U.S. Bank Home Mortgage Wholesale Division

Portfolio Loan Process Overview

Loan Process for all Non Conforming Portfolio Loans registered on or after May 24, 2016
Overview:

• This training will review the portfolio process that you will need to use and the steps that you’ll need to take when processing an application for a USBHM Non Conforming / Portfolio Product:

  – Products that follow the Portfolio Loan Process
  – The Portfolio Loan Process
  – Key differences: Conforming vs Portfolio Loan Process
  – Resources
  – Additional Training
Products that will follow the Portfolio Loan Process
# USBHM Non Conforming / Portfolio Loan Products

## First Mortgage Non Conforming / Portfolio Products

<table>
<thead>
<tr>
<th>USBHM Conventional Non-Conforming Fixed</th>
<th>USBHM Elite LIBOR &amp; Jumbo ARM</th>
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<tbody>
<tr>
<td>• 3070 – 30 Year Non-Conforming Fixed</td>
<td>• 3075 – 1/1 LIBOR ARM 2/2/6 Caps</td>
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<tr>
<td>• 3071 – 20 Year Non-Conforming Fixed</td>
<td>• 3076 – 3/1 LIBOR ARM 2/2/6 Caps</td>
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<tr>
<td>• 3072 – 15 Year Non-Conforming Fixed</td>
<td>• 3077 – 5/1 LIBOR ARM 2/2/5 Caps</td>
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<td>• 3078 – 7/1 LIBOR ARM 5/2/5 Caps</td>
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<td>• 3079 – 10/1 LIBOR ARM 5/2/5 Caps</td>
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**USBHM Interest Only ARM**

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<tbody>
<tr>
<td>• 3086 – 3/1 I/O LIBOR ARM 2/2/6 Caps</td>
<td>• 3088 – 7/1 I/O LIBOR ARM 5/2/5 Caps</td>
</tr>
<tr>
<td>• 3087 – 5/1 I/O LIBOR ARM 2/2/5 Caps</td>
<td>• 3089 – 10/1 I/O LIBOR ARM 5/2/5 Caps</td>
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*Note: be sure to review current product guidelines for changes to the Non Conforming / Portfolio product set. Product Guidelines are available in the AllRegs Wholesale Seller’s Guide*
USBHM Non Conforming / Portfolio Loan Products

USBHM Fixed Rate Second Mortgages:
Fixed Rate or Home Equity Line of Credit Second Mortgages will follow the simultaneous first mortgage.

• If the first is an agency product then follow the conforming loan process by registering and processing the second mortgage in SellUs and iDocs

• If the first mortgage is a Non Conforming / Portfolio product then follow the portfolio loan process by registering and processing the second mortgage in USubmit

Note: be sure to review product guidelines for changes to the Non Conforming Portfolio product set. Product Guidelines are available in the AllRegs, in the Mortgage Programs folder.
Loan Products that will run through the Conforming Loan Process

• Conforming loan products
• FHA/VA products
• Second mortgages that follow conforming or government loans
The Portfolio Loan Process
Portfolio Loan Process Overview

- Single point Login
- Registration and Application Package
- Underwriting
- Closing
Single point login
Single Point Login

• Access the two systems using your login:
  – Click “Portfolio Loans” to be taken to USubmit for Portfolio loan processing
  – Click “Conforming Loans” to be taken to SellUS for Conforming loan processing

– Once in the system you will have the ability to toggle between your two pipelines using the navigation buttons at the top right of the screen
Registration and Application Package
Registration and Application Package

Broker will:

• Create a new loan transaction by importing or inputting the application
• Edit the application for accuracy and completeness
• Register/lock the loan
  – Complete all required fields (indicated in red)
  – Select rate/price to lock or float
  – Agree to Warrants and Represents
  – Upload a signed Borrower’s Authorization for all loan applicants
  – Select a Title and Settlement Agent

• Note: Both fixed rate second mortgages and HELOC second mortgages must be registered in USubmit, separate of the first mortgage.
Registration and Application Package

After you’ve registered the loan, USBHM will:

– Issue Credit Decision to you via email
  • Decision Notification
  • Underwriting Conditions List
  • Intent to Proceed Form
  • Anti-Steering Loan Options Certification
  • Other applicable and required forms

– Issue Loan Estimate and initial disclosures to loan applicant(s)
  • Homeownership Counseling List
  • Written List of Providers
  • Mortgage Loan Origination Agreement
Underwriting
Underwriting

Submit the underwriting package for review

• Use the Underwriting Conditions List as your coversheet
• Upload the conditions in USubmit or email them to usbankstips@usbank.com
• Note: for fixed or HELOC second mortgages, upload conditions to both files, or email conditions once, including borrower name and both reference numbers in the subject line.

Underwriting will review and issue a revised Underwriting Conditions List

Request changes by completing the Change Acknowledgement Form

• Process any change immediately upon becoming aware of the change. USBHM must review the change and issue a Revised Loan Estimate within 3 business days
• The form can be found in the Actions section of the USubmit navigation bar
• Upload the form in USubmit or email it to usbankstips@usbank.com
• USBHM will review the changes and issue a revised credit decision to you and a revised Loan Estimate to the applicant(s) as applicable.

If USBHM identifies a change, it will automatically be processed and a new Credit Decision will be issued.
Underwriting

• Submit underwriting conditions
  – Use the revised underwriting conditions list as the cover page and checklist
  – Upload the conditions in USubmit or email them to usbankstips@usbank.com

• After all loan conditions have cleared, USBHM will make a pre-close call to both the broker, and to the loan applicant(s)
  – The calls will verify loan information and confirm the loan transaction details
  – The pre-close call is the last chance to make changes to the terms of the loan before the Closing Disclosure is issued

• Final Approval (clear to close) is issued

If the borrowers are married to each other, USBHM only needs to complete the pre-close call with one of them
Closing
Closing

• USBHM will issue the Closing Disclosure to the borrower(s)
• To schedule the signing, the broker will need to call the USBHM Closing Department
  – Tip: waiting until you have confirmed electronic receipt of the CD by all the appropriate parties before calling may allow for an earlier closing date
  – Document Request Form
  – Note: for fixed or HELOC second mortgages, you can schedule the closing in one phone call.
• Closing documents issued to Settlement and loan signing
• Funding
Key Differences
# Key Differences: Conforming vs Portfolio

## Loan Process Comparison

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<tr>
<th><strong>Conforming Loan Process</strong></th>
<th><strong>Portfolio Loan Process</strong></th>
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<tr>
<td><strong>Application Requirements:</strong></td>
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</tr>
<tr>
<td>Complete prior to 7:00 pm Central 1 day after the application interview date.</td>
<td>Complete the application registration and submission process within the appropriate timeframe:</td>
</tr>
<tr>
<td>• Broker creates application in SellUs</td>
<td>• If the 1003 interview date is the same day the loan is created in USubmit, complete loan registration within 24 hours.</td>
</tr>
<tr>
<td>• Broker Registers/Locks Loan in SellUs</td>
<td>• If the application interview date is one business day prior to the loan being created in USubmit, you must complete loan registration prior to midnight Central Time the day the loan was created</td>
</tr>
<tr>
<td>o Completes all required fields to “Register” or “Lock” the loan</td>
<td>• Broker creates application in USubmit</td>
</tr>
<tr>
<td>o Selects Rate/Price</td>
<td>• Broker Registers/Locks loan in USubmit:</td>
</tr>
<tr>
<td>o Complete the Written List of Providers, accounting for each fee that a borrower may shop for that is listed on the Draft Loan Estimate</td>
<td>o Completes all fields to “Submit” or “Lock” the loan</td>
</tr>
<tr>
<td>• Broker uploads Application Package in iDocs:</td>
<td>o Selects Rate/Price</td>
</tr>
<tr>
<td>o 1003 (signed &amp; dated by LO)</td>
<td>o Uploads Borrowers Signed Authorization in USubmit as part of submit/lock process</td>
</tr>
<tr>
<td>o Draft LE (typed)</td>
<td>o Selects Settlement Agent from ClosingCorp Network</td>
</tr>
</tbody>
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USBHM issues LE: HOCL & Written List of Providers are sent by USBHM, the broker no longer needs to provide them to USBHM.  
Broker uploads Underwriting Package in SellUs iDocs:  
• Continue to use **underwriting submission checklist**.  
• Requirements that must be received **before the file will be sent to underwriting:**  
  o Anti-Steering Form  
  o Mortgage Loan Origination Agreement  
  o Intent to Proceed (if applicant did not consent and download LE electronically)  
  o Affiliated Business Disclosure (if applicable)  

Underwriting process remains unchanged  
**USBHM issues Credit Decision & LE: HOCL & Written List of Providers are sent by USBHM, the broker no longer needs to provide them to USBHM.**  
Broker uploads Underwriting Package in USubmit:  
• Review **credit decision and Underwriting Conditions List**, for required documents  
• Requirements that must be received **before final approval:**  
  o Anti-Steering Form  
  o Mortgage Loan Origination Agreement  
  o Intent to Proceed (form will be sent to broker with the Credit Decision)  
  o Affiliated Business Disclosure (if applicable)  

Underwriting process remains unchanged  
**Underwriter clears all loan conditions**  
**USBHM conducts Pre-close call to broker and borrower**  
USBHM contacts Settlement Agent to get info to produce CD  
USBHM issues Final Approval to Broker  
USBHM issues CD to borrower  
(This is sent morning after the Final Approval was issued)  
**Broker calls to schedule the closing:** Any time after the final approval is issued the broker can call in to schedule the signing. The closing dept will work with the broker to schedule the closing, based on the earliest allowable close date (EAC). Document Request Form (DRF) will be sent and needs to be signed and returned. (so it’s best to wait to call until borrowers receive CD)  
USBHM produces closing docs and sends to the Settlement Agent  
Settlement Agent conducts closing/ signing and loan funds
Key Differences: Registration and Application Package

- You will register USBHM Portfolio Loans in USubmit
  - Select a Settlement Agent and Title Company during Registration in USubmit
- Third party vendor verifies settlement and title fees for accuracy
  - Add a Provider to the network by completing a referral form at: [http://closing.force.com/USBank](http://closing.force.com/USBank)
- Upload signed Borrowers Authorization during Registration
  - USBHM will pull a merged credit report for all applicants (do not send in your credit report)
  - USBHM will issues a Credit Decision (there is no need to run findings)

- HELOC second mortgages following a non conforming portfolio first mortgage should be registered separate of the first mortgage
Key Differences: Underwriting

• Preliminary Underwriting Conditions List issued with Credit Decision (this replaces AUS findings)

• Upload underwriting package and conditions in USubmit or Email them in

• Submit Change in Circumstance by completing “Change Acknowledgement Form” and uploading in USubmit or emailing it in

• Pre-close call made by USBHM to broker and to borrower to verify loan terms
Key Differences: Closing

• To schedule the signing, the broker will need to call the USBHM Closing Department
  – Tip: waiting until you have confirmed electronic receipt of the CD by all the appropriate parties before calling may allow for an earlier closing date

• Document Request Form

• Loans will net fund directly into the Settlement Agent’s account once the final documents are approved. No funding number will be issued
Key Contacts

Rate Lock Desk (10 am – 5 pm CST)
800.803.4212, option 4 or Submit Rate Lock Request in USubmit

Underwriting (8am – 7pm CST Monday -Thursday, 8am – 6pm Friday)
800.803.4212, option 1

Closing (8am – 7pm CST Monday -Thursday, 8am – 6pm Friday)
800.803.4212, option 3

New Applications, Pre-qualifications, Change Requests, eLynx Electronic Disclosure Delivery and USubmit online Applications
800.803-4212, option 2

Conditions:
Upload in USubmit, or
Email to usbankstips@usbank.com

Request Status, Copy of Loan Estimate, Copy of Conditions List, or Copy of Intent to Proceed
Email: broker.loans.pipeline@usbank.com
Subject Line:
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<thead>
<tr>
<th>Status 2016xxxxxxxxxxxx</th>
<th>Stips 2016xxxxxxxxxxxx</th>
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<tbody>
<tr>
<td>LE 2016xxxxxxxxxxxx</td>
<td>ITP 2016xxxxxxxxxxxx</td>
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Key Resources

Wholesale Sellers Guide (AllRegs): Access through the USubmit or SellUs

- Product guidelines
- Loan procedures
- Exhibits, Forms and Disclosures
- Underwriting guidelines
- Closing requirements

Wholesale Website: www.usbank.com/brokerloans

- Marketing Flyers
- Training and Reference materials
- Information about USBHM Wholesale Division
Additional Training
Additional Detailed & Demonstration Training

For detailed Portfolio Loan Process Training including a USubmit demonstration of the loan registration process, register for one of the below training sessions:

Monday, May 23:
4:00 p.m. Eastern, 3:00 p.m. Central, 2:00 p.m. Mountain, 1:00 p.m. Pacific

Tuesday, May 24:
4:00 p.m. Eastern, 3:00 p.m. Central, 2:00 p.m. Mountain, 1:00 p.m. Pacific

Contact your account executive for the registration link.
Submit your questions to: USBHMHMWholesaleTrainingShared@usbank.com or contact your Account Executive.

We appreciate your business partnership.