Seller Guide Update

SEL-2026-029: Multiple Topics

August 21, 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.

Family-Owned Business Income

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

U.S. Bank is updating our guidance on Family-Owned Business Income as follows:

Family-Owned Business Income refers to Employment Income earned from a business owned by the Borrower's family, but in which the Borrower is not an owner.

Income Documentation Requirement:

Effective and stable income from a family business will only be considered with a minimum of one-year Federal Income Tax Return or the AUS required documentation reflecting the income from the family business.

In addition to normal employment verification, a borrower employed by a family-owned business is required to provide evidence that he/she is not an owner of the business, which includes:

- Official business documents include corporate resolutions or other business organizational documents, or
- An official letter from a certified public accountant on their business letterhead, or
- Copies of signed personal Federal Income Tax Return, or
- A signed copy of the corporate Federal Income Tax Return showing ownership percentage.

The Federal Income Tax Returns must be signed by the borrower unless one of the following is obtained:

- Documentation confirming that the Federal Income Tax Returns were filed electronically,
- A completed IRS Form 4506 (signed by the borrower) for the year(s) in question, or
- A tax transcript received from the Internal Revenue Service (IRS) that validates the tax return.

The intent is to independently verify that the borrower is truly in receipt of the qualifying income, by means of reporting it on the tax returns. In addition, the returns will verify any ownership interest in the family-owned business. The borrower is not required to have been employed in that business for the entire tax period, or any particular time period. However, the most recent return must include and support some portion of the income.

For circumstances with a substantial increase of income year to year, the income should be analyzed using an average of pay unless it can be justified using the higher amount. Refer to Fraud – Pre-Funding Income Verification for additional review requirements.

Note: Due to the increased layering of risk in non-arm's length employment, any expected income from a job offer from a family business cannot be considered for qualification.

Guideline Section: 711.4 FHA – Effective Income, 712.6 VA – Effective Income, 713.7 Agency – Effective Income, 714.2.2.2 Portfolio – Employment and Income, 715.4 RD – Effective Income

Tax Transcript Requirements – Post Funding

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

U.S. Bank is updating our guidance on Tax Transcripts Requirements - Post Funding specifically which tax years must be reflected on the form.

Each borrower whose income (regardless of income source) is used to qualify for the loan must complete and sign a separate IRS Form 4506-C for each source of income at or before closing. It may be necessary to have the borrower(s) complete and sign multiple IRS form 4506-Cs depending on the transcripts required to validate income.

Transcripts must be obtained for all income types used in the underwriting process (Personal and business, if applicable.) **All closed calendar-year (personal and business) and fiscal-year (business) tax years used to qualify income must be included. This would include any tax forms (e.g. tax returns, W-2, 1099) that were used in the underwriting of the loan.**

Guideline Section: 711.2.1 FHA – Tax Transcripts/Income Reverification, 712.2.1 VA – Tax Transcripts/Income Reverification, 713.2.1 Agency – Tax Transcripts/Income Reverification, 714.1.3.1 Portfolio – Tax Transcripts/Income Reverification, 715.2.1 RD – Tax Transcripts/Income Reverification

Reminder: Uniform Appraisal Dataset (UAD) Version 3.6

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)
	FHA
	VA
	Rural Development

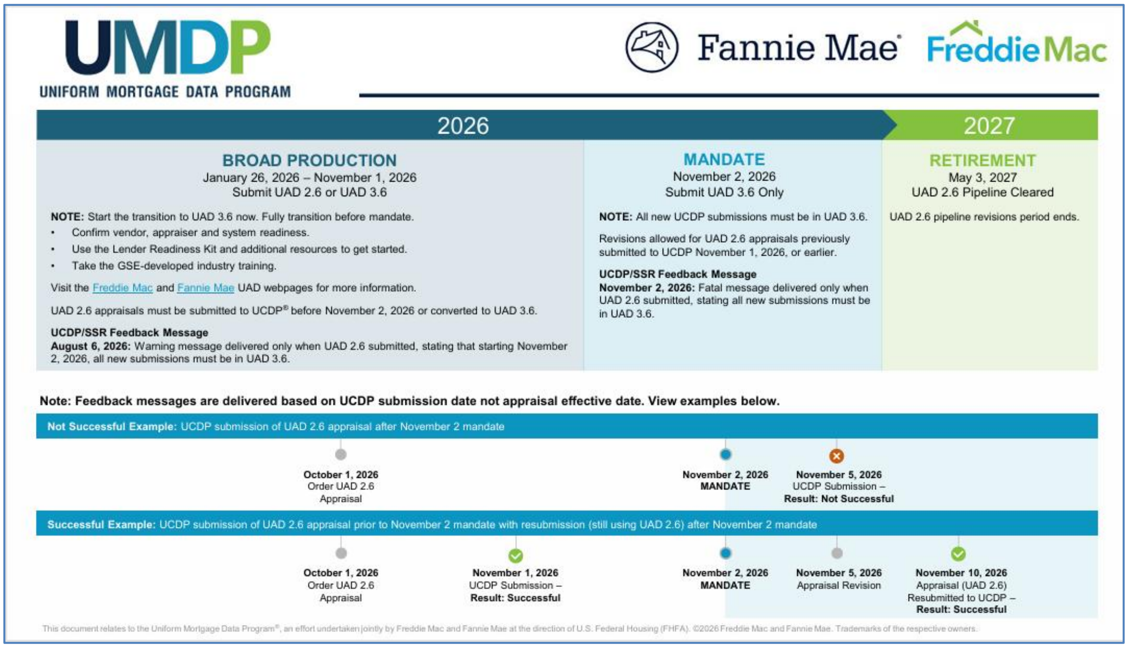
As a reminder, Fannie Mae and Freddie Mac (GSEs) are advancing the modernization of the Uniform Appraisal Dataset (UAD) to support a more data-driven, dynamic reporting structure to capture property and market information.

The UAD is a standardized industry dataset for appraisal property reporting that is communicated electronically through the Uniform Collateral Data Portal® (UCDP). The elimination of the legacy forms is that additional required data is provided in a free-form commentary addendum. This update allows for one reporting structure that accounts for all property and inspection types. The GSEs are also aligning to the latest version of the Mortgage Industry Standards Maintenance Organization (MISMO)® Reference Model 3.6.

U.S. Bank aligned with the **Broad Production** transition period for lenders submitting 2.3 or 3.6 appraisals beginning **January 26, 2026.**

Lenders are encouraged to begin preparing now to ensure readiness for the transition to UAD 3.6 and alignment with GSE requirements.

Feedback messages are delivered based on UCDP submission date not the effective date of the appraisal. Refer to the uad-redesign-timeline for details and implementation dates.



The following Agency resources provide valuable information to help you prepare for the transition to UAD 3.6.

- Fannie Mae Uniform Appraisal Dataset
- Uniform Appraisal Dataset - Freddie Mac Single-Family
- Freddie Mac Uniform Appraisal Dataset Frequently Asked Questions

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.