



Seller Guide Update



SEL-2021-056: Multiple Topics

October 15, 2021

- Correspondent Lending
- Housing Finance Agency (HFA)

Table of Contents

The following topics are included in this update:

Updates Servicing Transfer Notice Address	2
Ginnie Mae VA Seasoning Requirements	2
Update to Portfolio Underwriting Guidelines	3
Questions	3

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.



Updates Servicing Transfer Notice Address

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

Ginnie Mae VA Seasoning 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 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

Effective Date: Immediately

U.S. Bank has updated the address for Servicing Transfer Notices as outlined in Correspondent Seller and HFA Lending Guides. This Notice must provide the borrower(s) with an address to send payments to, the name of the new servicer, a mailing address of the new servicer, and toll-free phone number for support that can answer questions from the borrower on the servicing transfer.

Lenders must use the following for the mailing address and phone number for U.S. Bank on the Notice:

U.S. Bank National Association
Attn: Customer Service
PO Box 21948
Eagan, MN 55121-4201
Phone: 800-365-7772

Please note that this does not impact the address for payments to be sent on the Notice:

U.S. Bank National Association
P.O. Box 790415
St. Louis, MO 63179-0415

Payments received by the lender from the borrower after the purchase of the loan by U.S. Bank should not be sent to the payment address listed above, see Section 900: L. Funding for the forwarding address.

Guide Updates: 900: Delivery and Funding > C. Funding Documentation Requirements

As a clarification, U.S. Bank Home Mortgage follows the more restrictive of FHA, VA, RD, Ginnie Mae, or U.S. Bank policies. This clarification is specific to differences between VA and Ginnie Mae regarding seasoning on modifications.

Ginnie Seasoning Requirements for VA Loans

- The date on which the borrower has made at least six-monthly payments on the loan being refinanced, and
- The date that is 210 days after the first payment due date of the loan being refinanced.

For loans being paid off that include a loan modification, seasoning will be based on the applicable Note Modification dates.

Identifying Red Flags/Best Practices

Many loan modifications may not be reported on credit reports, if any of the following are evidenced in the credit file, the best practice is to obtain the credit supplement (list is not all inclusive):

- Ask all borrowers if any modification has been completed within the last 12-months.
- Request credit supplements for mortgages, specifically asking if the loan was subject to a modification.
- Review for red flags, including but not limited to:
 - Mortgage tradeline reports as "Impacted by a Natural Disaster"
 - Mortgage tradeline reports as "Impacted by COVID-19"
 - Mortgage tradeline reports as "Deferred"
 - Mortgage tradeline reports as "In Forbearance"
 - Mortgage tradeline reports as "Partial Payments being Made"
 - Mortgage tradeline trending report shows missed payments
 - Mortgage tradeline trending report showed a change in monthly payments
 - Mortgage tradeline shows current balance greater than original balance
 - Mortgage Statement shows past due amounts owing
 - Mortgage Statement references a note modification and/or adjustment of payments
 - Borrower's letter of explanation references the mortgage being deferred, in forbearance, etc.
 - Preliminary title report shows a modification

Guide Updates: 712.1 VA – General Information, 712.12 VA – Refinance Loans

Update to Portfolio Underwriting Guidelines

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

Effective Date: Immediately and for loans in pipeline

U.S. Bank has made recent clarifications to the Residential Real Estate General Overview and Lending Policy. This memo is a notification of the updates published within the U.S. Bank Underwriting Guidelines.

For ease of finding these changes, the updated sections are listed below and updated content is available in AllRegs in **green**.

- **714.1.2 Lending Policy:** Removed prepayment penalty rules from credit policy. The rules indicating when a prepayment penalty may be charged are contained in Regulation Z.
- **714.1.6 Assets/Funds to Close:** Removed the requirement that U.S. Bancorp must manage the assets when allowing pledged personal assets for down payment and closing costs.
- **714.1.9 Property:** Added “homes under 400 square feet of gross living area or less than 12 feet wide” to the list of unacceptable property type.
- **714.1.10 Appraisals:**
 - Added “A Submission Summary Report (SSR) is not required for Portfolio loans.”
 - Add that “only the appraisal used in determining value will need to have the final inspection or recertification of value.”
- **714.2.2.2.1 Salary Wage and Other Forms of Income:** Clarified what is considered foreign income. The revised definition more clearly states, and provides examples of, what is classified as foreign earned income.

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.