



Seller Guide Update



SEL-2021-011: Multiple Topics

March 19, 2021

- Correspondent Lending
- Housing Finance Agency (HFA)

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Summary



The following items have recently been updated in the U.S. Bank Correspondent Seller and HFA Division Lending Guides, specific to Loan Delivery, Underwriting and Credit Policy.

U.S. Bank Correspondent Seller and HFA Division Lending Guides: 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 U.S. Bank Correspondent Seller and HFA Division 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 Division Lending Guides for the most current policy. Guidelines are updated with the information in this communication and should be referred to instead of the communication for guidance.

Underwriting, Delivery, and Product Grids

For overall ease of use, we have enhanced our communications to now include underwriting and delivery method checkboxes to each section when applicable. You'll also find a new grid that outlines the applicable products.

Effective Date

Immediately unless otherwise noted within each section below.

Keeping you informed

U.S. Bank continues to closely monitor the ever-changing landscape of our business as a result of the impacts of the coronavirus (COVID-19).

For information about our ongoing work to support our lending partners and customers, we invite you to visit our Correspondent/HFA COVID-19 Resource Page within AllRegs for regular updates and the most current information.

We know you have many questions and we are diligently working to address each of them. We have developed a list of [COVID-19 Frequently Asked Questions](#) and will continue to update this document on a regular basis to keep you informed of process and policy updates.

For additional information about our ongoing work to support customers, we invite you to visit [U.S. Bank's COVID-19 support site](#) for regular updates and the most current information.



SBA Economic Injury Disaster Loans (EIDLs)

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

Effective Date: Immediately

Small Business Administration (SBA) offers several different options to help businesses recover from COVID-19 impacts. Many business owners may have applied for and received an SBA Economic Injury Disaster Loan (EIDL).

We are issuing this clarification that the EIDL debt must be considered when analyzing the business's financial strength and the borrower's earnings to determine the stability of the net income used by the self-employed borrower to repay their mortgage.

Unlike SBA Paycheck Protection Program (PPP) loans, which are eligible for forgiveness assuming that the borrower complied with all program rules SBA EIDL loans are not eligible for forgiveness and therefore must be accounted for in the business liability for all products.

Self-Employed Income and Debt Analysis

When analyzing the financial strength, we would need to account for business obligations which may have a negative impact to the net earnings of the business. When underwriting has knowledge that a business received a SBA COVID-19 loan this needs to be accounted for during the analysis of the business's earnings. This obligation could have a negative impact to the net income of the business. Underwriting will account for this obligation during the analysis of the business's earnings by:

1. Reviewing the current P&L to determine if the new SBA Loan payment was accounted for.
2. Reduce the business net earnings if the obligation is not clearly accounted for in the P&L.

Caution must be used when evaluating any income relied upon in determining the borrower(s) ability to repay. Underwriting is responsible for justifying that the income is stable, effective and likely to continue. Additional documentation maybe needed to support this..

Agency Underwriting Guideline Changes

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

Effective Dates: Correspondent locks and new HFA reservations on or after March 22, 2021. **Loans must be purchased by May 3, 2021.**

U.S. Bank is announcing the recent updates to Freddie Mac Underwriting Guidelines impacting direct account verifications.

Evaluation of 30-Day (Formerly Referred to as "Open-End") Accounts

Freddie Mac is updating their requirements for the treatment of 30-day accounts (i.e., accounts that require the balance to be paid in full monthly and previously referred to as "open-end" accounts).

Due to the terms of these accounts, they are removing the option of including 5% of the balance as the qualifying monthly payment in the debt-to-income (DTI) ratio. The full amount of the outstanding account balance must be included in the debt payment-to-income ratio, or the Underwriter must verify that the Borrower has sufficient funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the Borrower for the Mortgage transaction, and the source of funds must be an eligible source as described in Section 5501.3.

Loan Product Advisor® feedback messages will be updated by July 6, 2021 to reflect these changes.

Rural Development Handbook Update

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input type="checkbox"/>	HFA Non-Delegated
Products	
<input type="checkbox"/>	Conv. (Freddie)
<input type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

Effective Date: Applications taken on or after March 1, 2021

Rural Development (RD) has announced updates to several chapters and three forms in preparation of the new Guaranteed Underwriting System as previously announced in UW Memo 2021-010.

Updated Information: The updated versions of the chapters, forms and revision summary are located on [RD SFH Guaranteed Loan Basic Training and Resources](#).

Mortgage Credit Certificate

There is a change to the Mortgage Credit Certificate (MCC) calculation in new GUS. Previously the MCC were treated as a reduction of PITIA. New GUS requires the MCC to be treated as an addition to income.

- On the borrower information page under Income from Other Sources use the dropdown to select Mortgage Credit Certificate. Tab to the Monthly Income field and enter the amount.

All manual submission loans or manual underwrites not received by RD prior to April 1, 2021, the MCC is to be deducted from PITIA.

After April 1, 2021, all loan must reflect the MCC as an addition to income.

HFA Overlay Matrix Update

Underwriting/Delivery	
<input type="checkbox"/>	Corr. Delegated
<input type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

U.S. Bank has made a clarification to our HFA Overlay Matrix as follows:

- Manufactured Housing (500)** – Updated credit score to 680 to align with the most recent announcements for Fannie Mae loans:
 - Standard HFA Preferred loans, 95% LTV 45% maximum DTI and **680** (was previously 640) minimum FICO. For MH Advantage loans, 97% LTV, 45% maximum DTI 680 minimum FICO. See HFA specific Product Guide

Guide Update: HFA Overlay Matrix

Redesigned URLA and Frequently Asked Questions

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

In **SEL-2020-100 and 2021-003**, we announced that U.S. Bank Correspondent and HFA would begin to accept the redesigned URLA starting during the open production timeline with new loan registrations and loan reservations beginning January 1, 2021. Additionally, we also advised that U.S. Bank would continue to accept applications using the current 1003 taken before the Mandated usage date of March 1, 2021.

As a reminder, U.S. Bank requires submissions using the redesigned URLA for applications taken on or after March 1, 2021.

Frequently Asked Questions Updated

We have also updated our **Frequently Asked Questions** document to include additional items as well as clarifications which is located in our Correspondent Seller and HFA Lending Guides (1160.30: U.S. Bank URLA FAQ).

Guide Update: 1160.30: U.S. Bank URLA FAQ

Non-Delegated Underwriting and Final Loan Application

Underwriting/Delivery	
<input type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input type="checkbox"/>	Corr. Mandatory
<input type="checkbox"/>	HFA Delegated
<input type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

Agency Extension of Temporary Flexibilities Related to COVID-19

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

As a reminder and as published in **SEL-2021-007**, for loan closing and data integrity purposes, and as a courtesy to our lenders, U.S. Bank currently provides lenders with a copy of a final loan application on all non-delegated underwriting transactions.

Beginning March 31, 2021, U.S. Bank will update this final loan application document to include a watermark that advises our non-delegated lenders that the document is a U.S. Bank draft only and that lenders are responsible for making sure the final loan application used at closing matches the loan's underwriting and documentation requirements.

This includes but is not limited to borrower(s) to sign and acknowledge the final loan application, and continuation sheet/addendums, if applicable, at closing. Income, assets, liabilities and proposed PITIA data to be consistent with underwriters approval.

Due to the current economic disruption and market uncertainty associated with the COVID-19 event, U.S. Bank will continue to update temporary guidelines with changes and clarifications as we align our communications with investor guidance.

Extension of Temporary Changes from Previous Seller Guide Updates: We are extending the temporary flexibilities that were **effective for Application Received Dates through March 31, 2021 to Mortgages with Application Received Dates through April 30, 2021** for the following:

Communication	Topic
SEL-2020-021	<ul style="list-style-type: none"> Correspondent: Temporary Flexibilities for Appraisals HFA: Temporary Flexibilities for Appraisals Temporary Flexibilities for Employment Verifications
SEL-2020-027	<ul style="list-style-type: none"> Temporary Credit Underwriting Requirements for Agency Loans Temporary Flexibilities for Agency Appraisals on New Construction Properties
SEL-2020-029	<ul style="list-style-type: none"> Clarification: Temp. Credit Underwriting Requirements for Agency Loans – Investment Properties

Disaster Area Declarations

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

The following counties have been declared as Presidential Disaster Area with Individual Assistance on the [FEMA Disaster Website](#) and re-inspection requirements detailed in our Correspondent Seller's and HFA Division Lending Guide must be met. In some cases, additional counties may have been added. Lenders are responsible for verifying procedures are in place to monitor new and/or updated declarations.

- Agency, Portfolio, VA, and RD loans with subject properties located in counties listed below that have not CLOSED by the Disaster Declaration Date must follow the requirements listed in AllRegs.
- FHA loans with subject properties located in the parishes listed below that have not been ENDORSED as of the Disaster Declaration Date must follow the FHA requirements listed in AllRegs.

Declaration Date	ST	County/Parish			
March 9, 2021	LA	Avoyelles	Bienville	Bossier	Caddo
		Calcasieu	Catahoula	Claiborne	Concordia
		De Soto	East Baton Rouge	Franklin	Grant
		La Salle	Madison	Natchitoches	Ouachita
		Rapides	Sabine	Webster	West Carroll
		Winn			

Guide Section: 711.20 – Natural Disaster Procedures (FHA), 712.20 – Natural Disaster Procedures (VA), 713.21 – Natural Disaster Procedures (Conventional), 714.1.10 – Appraisal Procedures (Portfolio – Correspondent Only), 715.20: Natural Disaster Procedures (USDA)

Certification of Revocable Trust

We have updated the following documents to reflect an updated revision date of March 2021.

Correspondent Seller Guide: 1100: Exhibits, Forms, & Checklists > 1110: Underwriting > 1117: Trust Documents > 1117.1: Trust Certifications

HFA Lending Guide: 1100: Exhibits, Forms, & Checklists > 1110: Underwriting 1117: Trust Documents > Trust Certifications

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.



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

Updated March 19, 2021

U.S. Bank Correspondent and HFA began accepting the redesigned URLA starting with redesigned applications on and after January 1, 2021.

Lenders are encouraged to review our **SEL-2020-100** for additional information and details.

This FAQ document will be dynamic and will continually be edited and updated throughout the project.

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Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

Topic	Question	Response
General Information and Implementation Timelines		
Background	What is the Uniform Residential Loan Application (URLA)?	The URLA (also known as the Freddie Mac Form 65 / Fannie Mae Form 1003) is a standardized document used by borrowers to apply for a mortgage. The URLA is jointly published by the GSEs and has been in use for more than 40 years in all U.S. states and territories.
	Why was the URLA redesigned?	<p>Changes in the mortgage industry and the regulatory environment led the GSEs to reassess the information obtained at the time of loan origination. The URLA/ULAD initiative has the following objectives:</p> <ul style="list-style-type: none"> Update the URLA form to collect loan application information that is relevant and useful to the industry in making a loan underwriting decision, as well as update the physical format and layout to enhance the collection of information and usability of the form. Develop and publish a corresponding standard dataset to support the URLA. The ULAD Mapping Document provides a cross reference for every field on the redesigned URLA to the equivalent data point(s) in the MISMO Version 3.4 Reference Model. Publish GSE-specific automated underwriting system (AUS) specifications for Desktop Underwriter® (DU®) and Loan Product Advisor® updated to MISMO v3.4 and including the redesigned URLA fields. <p>Note: The URLA redesign does <u>not</u> change a creditor's obligations to provide various loan disclosures soon after it receives a consumer's application.</p>
Overall Industry Timeline	What is the timeline for implementation by the Agencies?	Freddie Mac/Fannie Mae (the GSEs) will extend the implementation timeline for the redesigned Uniform Residential Loan Application (URLA) and automated underwriting systems (AUSs) to support the industry during the COVID-19 pandemic. The new mandate date for the use of the redesigned URLA and AUS specifications is March 1, 2021.
	What is the Limited Production Phase (LPP)?	<p>Limited Production Phase – August 1, 2020: As announced in December 2019, the Limited Production Period can be thought of as a “test and learn” period. The GSEs will begin accepting the MISMO v3.4 loan application submission files in production on a limited basis. Lenders will have controlled access to the GSEs’ AUS production environments based upon validation of eligibility requirements and completion of the Partner Readiness Questionnaire.</p> <p>Only participants who have completed these prerequisites and received GSE approval will be allowed to submit loans using the redesigned URLA prior to its redesigned effective date of 1/1/21.</p>
	When does Open Production begin?	<p>Open Production – January 1, 2021: Starting January 1, 2021, all lenders may submit the MISMO v3.4 loan application submission files to GSE-specific AUS production environments using the redesigned URLA. NOTE: Freddie Mac and Fannie Mae are updating the effective date in the footer of the redesigned URLA to 1/2021.</p>
	When is the Mandated Effective Date?	<p>March 1, 2021: All lenders are required to submit the MISMO v3.4 loan application submission files to the GSEs’ AUS production environments using the redesigned URLA beginning March 1, 2021. NOTE: Freddie Mac and Fannie Mae will continue to process applications received prior to the mandate date within the AUS format on which they were initially submitted. A one-year run off old 1003's will run through March 1st, 2022.</p>



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

U.S. Bank Home Mortgage General Information and Loan Delivery

<h3 style="color: #005596; margin: 0;">Loan Delivery</h3>	<p>Will U.S. Bank accept the redesigned URLA prior to the Agencies mandate date of 3/1/21?</p>	<p>Yes, U.S. Bank will begin accepting the redesigned URLA in loan documents beginning January 1, 2021 during the Open Production period outlined on page 2 (refer to Overall Industry Timeline).</p>
	<p>Will U.S. Bank continue to accept the current MISMO 3.2 file configuration?</p>	<p>U.S. Bank requires the usage of the MISMO 3.2 file for loans created using the old loan application in alignment with GSE requirements. The 3.2 file format will remain a U.S. Bank acceptable file until it is no longer allowed by the GSEs but should only be used for loans originated using the old 1003 documentation.</p>
	<p>Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?</p>	<p>U.S. Bank will accept the MISMO 3.4 file for loans created using the redesigned loan application in alignment with GSE requirements beginning January 1, 2021. It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).</p>
	<p>What programs/products can I deliver to U.S. Bank beginning January 2021?</p>	<p>You may now deliver the following programs using your delegated and non-delegated underwriting status:</p> <ul style="list-style-type: none"> Agency Fannie Mae and Freddie Mac FHA, VA and USDA* Portfolio <p>*The USDA optional use period runs from December 7, 2020 – February 26, 2021. For USDA loans submitted to U.S. Bank during the optional use period that include the redesigned URLA, lenders will be required to provide the corresponding dataset in the MISMO v3.4 format.</p> <p>RD is implementing the new Guaranteed Underwriting System (GUS) with the new URLA on March 1, 2021.</p> <p>Conditional Commitments: RD is converting to a New GUS and any loan with Conditional Commitments not issued as of February 26, 2021 must be submitted to the New GUS. The time frame for the conversion is:</p> <ul style="list-style-type: none"> February 26, 2021 - Close of business legacy GUS no longer available for editing or processing applications. It will be view only access for one year. February 27-28, 2021 - SFHGLP systems will be unavailable to transition to the new GUS. March 1, 2021 - New GUS goes live. Existing applications in legacy GUS that have not received a Conditional Commitment will require the application to be entered into the new GUS. <p>SFHGLP is receiving record volume and may not be able to review all applications submitted prior to February 26, 2021 closing of Legacy GUS, however all complete applications received by February 1, 2021 will be issued a Conditional Commitment. Monitor posted turn times on the RD website to make determination of ability to receive a Conditional Commitment before February 26, 2021 closing of legacy GUS.</p> <p>If an application in legacy GUS has not received a Conditional Commitment by the close of business on February 26, 2021, the application will need to be re-entered into the new GUS.</p> <p>New GUS Entry: Entering the application into new GUS can be done by importing the FNMA DU MISMO 3.4v1.8.1 XML file or manually entering the application.</p>





Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

		<p>U.S. Bank will require the borrower and lender pages on all loans. Where applicable, the additional borrower, unmarried addendum and continuation sheet will be required. The redesigned URLA provides one form in five parts:</p> <p>Required for all loans:</p> <ol style="list-style-type: none"> 1. Borrower Information: Collects personal information for one borrower including: <ol style="list-style-type: none"> a. Section 1 - Borrower Information: Personal Information and Employment and Income b. Section 2 - Financial Information: Assets and Liabilities (joint) c. Section 3 – Financial Information: Real Estate (joint) d. Section 4 – Loan and Property Information: Loan Amount, Property Type, Other New Mortgages, Rental Income, Gifts and Grants (joint) e. Section 5 – Declarations: About this Property and About your Finances f. Section 6 – Acknowledgements and Agreements (all borrowers sign) g. Section 7 – Military Service h. Section 8 – Demographic Information: replaces the Demographic Information Addendum i. Section 9 – Loan Originator Information 2. Lender Loan Information: Completed by the lender and includes transaction details, some may not be known at application including: <ol style="list-style-type: none"> a. Section L1. Property and Loan Information b. Section L2. Title Information c. Section L3. Mortgage Loan Information d. Section L4. Qualifying the Borrower – Minimum Required Funds or Cash Back <p>Use when applicable to the transaction:</p> <ol style="list-style-type: none"> 3. Additional Borrower: Captures personal information for a joint borrower including: <ol style="list-style-type: none"> a. Disclosed on Additional Borrower Form <ol style="list-style-type: none"> i. Section 1 - Borrower Information: Personal Information and Employment and Income ii. Section 5 – Declarations: About this Property and About your Finances iii. Section 6 – Acknowledgements and Agreements (all borrowers sign) iv. Section 7 – Military Service v. Section 8 – Demographic Information: replaces the Demographic Information Addendum b. Disclosed jointly on Borrower Information Form <ol style="list-style-type: none"> i. Section 2 - Financial Information: Assets and Liabilities (joint) ii. Section 3 – Financial Information: Real Estate (joint) iii. Section 4 – Loan and Property Information: Loan Amount, Property Type, Other New Mortgages, Rental Income, Gifts and Grants (joint) iv. Section 9 – Loan Originator Information 4. Unmarried Addendum: Identifies property laws that may affect credit worthiness 5. Continuation Sheet: Suggested format for providing additional information <p><u>Sample forms available FNMA Uniform Residential Loan Application.</u></p>
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What information is required to be delivered using the redesigned URLA if a lender is approved to do so?



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

<p>Loan Delivery, continued</p>	<p>Will there be a preference for displaying the loan number and/or the ULI at the top of the URLA output forms?</p>	<p>U.S. Bank does not have a specific requirement. It would, however, be helpful if the chosen path is consistent from page to page and from application to application.</p>
	<p>Will U.S. Bank accept the redesigned MISMO 3.4 file configuration?</p>	<p>U.S. Bank will accept the MISMO 3.4 file for loans created using the redesigned loan application in alignment with GSE requirements beginning January 1, 2021. It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).</p>
	<p>What does U.S. Bank required for sections where no data is entered?</p>	<p>U.S. Bank does not have a specific requirement, other than a clear indication if the section does not apply so that U.S. Bank knows there is no information in it.</p>
	<p>In regard to the (.fsm) file upload on the redesigned U.S. Bank lock request form, will there be any updates to this process?</p>	<p>U.S. Bank will begin accepting the redesigned URLA on January 1, 2021. We will continue to accept the 3.2 version until it is no longer allowed by the GSEs.</p> <ul style="list-style-type: none"> • If a user uploads the (.fsm) file, our UniteUS EXT system will automatically set the URLA flag based on the version. • If a user is manually creating a loan, he/she will need to select which URLA version was used for the loan. <p>It is important to note, that once a loan has the URLA version selected, it cannot be changed. In the event there is an error, the loan would have to be cancelled and new loan created. Please refer the Systems section below for important updates to the loan registration process in UniteUS.</p>
	<p>Will U.S. Bank align with Fannie Mae/Freddie Mac Automated Underwriting System Messaging requirements?</p>	<p>U.S. Bank aligns with the Uniform Residential Loan Application March 1 Mandate (Automated Underwriting System Messaging) as published by the Agencies on February 16, 2021. Lenders are encouraged to review the update in its entirety as linked above. Highlights include:</p> <p>Mandate The mandate for implementing the redesigned URLA is March 1, 2021. The GSEs fully expect that new loan applications started on or after March 1 will be submitted using the redesigned form and DU MISMO v3.4/LPA v5.0.06 file formats.</p> <p><u>The GSEs have not described how a lender should determine the “loan application start date.” However, the expectation is that the lender will apply its chosen definition consistently.</u></p> <p>AUS Messaging To accommodate those loans started in the legacy format prior to March 1, but not submitted by that date, the GSE AUSs will not return an Out of Scope for Fannie Mae or critical edit for Freddie Mac on new loans submitted in the legacy format until May 1, 2021. We expect the industry to submit all applications started in the legacy formats to either GSE’s AUS by May 1. Effective May 1, 2021, any new loan submitted using legacy formats will no longer be accepted. The following sections provide GSE-specific information about AUS messaging and resources.</p> <p>Fannie Mae</p> <ul style="list-style-type: none"> • DU will return an Out of Scope recommendation on loan application files submitted using the 1003 v3.2 or MISMO v2.3.1 format with a casefile create date on or after May 1, 2021. This announcement supports the 60-day advance notification for DU system changes.



Correspondent and HFA URLA Frequently Asked Questions (FAQ) – 1160.30

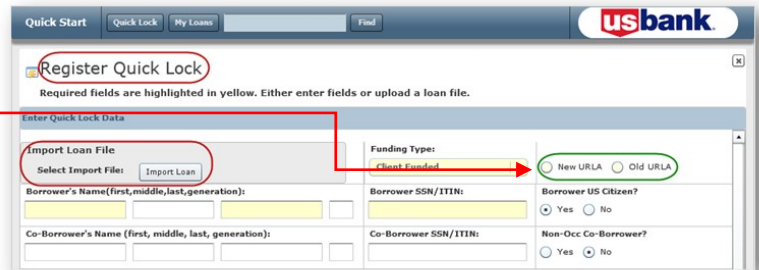
<p>Loan Delivery, continued</p>	<p>Will U.S. Bank continue to require AUS validation on Portfolio loans?</p>	<p>U.S. Bank will continue to require AUS (LP/DU) to be utilized on all Portfolio loans to validate the credit report. Portfolio loans will require the redesigned URLA form as of May 1, 2021 to validate the credit report. Portfolio loans will require the redesigned URLA form as of May 1, 2021 to validate the credit report.</p> <p>New submissions in legacy formats will not be accepted as of May 1, 2021, and will receive the following GSE-specific AUS messaging: (1) For Fannie Mae: DU will return an “Out of Scope” recommendation on loan application files submitted using the 1003 v3.2 or MISMO v2.3.1 format with a casefile create date on and after May 1, 2021 and (2) For Freddie Mac: LPA versions earlier than v5.0.06 will return a critical edit on loan application files with an Original Submission Date on and after May 1, 2021.</p> <p>An “Out of Scope” recommendation LPA critical edit would not validate the credit report as required and, as such, Portfolio loans will require the redesigned URLA form as of May 1, 2021.</p>
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Systems

For Correspondent, U.S. Bank will accept production utilizing the redesigned URLA through our current loan origination system, UniteUS EXT.

Functionality Highlights:

1. Acceptance of the new 3.4 file including a radio button to alert file use (Redesigned URLA 3.4/Old URLA 3.2).
2. If the user selects, ‘New URLA’, UniteUS EXT will automatically ask the user via a new pop-up message to confirm the selection as outlined below:



Register Quick Lock (RQL)	Batch Quick Lock (BQL)
<p>Warning: You have selected to register this loan using the New URLA form</p> <p>You have selected to submit a loan using the New URLA form. Please remember that a .fsm file cannot be uploaded on a loan with the New URLA form and all loan documentation, including URLA form and Underwriting Findings, must be consistent with the New URLA form. If you have selected this option in error, please do not proceed, update your loan to reflect the accurate information and proceed with registration.</p> <p>Do you wish to continue?</p> <p><input type="button" value="No, Import New Loan"/> <input type="button" value="Yes, Continue"/></p>	<p>Warning: You have selected to register loan(s) using the New URLA form</p> <p>Within your batch registration you have indicated one or more of your loans should be registered using the new URLA form. Please remember that a .fsm file cannot be uploaded on a loan with a New URLA form and all loan documentation, including the URLA form and Underwriting Findings, must be consistent with the New URLA form. If you have selected this option in error, you may wish to update those loans and complete the registration with the corrected information.</p> <p>Do you wish to continue?</p> <p><input type="button" value="Cancel Upload"/> <input type="button" value="Continue Upload"/></p>

Important Reminders:

- If a user uploads the (.fsm) file, our UniteUS EXT system will automatically set the URLA flag based on the version.
- If a user manually creates a loan, he/she will need to select the URLA version used for the loan.
- **It is important to note that once a loan is created using either file format, it must continue to use the same format for the full life of the loan. The loan file format cannot be changed from 3.2 to 3.4 file format (or vice versa).**

Bulk Upload: U.S. Bank’s new bulk upload template has a new column dedicated to the new MISMO 3.4 file configuration.

- **LICS** - For HFA lenders, as this is for the reservation file only, there is no impact systematically.

Additional Resources

- [Fannie Mae URLA web page](#)
- [Freddie Mac URLA web page](#)
- [Fannie Mae and Freddie Mac Uniform Residential Loan Application \(URLA\) / Uniform Loan Application Dataset \(ULAD\) FAQs](#)

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