



Seller Guide Update



SEL-2020-036: Additional Underwriting Requirements, Disasters, Updated COVID-19 FAQ May 1, 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.



Additional Underwriting 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 Dates

- **Correspondent Delegated:** Loans locked on or after May 6th
- **Correspondent Non-Delegated:** All new submissions to underwriting on or after May 6th
- **HFA:** New HFA loan reservations on or after May 6th

Due to the current economic disruption and market uncertainty associated with the COVID-19 event, U.S. Bank will temporarily update self-employed borrower and rental income policies as follows.

Self-Employed Borrower Underwriting Requirements (This is an expansion to all products from previously addressed Agency and Portfolio products in SEL-2020-033.)

- No business assets will be allowed for down payment, closing costs or reserves, regardless of impact to business.
- Profit and Loss (P/L) and Balance Sheet must be dated within 30-days of Note date. Year-to Date (YTD) is required. Additional P/L will be required for any tax years not filed (follow government requirements where applicable.) This documentation requirement cannot be waived, and no exceptions will be allowed.

Rental Income (for Conventional Agency and Portfolio Products)

Short term rental income (AirBnB, VRBO, etc.) will no longer be considered stable despite a history on tax returns. Rental income for qualifying purposes will only be considered stable with a fully executed lease agreement with a duration of at least 12 months at time of execution.

If the lease has expired and has gone month-to-month, proof the rental is still rented (lease extension, proof of rent received, etc.) will be required.

Guide Updates

The Correspondent and HFA Overlay Matrices will be updated to reflect updates in the Product section and the COVID-19 section. For others, we will update the COVID-19 FAQ document to reflect the new timing of the Profit and Loss (P/L) and Balance Sheet requirement of within 30-days of the Note date for all products.

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 Areas 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.

Declaration Date	State	County
April 24, 2020	TN	Bradley and Hamilton

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

**Updated
Correspondent/
HFA COVID- 19
Frequently
Asked
Questions
(FAQ)**

We have updated the [COVID- 19 Frequently Asked Questions \(FAQ\)](#) document with the most recent information including:

- Updates outlined above for additional underwriting requirements for self-employed borrowers for all products.

The FAQ provides guidance for temporary relief of policies due to COVID-19. Please continue to reference the U.S. Bank Seller and HFA Lending Guides as primary resources for all U.S. Bank policies.

You can located the FAQ in our new Correspondent/HFA COVID-19 Resource Page within AllRegs. From the AllRegs home page, the FAQ is on the right hand side of the page in the 'Our Library Company Announcements' or under 'Our Library.'

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.
