Summary
U.S. Bank is pleased to announce a reduction in the tax service fees charged to HFA lenders at the time of loan purchase.

Tax Service Fees
The tax service fee will be determined by the location of the collateral property, according to the following chart:

<table>
<thead>
<tr>
<th>States</th>
<th>Tax Service Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ, CA, CO, DE, ID, MT, NE, NV, UT, WA, WV</td>
<td>$21.50</td>
</tr>
<tr>
<td>All other states</td>
<td>$58.00</td>
</tr>
</tbody>
</table>

Effective Date
This change will be in effect for loans reserved on or after Monday, April 17, 2017.

Fees on Disclosures
U.S. Bank does not prohibit lenders from passing the tax service fee on to the consumer. If a lender imposes this fee directly on the consumer, U.S. Bank Home Mortgage will accept the following methods of disclosing the tax service fee in either Section A or Section B on the Loan Estimate and Closing Disclosure as described in this Lender Operations Update.

Section A
Lenders may incorporate the amount of the tax service fee into their Section A Origination Charges, either as part of an origination point or itemized separately. U.S. Bank acknowledges that lenders have some discretion in labeling and structuring their origination charges. For regulatory instruction, please see official commentary to Regulation Z section 1026.37(f)(1).

Section A fees should not be labeled or disclosed as paid to U.S. Bank, but may be labeled an investor charge, such as Investor Tax Service fee.

Section B
U.S. Bank will accept placement of a tax service fee in Section B of the Loan Estimate and Closing Disclosure paid to a To Be Determined or TBD tax monitoring service provider. U.S. Bank does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank.

Continued on the next page
**Note**: Loan program guidelines and state laws may have further restrictions regarding allowable fees.

**Caution**: If the amount of an itemized tax service fee paid by the consumer at the time of closing is greater than the amount imposed on the lender by U.S. Bank at the time the loan is purchased, a refund may be due to the consumer. Please consult your legal or compliance staff for further advice.

This Lender Operations Update does not alter any instruction given in L-2016-019 to HFA program lenders regarding other fees (i.e., a funding fee or underwriting fee) deducted by U.S. Bank from wire funds at the time a loan is purchased.

**Questions**

Please refer to the [HFA Division Lending Guide](#) for information regarding the delivery and funding of loans through the HFA Division. From the home page, select [U.S. Bank Lending Manuals](#), and then **Continue**. If you experience problems accessing the guide you may need to temporarily allow pop-ups or add AllRegs as a favorite.

If you have questions regarding this Lender Operations Update, please contact the HFA Hotline at 800.562.5165, option 2.

We appreciate your continued partnership.