



# Seller Guide Update



SEL-2024-002: Multiple Topics

January 5, 2024

- Correspondent Lending
- Housing Finance Agency (HFA)

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## Summary



### U.S. Bank Correspondent Seller and HFA Lending Guides

The items listed above have recently been updated in the Correspondent Seller and HFA Lending Guides, specific to Loan Delivery, Underwriting and Credit Policy.

- 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 Correspondent Seller and HFA 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 always be utilized as the source of truth.
- As a reminder, U.S. Bank publishes a monthly summary of all Correspondent and HFA communications published for the previous month. This summary is intended to assist you in making sure your organization received and read all U.S. Bank communications published during the prior month. All documents are published in our Correspondent and HFA Communications libraries in Section 1000 of AllRegs:
  - 1010: Bulletins
  - 1011: Seller Guide Updates
  - 1012: Best Practices
  - 1013: Pricing Flashes

## Underwriting, Delivery, and Product Grids

For overall ease of use, we have enhanced our communications to include underwriting and delivery method checkboxes to each section when applicable.

You'll also find grids that outline the applicable products.

## Effective Date

Immediately unless otherwise noted within each section.



**Final Reminder:  
High Risk  
Appraisal Review  
Requirements**

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
	Corr. EZD
X	Corr. Mandatory
	HFA Delegated
	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
	Conv. (Portfolio)
X	FHA
	VA
X	Rural Development

In **SEL-2023-067** published on November 20, 2023, When a Conventional Agency, FHA or USDA loan is registered in Lender Portal, an evaluation of loan criteria is performed to determine if additional information is required. Loans are determined high risk through our enhanced collateral protection review, which utilizes sophisticated fraud detection tools to identify high risk loans that should receive additional review prior to purchase.

Based on this evaluation which includes Fannie Mae’s Collateral Underwriter® (CU®) appraisal valuation tool for Conventional loans, if a loan is determined to be high risk (see notification process in SEL-2023-067), U.S. Bank now requires the following collateral documentation (full appraisal and/or Submission Summary Report (SSR)) as applicable per the products below) for Conventional Agency, FHA or USDA loans registered on and after January 1, 2024:

**FHA/USDA**

Product	High Risk Collateral Review Requirement
FHA	<ul style="list-style-type: none"> <li>Full appraisal will be required.</li> </ul>
USDA	<ul style="list-style-type: none"> <li>Full appraisal will be required.</li> </ul>

**Conventional Agency**

Product	High Risk Collateral Review Requirement
Conventional Agency	<p>Full appraisal/Fannie Mae Appraisal Submission Summary Report (SSR) will be required:</p> <ul style="list-style-type: none"> <li><b>Loans with Fannie Mae CU scores of 3.5 or lower</b>, will <u>not</u> require additional collateral screening.</li> <li><b>Loans with Fannie Mae CU scores of 3.6 or greater (including those with no score)</b> <u>will</u> require additional collateral screening.</li> </ul> <p><b>Best Practices – First-Generation Appraisal</b></p> <p>We strongly encourage lenders to upload the SSR and first-generation appraisal as separate documents. Refer to the <b>Appraisal Review Best Practices</b> document which provides additional information regarding verifying first-generation status.</p>

For loans registered prior to January 1, 2024, appraisals must have been submitted to U.S. Bank prior to December 21, 2023. If the appraisal was not received by December 21<sup>st</sup>, it will now follow the new process.

Please refer to **SEL-2023-067** for complete details including High Risk Review Email Notification (via Lender Portal), and High Risk Review Loan Condition impacts.

## Disaster Area Declarations

Underwriting/Delivery	
X	Corr. Delegated
X	Corr. Non-Delegated
X	Corr. EZD
X	Corr. Mandatory
X	HFA Delegated
X	HFA Non-Delegated
Products	
X	Conv. (Freddie)
X	Conv. (Fannie)
X	Conv. (Portfolio)
X	FHA
X	VA
X	Rural Development

The following counties have been declared as Presidential Disaster Areas with Individual Assistance.

- 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 counties listed below that have not been ENDORSED as of the Disaster Declaration Date must follow the FHA requirements listed in AllRegs.

Declaration Date	State	County
December 13, 2023	TN	Cheatham, Gibson, and Stewart

**Guide Section:** 711.20 FHA – Natural Disaster Procedures, 712.21 VA - Natural Disaster Procedures, 713.20 - Natural Disaster Procedures, 714.1.10 - Natural Disaster Procedures, 715.20 RD - Natural Disaster Procedures

## 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.