US Bank HFA Division
Closed Loans: Delivery and Funding
Agenda

- U.S. Bank Home Mortgage-HFA Division
- Preparation for Delivering Files
- U.S. Bank Lender Guide/Bulletins/Delivery Checklists
- Loan Review/Purchase/Exception Information
- Compliance Audit/Policy Reminders
- UW/General Highlights/Reference
- File Delivery Addresses/Reference
- Contacting U.S. Bank
- Customer Service and Loss Mitigation
USBHM reviews, purchases, securitizes, and services mortgage loans from all participating lenders who are approved to originate in a program.

Loans must meet compliance requirements and loan product underwriting guidelines, and any U.S. Bank guidelines.

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Preparation

Advise borrowers their loans are being sold to U.S. Bank Home Mortgage as soon as possible!
Delivery and Funding

Access The U.S. Bank Lender Manual website:

➤ @ www.mrbp.usbank.com
Select U.S. Bank Lending Manuals

U.S. Bank Home Mortgage
Mortgage Revenue Bond Program Division

This site is exclusively for U.S. Bank Home Mortgage MRBP Participants.

The Mortgage Revenue Bond Program (MRB) Division partners with various State and Local Housing Finance Agencies throughout the United States to assist them in bringing homeownership opportunities to their local constituents, which includes low to moderate income families and first-time home buyers.

This Division of U.S. Bank Home Mortgage focuses exclusively on the Mortgage Revenue Bond sector of the residential mortgage community and develops customized partnerships based on the needs of each Housing Finance Agency.

The Division offers a full range of services, including Product Development, Program Administration & Facilitation, Loan Administration and various other services to the Housing Agencies and Participating Lender community.

Access to Bond Programs
Mortgage Customer Loan Information for Housing Agencies
U.S. Bank Lending Manuals
Danish and Associates Bond Program Lender Guides
Frequently Asked Questions
M.O.R.E. (Mortgage Online Reporting made Easy)

For More Information
Please contact our Client Support Center
800-562-5165
17500 Rockside Road
Bedford, Ohio 44146

©2011 U.S. Bancorp

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Loan Delivery Checklists

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Delivery and Funding Checklist

HFA CONVENTIONAL LOAN DELIVERY CHECKLIST

Lender
Contact Person and Phone Number
Loan Program

Documents Required For All Loans:

- Wiring Instructions or Bailee Letter with Warehouse Bank Information
- Original Note endorsed to: U.S. Bank National Association or acceptable Note Allonge
- Certified copy of all Mortgages/Deeds of Trust with attached legal description and applicable Riders (if MERS, must be on MOM docs)
- Certified copy of Assignment of Mortgage to U.S. Bank National Association (if applicable)
- Certified copy of Power of Attorney (if applicable)
- Original notarized Name Affidavit(s) (if applicable)
- Initial / First Payment Letter
- Title Commitment / Binder
- Flat Drawing / Survey, (if applicable)
- Tax Certification Sheet
- Final HUD-1 Settlement Statement and Itemization(s) - if DPA utilized, source must be disclosed on HUD-1
- Initial Escrow Account Disclosure
- Hazard Policy with paid receipt to include Mortgage Clause to U.S. Bank NA
- Standard Flood Hazard Determination
- Notice to Borrower in Special Flood Hazard Area, signed and dated on or before closing (if applicable)
- Flood Policy with paid receipt (if applicable), to include Mortgage Clause to U.S. Bank NA
- Wind/Hail Policy with paid receipt (if applicable)
- Notice of Assignment of Servicing Rights
- Sales Contract/Purchase Agreement (if applicable)
- Initial and all subsequent Good Faith Estimates (GFEs)
- Certification of Delivery of Values (ECOA)
- Initial Uniform Residential Loan Application (URLA/1003) signed and dated by Interviewer
- Early TIL Disclosure
- Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Specific FHA Required Documents

DC Housing Loan Program

U.S. Bank Loan Number

HFA Documents Required For All Loan Types

- 1. * 2nd Note – (2 copies) - Pay to the Order of “District of Columbia Housing Finance Agency”
- 2. * 2nd Mortgage – (2 copies)
- 3. Final 2nd HUD-1 Settlement Statement and Itemization(s) – if applicable
- 4. 2nd Mortgage Initial and Final TIL, if applicable, (2 copies)
- 5. Copy of Wire/Check Information Verifying Direct Transfer of DPA
- 6. DC Open Doors form titled Down Payment Assistance Loan Commitment to Participating Lender

*Note: The 2nd Mortgage Note and 2nd Mortgage/Mortgage Deed of Trust should be placed in stacking order directly behind the 1st Mortgage Note and the 1st Mortgage/Mortgage Deed of Trust
File Process/Interim Servicing

File Review Process

- Received by mail or Doc Velocity
- Date stamped
- Entered into our system
- Sent to Review Team for handling

Interim Servicing

- The lender is responsible for servicing the loan until it is purchased by USBHM.
File Review Process

- Send/scan loan files to us as soon after loan closing as possible
- Use loan delivery checklists posted on our website and include all documentation listed
- Do not send duplicate documentation unless requested on the loan delivery checklist
- Include all necessary credit and regulatory documentation
Loan Purchase Process

- Loans are purchased daily once eligible
- Loans will be funded at an amortized balance net of escrow funds (no checks)
- Purchased loan summary faxed to designated contact
- Post funding inquiries should be directed to: hfa.postfunding@usbank.com
Loans With Deficiencies

- Sent via daily fax and weekly recap report
- E-mail deficiency items to: hfaexceptions@usbank.com
- Current payment histories are required if any payments have been made prior to purchase
- Please provide separate cover letter for each loan exception and include U.S. Bank loan number

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Deficiency Clearing

- When submitting loan deficiencies, please allow at least 48 hours prior to resending the information.
- If you have loan deficiencies, only send those requested and address them as we have asked. Do not send another complete file.
Compliance Audit and Policy Reminders

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Compliance Audit Deficiencies

- The file does not contain a correctly marked LUTS showing the LDP/GSA had been checked.
  - “The LDP/GSA box should be marked to indicate whether or not the borrower(s) appeared on these lists, not that the lists were actually checked.” Reference USB bulletin 2014-12 dated 3/3/14

- The file does not contain a fully completed Amendatory Clause signed by all parties and dated prior to closing.
  - “An amendatory clause must be included in the sales contract when the borrower has not been informed of the appraised value by receiving a copy of HUD-92800.5B, Conditional Commitment/DE Statement of Appraised Value or VA-NOV before signing the sales contract.” per HUD guidelines Reference USB bulletin 2014-12 dated 3/3/14

- Undisclosed Debts that have an adverse effect on the DTI ratio.
  - Are borrowers signing an undisclosed debt disclosure at application?
  - Is there an existing policy regarding a soft pull or credit refresh as the closing date approaches?
Compliance Audit Deficiencies

The file does not contain income/employment documentation

Common items that are missing:

- Paystubs, VOE, and YTD Paystubs.
- If OT, Bonus Pay, or similar income was used to qualify in addition to wages, documentation that supports those items’ continuance is required.

The file does not contain a fully completed Real Estate Certification signed by all parties.

- “The borrower, seller, and the selling real estate agent or broker involved in the sales transaction must certify that the terms and conditions of the sales contract are true, to the best of their knowledge and belief, and any other agreement entered into by any parties in connection with the real estate transaction is part of, or attached to, the sales agreement.” Per HUD guidelines

Reference Bulletin 2014-02 dated 1/8/2014 for full details
Compliance Reminders

Homeownership Counseling – Under new RESPA requirements

- Lenders are required to provide loan applicants a list of 10 HUD-approved counseling agencies
- Created no more than 30 days before provided to the applicant.
- List based on applicant’s current mailing zip code, unless specified differently by the applicant
- Lenders must provide list of 10 counseling agencies within three (3) business days of receipt of a RESPA application
- Lenders can go to CFPB website for a list or may create their own using information provided by CFPB and HUD

Reference USB bulletin 2014-39 dated June 6, 2014 for full details
Compliance Reminders

Required Loan Origination Information – Note and Security Instruments

- TILA requirements under Reg Z requires the loan originator name and NMLS ID number and Originating company name and its NMLS ID numbers appear on the following documents:
  - Initial and final loan applications (1003)
  - Note, and
  - Security instrument

- Loan originator name must appear exactly as listed in the NMLS registry
- USBHM will verify this information on all files
- Incorrect or missing information could result in rejection from purchase

Reference USB bulletin 2014-39 dated June 6, 2014 for full details
ECOA Valuations Rule

- USBHM requires that all lenders include evidence in the file that all valuations were delivered to the borrower.
- Acceptable evidence for valuations delivery:

**Acceptable proof of delivery for all USBHM underwritten files:**

We have provided a model form, the Appraisal Delivery Certification that lenders must use.

**Acceptable proof of delivery for all delegated-underwritten files:**

While lenders can use the Appraisal Delivery Certification mentioned above for their delegated-underwritten files, other proof of delivery is acceptable. If lenders choose other documentation, we require that lenders provide either:

As reasonable evidence that a lender has met the ECOA Valuation delivery rule, MRBP Operations requires either:

• A borrower certification executed at closing which states the borrower either (a) received all appraisals or valuations three business days prior to closing, or (b) exercised a waiver of the three-day closing waiting period but received all appraisals and valuations at or before closing;

or

• A signed lender certification which states the borrower (a) received all appraisals or valuation three business days prior to closing, or (b) the borrower exercised a waiver of the three-day closing waiting period but received all appraisals and valuations at or before closing.

Note: MRBP Operations considers VA Notice of Values letters, FHA Conditional Commitments, and Appraisal Update Reports to be acceptable valuations under the ECOA rule. Lenders submitting to USBHM MRBP Operations must deliver these documents to borrowers according to the ECOA rules described above.
Higher-Priced vs. High Cost Loans

U.S. Bank **may** purchase Higher-Priced Mortgage Loans (HPML)

An HPML is based on the APR and the APOR, and is defined as a closed-end consumer credit transaction secured by the consumer's principal dwelling with an annual percentage rate that exceeds the average prime offer rate for a comparable transaction as of the date the interest rate is set:

1. by 1.5 or more percentage points for loans secured by a first lien for loan amounts not exceeding the Freddie Mac eligibility limit
2. 2.5 or more percentage points for loans secured by a first lien with loan amount that exceeds the Freddie Mac eligibility limit
3. 3.5 percentage points for loans secured by a subordinate lien

U.S. Bank **will not** purchase a High Cost mortgage

High Cost is determined by excessive fees in the loan transaction, defined as loans that have even higher APR vs APOR thresholds than HPML as well as fee thresholds in determining the definition of High Cost loans.

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Hazard Insurance Guidelines are located in our Lending Guide as shown below:

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.

```
<table>
<thead>
<tr>
<th>Property Type</th>
<th>Maximum Hazard Deductible – All Bond Programs (Includes FHA, VA, RHS)</th>
<th>Maximum Hazard Deductible – All Bond Programs (Conventional Loans)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One to four family; Individual PUD units; Individual condo units (i.e. detached condo’s, town or row house):</td>
<td>Unless a higher maximum amount is required by state law, the maximum deductible clause may not exceed the greater of $2,500 or 2.5 percent of the face amount of the policy.</td>
<td>Unless a higher maximum amount is required by state law, the maximum deductible clause may not exceed 5 percent of the face amount of the policy.</td>
</tr>
<tr>
<td>Association Policy requirements for CONDO/PUD Projects and common areas; Cooperatives:</td>
<td>Deductibles may not exceed the higher of $2,500 or 2.5 percent of the policy's insurance limits for all covered losses.</td>
<td>Unless a higher maximum amount is required by state law, the maximum deductible clause may not exceed 5 percent of the face amount of the policy.</td>
</tr>
</tbody>
</table>
```

f) Provide evidence that U.S. Bank National Association has been named as First Loss Payee. The Loss Payee should read:

**U.S. BANK National Association**, its successors and or assigns as their interest may appear, c/o U.S. Bank Home Mortgage
P.O. Box 7298
Springfield, OH 45501-7298

g) The following guidelines must be adhered to on all loan closings.
Underwriting Highlights

- All loans should be underwritten in compliance with the most *current* underwriting guidelines of the applicable loan type or program
- It is the lender’s responsibility to follow all guidelines specific to the program as well as any U.S. Bank guidelines including mortgagee letters, announcements, or bulletins
- Manual Underwriting is permitted lender must ensure guidelines established by FHA/VA/RD or Fannie Mae for manual underwriting are followed
- Approved (AUS) automated underwriting systems:
  - FHA/VA – DU or LP
  - USDA – GUS
  - Conventional (DU / LP) only per HFA Guidelines

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
<table>
<thead>
<tr>
<th>LTVs 95.01%-97%</th>
</tr>
</thead>
<tbody>
<tr>
<td>These Guidelines are in effect for ALL Conventional loan products with LTVs from 95.01% to 97%. Remember to also check with the appropriate Housing Finance Authority (HFA) for any additional guidelines that may affect the HFA’s product(s) being offered. Special Delegated Lender underwriting authority is required for this product. See below for details.</td>
</tr>
</tbody>
</table>

| U.S. Bank Home Mortgage (USBHM) Housing Finance Agency (HFA) Division Credit overlays |
Post-Purchase - Final Documents

- Organize documents according to checklist
- All lenders are responsible for delivery of documents to U.S. Bank
- A late fee of $50 will be assessed after 120 days

Deliver to: U.S. Bank Home Mortgage
Attn: Document Control
17500 Rockside Road
Bedford, Ohio 44146-2099
Post-Purchase Trailing Doc Exceptions

Title Policy:

- Mortgage amount is missing
- Schedule A, item 4 contains incorrect deed of trust recording information
- Name of insured is incomplete (needs to mirror deed of trust and have “its successors and/or assigns”)
- Missing required endorsements

Deed of Trust or Mortgage:

- Closing date is incomplete
- Missing marital status of borrower(s)
- Incorrect maturity date
- Legal description missing
- Riders are recorded with second deed of trust instead of the first deed of trust

Assignments:

- Missing all recordings of the deed of trust

Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Not for consumer distribution. Loans are subject to normal credit qualification and program guidelines. Not all loans and loan programs are available in all states for all loan amounts. Program rate and terms may change without notice.
Underwriting Package Delivery Address

U.S. Bank Home Mortgage
17500 Rockside Road
Bedford, OH 44146
Attn: Underwriting Department
Mail Code: CN-OH-R2FR

- Underwriting conditions and status requests *only* should be sent to the underwriting shared mailbox at: bedfordmrba@usbank.com
Hazard Insurance
Loss Payee Clause

U.S. Bank National Association

its successors and or assigns as their interest may appear
c/o U.S. Bank Home Mortgage
P.O. Box 7298
Springfield, OH 45501-7298
Contacting U.S. Bank
www. mrbp.usbank.com

General Program Questions:
• Contact 800.562.5165 select option #2 or e-mail between 8:00-5:00 Eastern
• hfa.programs@usbank.com

Scanned Deficiencies Email To:
• hfaexceptions@usbank.com

Questions on Post-Close/Pre-Funding status requests, policy/procedures, and questions on exceptions:
• Contact 800.562.5165 select option #1 between 8:00-5:00 Eastern
• hfacommunications@usbank.com

Post Funding Purchase Detail:
• E-mail box inquiries after loan purchased
• hfa.postfunding@usbank.com

Final and Recorded Documents:
• Contact 800.562.5165 between 8:00-5:00 Eastern
• documentcontrol@usbank.com
Customer Service

Borrower Payment Address and Website:

U.S. Bank Home Mortgage
P.O. Box 468002
Bedford, OH 44146-8002

www.usbankhomemortgage.com

Customer Service Toll-Free Number

800.365.7772
Hours: Monday – Friday
7:00 am – 8:00 pm Eastern

www.usbankhomemortgage.com
Customer Service

- Borrowers receive **monthly billing** statements
- Spanish Speaking Customer Service and Default Representatives
- Interactive Voice Response System (24 hours a day)
- Mortgagor Website Access (24/7) at [www.usbankhomemortgage.com](http://www.usbankhomemortgage.com)
- Default Servicing Call Center Operations
  - (8:00 am – 8:00 pm Eastern)
- Flexible Payment Methods: **ACH**, Mail, Website, Phone
Thank You

For your participation in the DC Open Doors HFA Program!