



# Seller Guide Update



SEL-2026-018: Multiple Topics

May 22, 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 Property Insurance 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)
X	Conv. (Fannie)
	Conv. (Portfolio)
	FHA
	VA
	Rural Development

U.S. Bank is announcing the recent updates to Agency Property Insurance Requirements. Both agencies issued aligned updates to ease borrower and cost pressures driven by rising insurance premiums and limited market availability, while maintaining core loss-mitigation protections.

### Coverage Requirements

- Roof Coverage
  - The roof must be insured, and the policy must be in force at loan delivery.
  - Actual Cash Value (ACV) coverage is acceptable for roofs.
  - Replacement Cost Value (RCV) coverage for roofs is no longer required.
- Primary Structure Coverage
  - All non-roof structural components (dwelling/building) must remain insured on a Replacement Cost Value (RCV) basis.

### Deductible Validation

- Per-Occurrence Deductibles
  - Deductibles for required perils must not exceed 5% of the applicable building coverage limit per occurrence.

### Peril and Policy Scope

- Wind / Named Storm Coverage
  - Wind coverage is required; the policy must explicitly include named storms as designated by the National Weather Service (NWS) or NOAA.
- Policy Validity
  - Policies must be active, issued by acceptable carriers, and compliant with applicable Guide provisions at delivery.

### Reminders

The policy updates provide affordability and operational relief (e.g., ACV roofs, deductible simplification); however, underwriting responsibility remains unchanged with respect to:

- Ensuring insured interest is preserved, and
- Confirming deductible exposure is bounded.

## Agency Underwriting Changes

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

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

- IRS tax installment agreements
- Income commencing after the Note Date – hourly wage earners
- Property tax abatements and exemptions

### IRS Tax Installment Agreements

Fannie Mae has updated the Selling Guide regarding treatment of Federal Income Tax Installment Agreements when calculating monthly debt obligations by adding an additional option when the Installment Agreement is still pending approval.

- For an installment agreement approved by the IRS, the lender must obtain:
  - a copy of the approved agreement showing monthly payment and total amount owed, and
  - evidence the borrower is current on payments.
- For an installment agreement still pending approval, the lender must obtain a copy of the application showing repayment terms, monthly payment, and the total amount owed.

If neither of these requirements are not met, the borrower must fully pay off the IRS tax balance either before or at closing in accordance with our Guide.

**Agency  
Underwriting  
Changes  
(Continued)**

**Income Commencing After The Note Date – Hourly Wage Earners**

Freddie Mac has updated the Guide related to income commencing after the Note Date used to qualify the Borrower as follows:

- Hourly earnings from a new employer may be used to qualify when there is a guaranteed minimum number of weekly hours
- Hourly earnings from the current employer with a future increase in the pay rate may only be used to qualify when documentation in the Mortgage file demonstrates that current and future hours do not fluctuate

Income commencing after the Note Date must always be non-fluctuating employment earnings.

**Reminder:** [Freddie Mac 5303.2 \(e\)](#) allows for two options for income commencing after note date. However, due to delivery complexities, U.S. Bank will follow Option One only.

**Property Tax Abatements and Exemptions**

Freddie Mac has expanded their requirements related to the amount of real estate taxes included in the monthly housing expense to allow a reduced real estate tax amount when the Borrower is not currently receiving a tax abatement or exemption if the Mortgage file contains evidence the Borrower and/or property is eligible for the reduced amount.

This change provides greater flexibility for Sellers and increases access to credit.

**Questions**



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**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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