



Seller Guide Update



SEL-2025-056: Multiple Topics

December 12, 2025

- ☒ 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. Please note that text in **orange** denotes a U.S. Bank overlay, and text in **brown** denotes a U.S. Bank clarification.
- Always review the U.S. Bank Correspondent Seller and HFA 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.



This document is not a Consumer Credit Advertisement and is intended for Correspondent/HFA use only. This information is provided to assist Correspondents/HFA and is not a consumer credit advertisement as defined by Regulation Z. Loan approval is subject to credit approval and program guidelines. Not all loan programs are available in all states for all amounts. Interest rates and program terms are subject to change without notice. Mortgage and Home Equity products are offered by U.S. Bank National Association. Deposit Products offered by U.S. Bank National Association. Member FDIC. ©2025 U.S. Bank. CR-66891074

FHA 4000.1 Update and HUD Form 92900-B Waiver

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

Rural Development/US DA Chapter 11 Ratios

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

Effective Date: Handbook updates are effective immediately or date indicated in Handbook.

HUD Form 92900-B waiver applies to loans not yet endorsed on or after November 19, 2025. **Any endorsed FHA loan prior to November 19, 2025, must have fully executed HUD Form 92900-B.**

FHA has announced the following changes:

FHA 4000.1 Handbook Update

Updates to the [Single Family Housing Policy Handbook 4000.1](#) which includes previously published Mortgagee Letters and are highlighted in yellow.

HUD Form 92900-B

FHA will no longer require Lenders to provide and execute Form HUD 92900-B Important Notice to Homebuyers.

Effective Date: November 25, 2025

Rural Development has issued updates to handbook HB-1-3555, specifically Chapter 11 Ratios. These updates include the previously announced changes to the PITI ratio and the Debt Ratio waiver. Additionally, the guidance now provides further clarification on the treatment of debts, including co-signed and court-assigned obligations.

Debt Clarifications

- The lender must document the source of funds used if applicant pays off debt to qualify.
- Co-signed debts refer to debts where the applicant may be a co-borrower, joint obligor, co-signer, guarantor, etc.
- Co-signed debts must be included in the monthly debts unless the applicants provide evidence that another obligor (party to the debt) has successfully made the payment for the most recent 12 months.
- Acceptable evidence includes, but is not limited to, canceled checks, money order receipts, and/or bank statements of the co-obligor.
- Late payments reported in the most recent 12 months will require the monthly liability to be included in the monthly debts.
- If the applicant can provide conclusive evidence from the creditor that they will not pursue debt collection against the applicant should the other party default, the 12-month payment history of the additional party is not required.
- Debts identified as "individual" on a credit report must be included in the debt ratio regardless of who is making the monthly payment (e.g. parents paying car payments on behalf of applicant and the loan is solely in the applicant's name).
- Debts assigned to another party by court order (such as through a divorce decree) can be excluded from consideration when there is evidence that the other party is legally obligated to pay the debt. A copy of the court order which requires the other party to make the payments must be retained in the lender's permanent loan file.

Clarification for Manufactured Homes Documentation

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)
	Conv. (Portfolio)
	FHA
	VA
	Rural Development

Effective Date: Immediately

U.S. Bank is making the following clarification to our Manufactured Homes Documentation. Please note that the permanent foundation inspection is required for new and existing manufactured homes.

Permanent Foundations Guide (currently Structural Engineer Report)

U.S. Bank requires documentation in the file from a qualified professional certifying the permanent foundation was designed for the site conditions, home design features, and the loads the home was designed to withstand in accordance with the manufacturer's instructions or a design by a licensed (registered) inspector. The foundation must meet all local, State, or federal codes, as applicable.

For all other loans, the certification must be completed by a licensed inspector. Licensed inspector qualifications include:

- Manufactured home or residential building inspector: Employed by the local authority with jurisdiction over the site of the home.
- Professional engineer: Qualified to perform inspections.
- Registered architect: Qualified to perform inspections.
- International Code Council certified inspector: Certified by the International Code Council for inspection services.

The inspector must be independent of the manufacturer, retailer, installer, and any other person with a monetary interest in the sale of the home.

Rate and term refinances of loans currently serviced by U.S. Bank do not require a new foundation inspection.

Guide Updates: 713.19 Agency – Manufactured Housing

Update to Portfolio Underwriting Guidelines

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

Effective Date: Immediately for all applications and loans in the pipeline.

U.S. Bank has made recent clarifications to the Portfolio guidelines. This communication 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 in **green** in our AllRegs library.

714.01.09 Portfolio Property

- Clarified for ADU's that occupancy is limited to Primary and Second Homes.
- Clarified that Hobby Farms greater than 10 acres are an unacceptable property type.
- Minor Updates.

714.01.10 Portfolio Appraisals

- Clarified the report titling/names and the appraisal report requirements.
- Minor updates.

714.01.18 Portfolio Refinance Loans

- Clarified that U.S. Bank will not allow multiple cash out transactions in less than 12 months when the combined amount of cash/equity out transaction exceeds the max published limits based on LTV/CLTV.

714.02.02.03 Portfolio Non-Employment Income

- Clarified the documentation being analyzed as use of rent from properties that are 1-4 units or more from IRS Form 1040 Schedule E and current lease/rental agreements.
- Clarified the documentation being analyzed as use of rent from properties that are 5 or more units from IRS Form 1040 Schedule E and either current lease/rental agreements or rent roll for individual properties.

714.02.03.01 Portfolio Liability Assessment

- Updated the header regarding Monthly Housing Expense to include a "Residence Listed for Sale" along with Pending Sale.

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.