Seller Guide Update

usbank

SEL-2019-063: Manual Underwriting Update

November 22, 2019

☐ Correspondent Lending

☒ Housing Finance Agency (HFA)

Summary

Effective with new loan reservations on and after **November 22, 2019**, U.S. Bank will be modifying our manual underwriting guidelines for Conventional and Government loan products to the parameters outlined below.

Manual Underwriting Parameters

FNMA HFA Preferred

- 1-Unit properties and Condo/Townhomes – Requirements have been enhanced to align with Fannie Mae underwriting parameters with 1 minor exception. Where Fannie Mae requires less than 2 months reserves, U.S. Bank will require a minimum of 2 months reserves as the chart below indicates:

Fannie Mae HFA Preferred ONLY

Property Type	Maximum LTV	Maximum TLTV/CLTV	Maximum DTI	Minimum FICO	Required Reserves
1 Unit Condos/Townhomes	95%	105%	36%	680	2
	95%	105%	36%	660	6
	95%	105%	45%	720	2
	95%	105%	45%	700	6

- Manual underwriting is not allowed on 2 - 4 Unit properties.
- New LTV, CLTV/TLTV, FICO, and DTI tables have been added to our HFA Product Guides for FNMA HFA Preferred.

FHLMC HFA Advantage

- For those HFAs who offer the FHLMC HFA Advantage program, a separate LTV, CLTV/TLTV, FICO, and DTI table has been added to the HFA Product Guides.

VA, USDA and FHA

- For those HFAs who offer the VA, USDA and FHA programs, a separate FICO, Ratio, and Reserve table has been added to the HFA Product Guides and is also included below. Please refer to the specific HFA Guides if applicable.

Property Type	Property Type	Minimum FICO	Maximum Ratios		Required Reserves
			Housing	Total Debt	
VA	1-4 Units if allowed by the HFA	640	N/A	41%	2
USDA		640	29%	41%	2
FHA		640	31%	43%	2

Area Median Income Limits

The Income Limits and Mortgage Insurance sections have been updated to reflect the specific HFAs requirements for the recent Fannie Mae changes to the HFA Preferred Area Median Income limit parameters.

HFA Division Lending Guide

Guide Updates: HFA Product Guides, Sections 711.7 FHA – Credit/Debt Underwriting, 712.9 VA – Credit/Debt Underwriting, 713.9 Agency – Credit/Debt Underwriting, 715.7 RD – Credit Debt Underwriting and the HFA Overlay Matrix

Questions

HFA: Please contact the Housing Finance Agency Hotline at 800.562.5165, option 1 for the HFA Customer Care Team.

EQUAL HOUSING LENDER

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