



# Seller Guide Update



SEL-2026-005: Government Shutdown Impacts

February 2, 2026

Correspondent Lending

Housing Finance Agency (HFA)

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**Effective Date** Immediately

**Summary** There is a partial shutdown of the Federal Government that started at midnight on January 30, 2026, and is anticipated to last until a temporary funding bill is passed by Congress and approved by the Administration.

U.S. Bank Home Mortgage is committed to providing home mortgages to our customers during the Federal Government shut down. Any additional requirements and guidance from the Agencies will be provided as it is received.

The following potential impacts to U.S. Bank include the following information.

**4506 IRS Tax Transcript** The Internal Revenue Service (IRS) is not anticipating that the IVES program will be impacted during the shutdown and will operate per normal procedures.

However, should there be an interruption in IVES program, for loans underwritten by U.S. Bank that requires tax transcripts, the underwriter may require alternative methods to confirm the borrower(s) income.

Alternative methods to confirm income in lieu of the tax transcripts include:

- Copy of cancelled check(s) matching amount due to the IRS.
- Copy of deposit matching exact amount of any return using bank statement, deposit receipt, or direct bank verification indicating the transaction.
- Borrower provided tax return transcript.
- Electronic filing receipt from IRS indicating the Declaration Number (DCN), and AGI that matches the return.

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## FEMA Flood Insurance

The ability to obtain flood insurance may be impacted. It is likely that mapping issues or amendments will be impacted by the shutdown.

When a property is identified to be in Special Flood Hazard Area (SFHA), flood insurance is required. As a reminder, private flood insurance will be available to all loan types as an option during the shutdown and would minimize the impact of a shutdown of the National Flood Insurance Program (NFIP).

Loans already in process with an active NFIP application and proof of payment will be able to close during the shutdown.

**For Delegated and Non-Delegated Lenders and Sellers,** all loans in a SFHA will be required to have a fully paid flood policy in effect, prior to the purchase of the loan by U.S. Bank.

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## Direct Social Security Number (SSN) Verification

Direct SSN verification will continue to be available, however there may be delays in response time. If direct SSN becomes unavailable and SSN ownership cannot be validated, U.S. Bank will not be able to purchase the loan.

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## VOE/Verbal VOE for Federal Government Employees

For loans eligible for Freddie Mac or Fannie Mae: If unable to obtain a verbal verification during the shutdown, a verbal VOE can be obtained after closing but must be obtained prior to delivery (in the case of third party) or closing of the loan (retail) or the loan is ineligible and the loan should not be purchased or closed. With respect to the requirements for a written or verbal VOE, verification obtained from a third-party service provider, such as the Work Number is acceptable. For borrowers in the military, a Leave and Earnings Statement dated within 30 calendar days (or 31 days for longer months) prior to the note date in lieu of a verbal VOE.

For loans eligible for Freddie Mac or Fannie Mae (regardless of the application date):

- VOEs for the majority of government employees and other workers impacted by the shutdown continue to be readily available from automated systems or third-party service providers. With respect to the requirements for a written or verbal VOE, verification obtained from a third-party service provider, such as the Work Number is acceptable. For borrowers in the military, a Leave and Earnings Statement dated within 30 calendar days (or 31 days for longer months) prior to the note date in lieu of a verbal VOE.
- If the originating lender is unable to obtain the verbal VOE due to the shutdown, U.S. Bank will waive the verbal VOE requirement if the originating lender documents the loan file with a written statement describing:
  - the steps taken to obtain the verbal VOE, and
  - that the requirement could not be met as a direct result of the shutdown.
- Agency loans are waiving the requirement that the paystub be dated no earlier than 30 days prior to the initial loan application date. We must obtain the most current paystub that reflects year-to-date earnings and may need to obtain the final 2025 year-to-date paystub (dated no more than 120 days before the Note Date) in order to accurately calculate income. All other paystub requirements remain unchanged.
- The originating lender warrants that the borrower is employed at the time the loan is delivered to Freddie Mac and Fannie Mae.

**For FHA loans:** If you have a VOE you do not need to have a verbal VOE. If you have used alternative W2's and paystubs, you would still need to have a verbal certification. An electronic means such as the Work number would be acceptable.

**For VA Loans:** VA will allow The Work Number or other employment verification service. A current paystub is not required with an automated employment verification service.

**For Portfolio Loans:** If unable to obtain a verbal verification for a government employee during the shutdown, the loan may close without a verbal VOE being obtained.

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## HUD/FHA

The Department of Housing and Urban Development's (HUD) operations, specifically the Federal Housing Administration (FHA), should not be significantly impacted.

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## VA

The Department of Veterans Affairs (VA) will continue to operate which means we will be able to continue originating VA-guaranteed loans.

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## Rural Housing

The RD/USDA will continue to operate which means we will be able to continue originating RD/USDA loans.

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## Fannie Mae/ Freddie Mac/Ginnie Mae

Agencies will not be impacted by the partial shutdown and will continue to operate business as usual.

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## Ongoing Commitment

We will continue to update guidance on the Federal Government shutdown as it is available.

A shutdown lasting a few days may cause slight delays or inconvenience in the ability to underwrite, close/fund and purchase loans; however, a longer period would have more serious impacts.

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## 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.

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