

BULLETIN

2013-04



MRBP OPERATIONS
HOME MORTGAGE

March 20, 2013

IRS INCOME DOCUMENTATION REQUIREMENT

U.S. Bank Home Mortgage MRBP Division is continuing to enhance our Fraud Detection & Misrepresentation Protection Processes. Fraud or misrepresentation that impairs the integrity of the loan is a major concern throughout the mortgage industry. We appreciate the efforts that all of you are making to prevent fraud from occurring in your businesses. In order to further assist you in identifying potential misrepresentation and or high risk lending, we will implement additional income verification requirements that will help identify loans that may be subject to this issue. Please see below for these additional requirements.

All loan files must contain documentation from the IRS to validate the income used for qualification. The most recent year's available IRS Tax Return Transcripts for all borrowers must be included in the loan file. The income used to qualify the borrower must be supported by the income reported on tax transcripts from the IRS. Additional IRS verifications such as W2 or 1099 transmittals should also be included if they are required to validate income.

If a borrower is not required to file an income tax return, the loan file must include a written explanation as to why the borrower was not required to file an income tax return.

Lenders must include a written explanation of any discrepancies between the IRS transcript income and the income documentation supplied to qualify the borrower.

This documentation is required in the closed loan package in addition to the documents provided for any other purpose.

Effective Dates:

Effective for all loans closed on or after May 1, 2013.

If you have any questions, please feel free to contact the Help Desk at 1-800-562-5165.



EQUAL HOUSING LENDER This information is not intended to extend consumer credit as defined by section 226.2 of Regulation "Z". Interest rate, program terms and conditions are subject to change without notice. Not all products are available in all states and for all loan amounts. Other restrictions and limitations may apply. Granting of loan is subject to program guidelines. 02/2008

****Please respond by fax if you do not want to continue to receive this information. Fax request to: 800-476-5584**