



# Seller Guide Update



SEL-2026-010: Multiple Topics

March 13, 2026

- 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 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.



**Awareness:  
Freddie Mac Loan  
Product Advisor  
– March 2026  
Release Notes**

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)
	Conv. (Fannie)
	Conv. (Portfolio)
	FHA
	VA
	Rural Development

Freddie Mac recently issued their [Loan Product Advisor March 2026 Release Notes](#) which provides updates on LPA enhancements to help you streamline the way you work and offer a summary of feedback messages.

Highlights include the following (item bolded below called out for attention):

Item	Effective Date	Comments
<b>Construction to Permanent Message</b>	Effective February 1 and February 4	Update feedback messages to align with new policy that supports Freddie Mac’s commitment to increasing housing supply and reducing barriers to obtaining construction to permanent financing for construction to permanent mortgages and renovation mortgages.
<b>Single-Wide Manufactured Homes with ADUs Message</b>	Effective February 28	Adding a new purchase restriction message to alert you that mortgages secured by single-wide manufactured homes with accessory dwelling units (ADUs) aren’t eligible for sale to Freddie Mac.
<b>AIM for Income Using Tax Data (Rental Income)</b>	Effective March 1	Adding and updating messages to support a new policy that recognizes rental income as an eligible income type for automated income assessments using LPA and the Freddie Mac Income Calculator. The assessment will use tax returns or tax transcripts as source documents. For more details, review Guide Bulletin 2025-15.
<b>Invalid and Expired LP Keys</b>	Effective March 7	As part of risk assessment updates, loans with an invalid LP Key will receive a hard stop and message DQF0150 to indicate that the submitted LP Key is expired, needs to be removed and resubmitted as a new transaction.
<b>FHA Total Borrower Contribution</b>	Effective March 8	Updating the Federal Housing Administration (FHA) Total Borrower Contribution calculation to align with the FHA Single Family Housing Policy Handbook 4000.1.
<b>LPA Specification v6.1</b>	Effective March 29	To take advantage of the enhancements implemented in this release, your system must adopt LPA system-to-system specification v6.1, released December 11, 2025. Contact your software provider or review the LPA v6.1 Specification Bulletin for more technical details. Direct entry users through Freddie Mac Gateway® will always experience the latest specification version.
<b>New Data Quality and Systems Messages Sections</b>	Effective March 29	Updating the current Data Quality and System Messages section into two separate sections: Data Quality Messages and System Messages. The System Message section will contain technical messages that an LPA user will not be able to resolve on their own and will require contacting their software provider or internal technical support for assistance. These messages will be located towards the bottom of the feedback certificate.
<b>Condo Project Not Eligible Messages</b>	<b>Effective March 29</b>	<b>Adding new purchase restriction messages to notify you when a condominium project is not eligible for sale to Freddie Mac because of issues related to homeowners association (HOA) assessments, delinquent special assessments and reserves. Reference the LPA Feedback Message Customer Matrix and use the month-dated tabs at the bottom of the document to find more specific information.</b>
<b>Primary Residence Review Messages</b>	Effective March 29	Enhancing your loan review by adding messages for loans secured by primary residences
<b>Enhancements to Credit Report Details</b>	Effective March 29	Making enhancements to the Credit Report Details section on the feedback certificate, which applies to all versions of LPA.
<b>Coming Soon and Reminders</b>	Coming Soon	Effective April 12, we’ll update messages pertaining to the following topics. Reference the LPA Feedback Message Customer Matrix and use the month-dated tabs at the bottom of the document.

**Reference:** [Loan Product Advisor March 2026 Release Notes](#), [LPA Feedback Message Customer Matrix](#), [Updated Feedback Messages](#)

## Additional Awareness: Freddie Mac Bulletin 2026-1

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

In SEL-2026-008 (2/27/26), U.S. Bank advised that Freddie Mac published [Bulletin 2026-1 \(2/4/26\)](#) announcing various updates. We would like to call your attention specifically to this additional highlight from Freddie Mac's communication:

- **Income Continuance Start Date** - This does not represent a change to existing requirements.
  - Freddie Mac has added specificity to the existing income continuance requirements when the duration is defined and documentable by adding the "Application Received Date" as a start date for the three-year continuance requirement.
  - This update applies to the income types, when applicable as referenced in Freddie Mac's Bulletin 2026-1, and as outlined in the Selling Guide [Sections 5303.1](#) and [5305.1](#).

Previously mentioned highlights included the following items.

- **Construction to Permanent Mortgages** - The updates below are effective for Mortgages with Application Received Dates on or after February 4, 2026.
  - Updated multiple Glossary terms to align with industry terminology, including changing "Construction Conversion Mortgages" to "Construction to Permanent Mortgages".
  - For certain One-Time Close transactions, permitting income, employment and credit report documentation up to 540 calendar days before the Effective Date of Permanent Financing.
- **Home Possible Mortgages** - Effective for Mortgages with Application Received Dates on or after April 12, 2026 and Mortgages with Application Received Dates prior to April 12, 2026 with Settlement Dates on or after July 12, 2026.
  - Source of Funds - Unsecured loan proceeds may no longer be used as a source of funds for Home Possible Mortgages.
  - Loan Product Advisor will be updated on April 12, 2026 to support these changes.
- **Automated Collateral Evaluation (ACE), Property Eligibility and Appraisals** - To simplify Guide terminology, we have updated automated collateral evaluation (ACE) appraisal waiver language as follows. No requirements were changed as a result of this update.
  - Where the terms "automated collateral evaluation (ACE) appraisal waiver" or "ACE appraisal waiver" were used, the phrase "appraisal waiver" was removed.
  - Where "appraisal waiver" appeared solely by itself, the term was revised to reflect "ACE".

Lenders are encouraged to review the full bulletin for details.

## 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.