



# Seller Guide Update



SEL-2026-016: Multiple Topics

May 1, 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.



## Agency Underwriting Updates

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

U.S. Bank is announcing the recent updates to Agency Guidelines impacting the following:

- Gift Funds
- Employment Contingency
- Optional flood insurance
- Automobile lease payments

### Gift Funds

For purchase transaction Mortgages, Freddie Mac has added requirements when proceeds of a gift of equity exceed the amount needed for closing. The gift of equity may only be:

- Used to pay off or pay down the Borrower's debt at closing when paid by the property seller to the creditor, and/or
- Applied as a principal curtailment - **U.S. Bank's principal curtailment limit is the lesser of \$2,500 or 2% to avoid potential concerns regarding curtailments. Any cash back or principal curtailment must be reflected on the Settlement/Closing Disclosure Statement.**

Additionally, they are separating gift of equity and gift funds in Section [5501.4](#) to distinguish the eligibility and documentation requirements for each source of funds used to qualify the Borrower.

Guide impact: Sections [4305.1](#) and [5501.4](#)

### Employment Contingency

Freddie Mac has updated income commencing after the Note Date to specify that a probationary period of time after employment starts (e.g., 90-day probationary, training or orientation period) is not considered a contingency of the employment offer.

Guide impact: Section [5303.2](#)

### Optional Flood Insurance

Freddie Mac has updated the Guide to specify the premium for optional flood insurance is not required to be included in the monthly housing expense if coverage is not required in [Section 4703.3](#). Previously, [Section 5401.1](#) stated that the flood insurance premium must be included "when applicable."

### Automobile Lease Payments

Freddie Mac has added specificity for the treatment of an automobile lease payment to state that when the remaining balance is paid off/prepaid, the monthly lease payment may be excluded from the debt payment-to-income (DTI) ratio.

**U.S. Bank will not align with Freddie Mac and will continue to follow Fannie Mae requirements (regardless of loan product) which requires the monthly lease payment to be included in the DTI ratio.**

### Guide Update:

713.9 Agency - Credit/Debt Underwriting  
713.37 Agency – Principal Curtailments  
Agency Overlay and Clarification Matrix

## Freddie Mac Reciprocal Review

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

As one of the requirements as of the settlement date, [Freddie Mac's Selling Guide \(Section 5701.9: Reciprocal project reviews\)](#) requires that the CPM approval or certification and any terms and conditions set forth in the approval or certification have not expired.

Beginning **May 18, 2026**, for loans with an approval or certification that has not expired, U.S. Bank will condition the loan advising that the loan must be purchased 60-days before the CPM expiration date.

If the loan is not purchased by this date, the lender will be required to provide an updated CPM Certified by the lender with an updated expiration date, the lender may choose to submit the loan to the U.S. Bank Project Approval Department for a Full Review, or the lender may also use their condo delegation.

**Note:** All existing product guidelines apply including maximum LTV requirements.

### Guide Update:

810.05 Condominium Guidelines for Delegated Sellers/Lenders  
811.02 Reciprocal Review Process

## VantageScore 4.0

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

On April 22, 2026, Fannie Mae [SEL-2026-04](#) and Freddie Mac Bulletin [2026-D](#), announced plans to implement new credit score models as part of the transition to a modernized, more competitive credit score framework. As part of this framework, credit score models approved by the Federal Housing Finance Agency (FHFA) are classic FICO, VantageScore® 4.0, and FICO® Score 10T.

As a result, both Fannie Mae and Freddie Mac updated their Selling Guides to include VantageScore® 4.0 and FICO® Score 10T as approved credit score models. Currently, U.S. Bank is not able to accept Vantage Score 4.0 or FICO 10T and does not have any additional information to communicate beyond what the Agencies and FHFA have released.

## 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.