 Tax Returns and IRS Form 4868 for 2020	2020 and 2019 or 2019 and 2018 Tax Returns and IRS Form 4868 for 2020
October 15, 2021	2020 (Extensions not allowed)	2020 and 2019 Tax Returns (Extensions not allowed)

**IRS Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return**, may be submitted together with the most recent year's filed return in certain circumstances. The form must be complete and filed on time with the IRS. If an IRS Form 4868 Extension is filed, then the extension and most recent tax returns are required.

## Subordination Policy and Requirements

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 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

**Effective Date:** Immediately

To improve our ability to communicate requirements with borrowers requesting subordinations as a part of the new loan transaction and better align the subordination criteria with underwriting of the new mortgage, subordination guidelines will be published in AllRegs as follows:

### Subordination

U.S. Bank will subordinate its real property liens (loans and lines of credit) in favor of a qualifying first position lien. The following requirements apply to all subordination requests (in addition to credit policy):

- a Line of Credit (non-U.S. Bank), Negative Amortization, or non-fully amortizing loan products are not acceptable first position liens;
- the U.S. Bank lien may not be demoted;
- if the lien position was originally first lien it must remain in first position,
- if the lien position was originally second lien a subordination is allowed;
- appraisals (desktop, drive-by, full) are required and can be no more than four (4) months old from Note Date; and,
- If the property is held in the name of a Trust the subordination documents must be reviewed for legal acceptability by the group who originated the second.

### External Requests

External subordinations are where the First lien is being underwritten outside U.S. Bank. In External subordination situations, U.S. Bank has less information available to make a lending determination and relies on the third party for information. Credit parameters are therefore tighter, and no exceptions are allowed.

If the subordination is underwritten in conjunction with a U.S. Bank first mortgage, the more restrictive of the two guidelines will apply.

First Mortgage Type	Maximum Combined Loan-to-Value (CLTV)	Minimum FICO	Additional Considerations
Cash/ Equity Out	Greater of: Original or 60% CLTV  Not to exceed CLTV outlined in applicable Product Guidelines <sup>1</sup>	720	<ul style="list-style-type: none"> <li>• Maximum Debt-to-Income (DTI) is 50%.</li> <li>• No more than 1x30 days past due in the past 24 months on loan being subordinated.</li> <li>• Second must be current.</li> <li>• One (1) Cash/Equity Out per year.</li> </ul>
Rate/Term Refinance	Not to exceed 90% CLTV	680	<ul style="list-style-type: none"> <li>• Maximum Debt-to-Income (DTI) is 50%.</li> <li>• No more than 1x30 days past due in the past 24 months on loan being subordinated.</li> <li>• Second must be current.</li> </ul>

<sup>1</sup>Applicable Product Guidelines: The maximum Combined Loan-to-Value (CLTV) may be limited as identified in the product guidelines which includes restrictions based on loan criteria including High Risk Geographic Areas.

**Guide Updates:** 719.2 U.S. Bank External Subordination Policy

## Non-Permanent Resident Alien Requirements

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

### Effective Dates:

- **Portfolio:** Locks taken on or after March 29, 2021
- **Agency and FHA Non-Delegated Lenders:** Effective immediately including all loans in the pipeline.
- **Agency and FHA Delegated Lenders:** No changes as lenders will continue to follow their own interpretation of guidelines.

U.S. Bank has re-evaluated the Non-Permanent Resident Alien Credit Policy for the products offered. We are announcing further expansions for Non-Permanent Resident Alien Requirements (NPRA), including applicants with unexpired Deferred Action for Childhood Arrival (DACA) status, as follows:

- **Conventional Portfolio** – When a borrower meets expanded residency criteria and documentation requirements, the loan will follow the expanded guidelines for the applicable LTV/CLTV published below.
- **Conventional Agency** – When a borrower meets expanded residency criteria and documentation requirements, the loan will follow the product guidelines for the applicable LTV/TLTV/HTLTV and must be eligible per Agency guidelines.
- **FHA** – When a borrower meets expanded residency criteria and documentation requirements, the loan will follow the product guidelines for the applicable LTV/TLTV/HTLTV.

### Definitions

- A Non-Permanent Resident Alien (NPRA) is a foreign citizen who is permitted to reside in the United States and may have been granted authorization to work by the U.S. Citizenship & Immigration Service (USCIS).
- A Deferred Action for Childhood Arrivals (DACA) classification with the USCIS are granted to individuals who were brought to the United States as children and allows the individual to become eligible for a work permit in the United States.

### NPRA Portfolio Requirements

All NPRA, including DACA applicants:

- Max LTV/CLTV 60%
- All U.S. Bank Portfolio Loan/Line Programs are available to all other Non-Permanent Resident Aliens at the same qualifying and underwriting criteria as U.S. Citizens and Permanent Resident Aliens (Green Card Holders)
- Purchase and Rate Term Refinances only. Cash Out Refinances not allowed.
- All borrowers must have a valid Social Security Number (SSN)
- All borrowers must have authorization to reside and work in the United States

Refer to 714.1.6 Assets.Funds to Close for additional requirements.

## Non-Permanent Resident Alien Requirements, continued

### Portfolio Eligibility Information

The following grid summarizes the eligibility for individual applicants and joint applicants under various scenarios of this new policy. Note that in the joint applicant scenarios applicant 1 and applicant 2 are not indicative of primary or secondary applicant, or major or minor income earner. In a joint application situation, the less restrictive criteria may be applied.

Individual Applicant					
		U.S. Citizen	Green Card Permanent Resident	Non-Permanent Resident Alien with Approved I-140	Non-Permanent Resident Alien
		No Restrictions	No Restrictions	Available up to 60% LTV/CLTV	Available up to 60% LTV/CLTV
Joint Application					
		Applicant 2			
		U.S. Citizen	Green Card Permanent Resident	Non-Permanent Resident Alien with Approved I-140	Non-Permanent Resident Alien
Applicant 1	U.S. Citizen	No Restrictions	No Restrictions	No Restrictions	No Restrictions
	Green Card Permanent Resident	No Restrictions	No Restrictions	No Restrictions	No Restrictions
	Non-Permanent Resident Alien with Approved I-140	No Restrictions	No Restrictions	Available up to 60% LTV/CLTV	Available up to 60% LTV/CLTV
	Non-Permanent Resident Alien	No Restrictions	No Restrictions	Available up to 60% LTV/CLTV	Available up to 60% LTV/CLTV

### Portfolio Exceptions

Due to the expansion of these policy changes, we are eliminating the exception criteria.

### Conventional Agency

Agency loans require that a lender document the borrower's ability to legally reside and legally work in the United States. We have renamed the new section within our Underwriting Guidelines to *713.5.1 Most Common Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA*. Within that section we have defined the USCIS/Visa Classification, Visa Type, Description and if an EAD is required in conjunction with that specific USCIS/Visa Classification.

The credit requirements for Non-Permanent Resident Aliens have been updated as follows:

Credit Requirements:
<ul style="list-style-type: none"> <li>Meets documentation requirements. Refer to <a href="#">713.5.1 Most Common Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA</a> for assistance.</li> </ul>
<ul style="list-style-type: none"> <li>Purchase and Rate Term Refinances only. <b>Cash Out Refinances not allowed</b></li> </ul>
<ul style="list-style-type: none"> <li><b>SSN required</b> (Tax ID Numbers will not be accepted)</li> </ul>
<ul style="list-style-type: none"> <li><b>Must have an AUS Approval – No manual underwrites allowed</b></li> </ul>
<ul style="list-style-type: none"> <li>Standard Agency requirements for Credit, Employment and Income apply</li> </ul>
<ul style="list-style-type: none"> <li>Refer to <i>713.8 Funds for Closing</i> for additional requirements.</li> </ul>

## Non-Permanent Resident Alien Requirements, continued

### FHA

FHA loans require that a lender document the borrower's ability to legally reside and legally work in the United States. We have renamed the new section within our Underwriting Guidelines to [711.3.1 Most Common Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA](#). Within that section we have defined the most common USCIS/Visa Classifications, Visa Type, Description and if an EAD is required in conjunction with that specific USCIS/Visa Classification.

The credit requirements for Non-Permanent Resident Aliens, including DACA borrowers, have been updated as follows:

Credit Requirements:
<ul style="list-style-type: none"> <li>Meets Evidence of Eligibility to Live and Work requirements. Refer to <a href="#">711.3.1 Most Common Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA</a> for assistance</li> </ul>
<ul style="list-style-type: none"> <li>Purchase and Rate Term/Simple/Streamline Refinances only. <b>Cash Out Refinances not allowed.</b></li> </ul>
<ul style="list-style-type: none"> <li><b>Must have an AUS Approval - No manual underwrites allowed</b> (Excluding Streamline Refinances)</li> </ul>
<ul style="list-style-type: none"> <li><b>SSN required</b> (Tax ID Numbers will not be accepted)</li> </ul>
<ul style="list-style-type: none"> <li>Must have a valid FICO score</li> </ul>
<ul style="list-style-type: none"> <li>Standard FHA requirements for Credit, Employment and Income apply</li> </ul>
<ul style="list-style-type: none"> <li>Refer to <a href="#">711.5 Funds for Closing</a> for additional requirements.</li> </ul>

**Guide Updates:** 711.3 FHA – Eligible Borrowers, 711.3.1 FHA - Most Common, Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA, 713.5 Agency – Eligible Borrowers, 713.5.1 Agency - Most Common Documentation to Demonstrate the Right to Live and Work in the United States for a NPRA, 714.1.4 Portfolio - Borrower and Occupancy, 714.3.3 Portfolio – Non-Permanent Resident Alien Exception Criteria, 717.12 Corporate Programs - Relocation – Eligible Borrowers

## Redesigned URLA and Frequently Asked Questions

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 and 2021-003**, 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 requires submissions using the redesigned URLA for applications taken on or after March 1, 2021.**

We have also updated our **Frequently Asked Questions** document to include addition items as well as clarifications.

**Important Note regarding Non-delegated Loans:** If a non-delegated loan is registered using the redesigned URLA, the redesigned URLA must be submitted to Underwriting. If it is registered with an old URLA, an old URLA must be submitted to Underwriting.

**Guide Update:** 1160.30: U.S. Bank URLA FAQ

## 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.



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

Updated March 26, 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
<b>General Information and Implementation Timelines</b>		
<b>Background</b>	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"> <li>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.</li> <li>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.</li> <li>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.</li> </ul> <p><b>Note:</b> 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>
<b>Overall Industry Timeline</b>	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. <b>The new mandate date for the use of the redesigned URLA and AUS specifications is March 1, 2021.</b>
	What is the Limited Production Phase (LPP)?	<p><b>Limited Production Phase – August 1, 2020:</b> 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><b>Open Production – January 1, 2021:</b> 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. <b>NOTE:</b> 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><b>March 1, 2021:</b> 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. <b>NOTE:</b> 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 1<sup>st</sup>, 2022.</p>





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

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

<h3 style="color: #005596;">Loan Delivery</h3>	<p>Will U.S. Bank accept the redesigned URLA prior to the Agencies mandate date of 3/1/21?</p>	<p>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).</p>
	<p>Will U.S. Bank continue to accept the current MISMO 3.2 file configuration?</p>	<p>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.</p>
	<p>Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?</p>	<p>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. <b>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).</b></p>
	<p>What programs/products can I deliver to U.S. Bank beginning January 2021?</p>	<p>You may now deliver the following programs using your delegated and non-delegated underwriting status:</p> <ul style="list-style-type: none"> <li>Agency Fannie Mae and Freddie Mac</li> <li>FHA, VA and USDA*</li> <li>Portfolio</li> </ul> <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><b>Conditional Commitments:</b> 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"> <li><b>February 26, 2021</b> - Close of business legacy GUS no longer available for editing or processing applications. It will be view only access for one year.</li> <li><b>February 27-28, 2021</b> - SFHGLP systems will be unavailable to transition to the new GUS.</li> <li><b>March 1, 2021</b> - 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.</li> </ul> <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><b>New GUS Entry:</b> 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><b>Required for all loans:</b></p> <ol style="list-style-type: none"> <li>1. <b>Borrower Information:</b> Collects personal information for one borrower including:             <ol style="list-style-type: none"> <li>a. Section 1 - Borrower Information: Personal Information and Employment and Income</li> <li>b. Section 2 - Financial Information: Assets and Liabilities (joint)</li> <li>c. Section 3 – Financial Information: Real Estate (joint)</li> <li>d. Section 4 – Loan and Property Information: Loan Amount, Property Type, Other New Mortgages, Rental Income, Gifts and Grants (joint)</li> <li>e. Section 5 – Declarations: About this Property and About your Finances</li> <li>f. Section 6 – Acknowledgements and Agreements (all borrowers sign)</li> <li>g. Section 7 – Military Service</li> <li>h. Section 8 – Demographic Information: replaces the Demographic Information Addendum</li> <li>i. Section 9 – Loan Originator Information</li> </ol> </li> <li>2. <b>Lender Loan Information:</b> Completed by the lender and includes transaction details, some may not be known at application including:             <ol style="list-style-type: none"> <li>a. Section L1. Property and Loan Information</li> <li>b. Section L2. Title Information</li> <li>c. Section L3. Mortgage Loan Information</li> <li>d. Section L4. Qualifying the Borrower – Minimum Required Funds or Cash Back</li> </ol> </li> </ol> <p><b>Use when applicable to the transaction:</b></p> <ol style="list-style-type: none"> <li>3. <b>Additional Borrower:</b> Captures personal information for a joint borrower including:             <ol style="list-style-type: none"> <li>a. Disclosed on Additional Borrower Form                 <ol style="list-style-type: none"> <li>i. Section 1 - Borrower Information: Personal Information and Employment and Income</li> <li>ii. Section 5 – Declarations: About this Property and About your Finances</li> <li>iii. Section 6 – Acknowledgements and Agreements (all borrowers sign)</li> <li>iv. Section 7 – Military Service</li> <li>v. Section 8 – Demographic Information: replaces the Demographic Information Addendum</li> </ol> </li> <li>b. Disclosed jointly on Borrower Information Form                 <ol style="list-style-type: none"> <li>i. Section 2 - Financial Information: Assets and Liabilities (joint)</li> <li>ii. Section 3 – Financial Information: Real Estate (joint)</li> <li>iii. Section 4 – Loan and Property Information: Loan Amount, Property Type, Other New Mortgages, Rental Income, Gifts and Grants (joint)</li> <li>iv. Section 9 – Loan Originator Information</li> </ol> </li> </ol> </li> <li>4. <b>Unmarried Addendum:</b> Identifies property laws that may affect credit worthiness</li> <li>5. <b>Continuation Sheet:</b> Suggested format for providing additional information</li> </ol> <p><u>Sample forms available FNMA Uniform Residential Loan Application.</u></p>
	<p>What information is required to be delivered using the redesigned URLA if a lender is approved to do so?</p>	



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

<p>Loan Delivery, continued</p>	<p>Will there be a preference for displaying the loan number and/or the ULI at the top of the URLA output forms?</p>	<p>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.</p>
	<p>Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?</p>	<p>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. <b>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).</b></p>
	<p>What does U.S. Bank required for sections where no data is entered?</p>	<p>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.</p>
	<p>In regard to the (.fsm) file upload on the redesigned U.S. Bank lock request form, will there be any updates to this process?</p>	<p>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.</p> <ul style="list-style-type: none"> <li>• If a user uploads the (.fsm) file, our UniteUS EXT system will automatically set the URLA flag based on the version.</li> <li>• If a user is manually creating a loan, he/she will need to select which URLA version was used for the loan.</li> </ul> <p>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.</p>
	<p>Will U.S. Bank align with Fannie Mae/Freddie Mac Automated Underwriting System Messaging requirements?</p>	<p>U.S. Bank aligns with the <u>Uniform Residential Loan Application March 1 Mandate (Automated Underwriting System Messaging)</u> as published by the Agencies on February 16, 2021. Lenders are encouraged to review the update in its entirety as linked above. Highlights include:</p> <p><b>Mandate</b> The mandate for implementing the redesigned URLA is March 1, 2021. The GSEs fully expect that new loan applications started on or after March 1 will be submitted using the redesigned form and DU MISMO v3.4/LPA v5.0.06 file formats.</p> <p><u>The GSEs have not described how a lender should determine the “loan application start date.” However, the expectation is that the lender will apply its chosen definition consistently.</u></p> <p><b>AUS Messaging</b> To accommodate those loans started in the legacy format prior to March 1, but not submitted by that date, the GSE AUSs will not return an Out of Scope for Fannie Mae or critical edit for Freddie Mac on new loans submitted in the legacy format until May 1, 2021. We expect the industry to submit all applications started in the legacy formats to either GSE’s AUS by May 1. Effective May 1, 2021, any new loan submitted using legacy formats will no longer be accepted. The following sections provide GSE-specific information about AUS messaging and resources.</p> <p><b>Fannie Mae</b></p> <ul style="list-style-type: none"> <li>• DU will return an Out of Scope recommendation on loan application files submitted using the 1003 v3.2 or MISMO v2.3.1 format with a casefile create date on or after May 1, 2021. This announcement supports the 60-day advance notification for DU system changes.</li> </ul>



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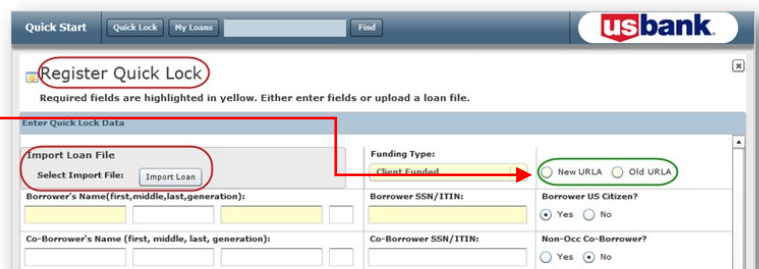
<p>Loan Delivery, continued</p>	<p>Will U.S. Bank continue to require AUS validation on Portfolio loans?</p>	<p>U.S. Bank will continue to require AUS (LP/DU) to be utilized on all Portfolio loans to validate the credit report. Portfolio loans will require the redesigned URLA form as of May 1, 2021 to validate the credit report. Portfolio loans will require the redesigned URLA form as of May 1, 2021 to validate the credit report.</p> <p>New submissions in legacy formats will not be accepted as of May 1, 2021, and will receive the following GSE-specific AUS messaging: (1) For Fannie Mae: DU will return an “Out of Scope” recommendation on loan application files submitted using the 1003 v3.2 or MISMO v2.3.1 format with a casefile create date on and after May 1, 2021 and (2) For Freddie Mac: LPA versions earlier than v5.0.06 will return a critical edit on loan application files with an Original Submission Date on and after May 1, 2021.</p> <p>An “Out of Scope” recommendation LPA critical edit would not validate the credit report as required and, as such, Portfolio loans will require the redesigned URLA form as of May 1, 2021.</p>
	<p>How will the redesigned URLA impact U.S. Bank’s Correspondent Construction Conversion product offering?</p>	<p>What version of the URLA form should be used on a modification for a 1XConversion (Construction Conversion) loan that closed prior to 03/01/21?</p> <ul style="list-style-type: none"> <li>At present, the old URLA form is acceptable provided the application date is prior to 3/1/21. The legacy format (3.2) may be used provided the first AUS submission occurred prior to 5/1/21. Old URLA resubmissions will be supported up until 2/28/2022.</li> </ul> <p>Will the lender be able to submit using the old URLA version if the change in permanent terms requires a resubmission to LPA after 03/01/21 for a loan that was originally submitted with the old URLA version? If yes, how long will this be an allowed?</p> <ul style="list-style-type: none"> <li>At present, the old URLA form is acceptable provided the application date is prior to 3/1/21. The legacy format (3.2) may be used provided the first AUS submission occurred prior to 5/1/21. Old URLA resubmissions will be supported up until 2/28/2022.</li> </ul> <p>How does the Agency announcement on 2/16/21 impact 1XConversions?</p> <ul style="list-style-type: none"> <li>If a lender chooses to execute a new application form at point of modification, there is no issue if the initial application was on the old URLA form and application at modification is on the new URLA.</li> </ul> <p><i>Scenario not supported: Lender runs DU using legacy format (3.2) prior to 5/1/21 then attempts to launch to LPA (first submission) after 5/1/21 using legacy format (3.2). The first submission to LPA must either occur prior to 5/1/21, or the lender must switch to new (3.4) format.</i></p>

### 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:





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Register Quick Lock (RQL)	Batch Quick Lock (BQL)
<div style="border: 1px solid #ccc; padding: 10px;"> <p style="text-align: center;"><b>Warning: You have selected to register this loan using the New URLA form</b></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 style="text-align: center;">Do you wish to continue?</p> <p style="text-align: center;"> <input type="button" value="No, Import New Loan"/> <input type="button" value="Yes, Continue"/> </p> </div>	<div style="border: 1px solid #ccc; padding: 10px;"> <p style="text-align: center;"><b>Warning: You have selected to register loan(s) using the New URLA form</b></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 style="text-align: center;">Do you wish to continue?</p> <p style="text-align: center;"> <input type="button" value="Cancel Upload"/> <input type="button" value="Continue Upload"/> </p> </div>

### 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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