***Attention All Purchase Fund Lenders***

**Collateral Delivery Requirements**

Due to the ever increasing level of scrutiny mortgage documents are coming under, custodian and investor standards continue to evolve in response to issues encountered in litigation. It is more critical than ever that all collateral documents (Notes, Allonges to Notes, Mortgages/Deeds of Trust, and Assignments) are correct and consistent upon delivery to U.S. Bank as past practices in correcting these documents may no longer be acceptable and more time and effort may be required in resolving. The following are key issues we see in regards to collateral being delivered to us for the immediate attention of your staff involved in processing, executing, and submitting these documents to us for purchase.

- Lender name on page 1 of Note must be precisely the same on the Endorsement, Allonge to Note, Mortgage/Deed of Trust, and/or Assignment. Any deviation in the lender name, wherever it is included on these documents, will need to be corrected to match and, if on Note or Allonge, be initialed by the lender. (This includes descriptive add-ons such as “a corporation” or abbreviations used inconsistently between documents).
- Borrower name(s) and property address as typed must match between all collateral documents (1st and 2nd Mortgages).
- Any cross outs or handwritten additions/corrections to Note (aside from payment terms which would require the borrowers’ initials) must be initialed by the lender.
- Do not allow a borrower to sign a Note multiple times (avoid the same borrower duplicating a signature, for instance if they sign in the wrong location and again elsewhere, this is not acceptable and a new Note would be required).
- Include “Pay to the order of” and “without recourse” as part of Endorsement.
- Any fully crossed out Endorsement (whether executed or not) or Endorsements that have had any corrections or cross outs done (such as changes to a signer’s name or title), no matter how minor, must be initialed by signer.
- Any information from the Note replicated on an Allonge must be exact (i.e. if two borrowers are on Note, both names must be listed and match the Note, in addition to address, loan amount, etc.).
As previously addressed in Bulletin 2011-06, do not write or stamp “void” or “cancelled” on any Notes, do not date endorsements (whether on Note or on separate Allonge to Note), and only assign/endorse loans to “U.S. Bank National Association”, as these would also create situations requiring corrections.

If any of these issues are found requiring corrections, especially to Notes or Allonges to Notes, USBHM may have less flexibility on what can be fixed by our staff via letters of authorization. We are still in the process of getting further clarification on these issues and what we can or cannot do in making corrections in these instances, but did not want to delay informing our lenders immediately about them. The best way to avoid these situations is to correct them prior to delivery as advised here.

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