November 10, 2015

Directive 2015-57

TO: ALL PARTICIPATING LENDERS

SUBJECT: U.S. BANK CHANGES TO OVERLAYS FOR MARYLAND MORTGAGE PROGRAM LOANS

The Purpose of this Directive is to inform you of changes to U.S. Bank’s overlays concerning loans under the Maryland Mortgage Program reserved on and after December 1, 2015.

1. Effective with loan reservations on or after December 1, 2015, U.S. Bank HFA Division will not accept FHA Manually Underwritten loans in the state of Maryland.

2. Effective with loan reservations on or after December 1, 2015, all FHA Maryland Mortgage Program loans submitted to U.S. Bank for purchase must have a minimum representative Credit Score greater than or equal to 660 for all borrowers on the application. All FHA loans must follow the new minimum Credit Score requirements as outlined below:

Minimum Representative Credit Score:
- If a tri-merged credit report is used, the middle score must be 660 or higher.
- If a merged credit report only returns two scores, the lower of the two scores must be 660 or higher.
- If a merged credit report only returns one score, that score must be 660 or higher.

Debt-To-Income (DTI) Ratio
Maximum DTI of 45%, for loans approved through an Automatic Underwriting System (Desktop Underwriter or Loan Prospector).

3. Effective with loan reservations on or after December 1st 2015, U.S. Bank Home Mortgage HFA division will no longer accept Manufactured Housing loans. This includes all loan types purchased by the HFA division: FHA, VA, USDA/RD, Conventional (Fannie Mae and Freddie Mac). This overlay does not bring any changes to the current requirements applicable to Maryland Mortgage Program loans. Modular houses are still accepted.

As always, we appreciate your continued participation in our programs. If you have any questions concerning this Directive or suggestions for improvements, please contact Vicki Jones at vicki.jones@maryland.gov, or Ed Anthony at edward.anthony@maryland.gov.

Sincerely,

Maddy Ciulu
Deputy Director Single Family Housing