

Program Update

TO: Participating Lenders
FROM: NIFA Homeownership Team
DATE: April 1, 2020
SUBJECT: Update #20-11, Program Changes in Response to the COVID-19 Pandemic

NIFA is thinking of all of our partners and customers during this challenging time of uncertainty. Our dedicated staff remains ready and able via telephone or email to support your needs. This Program Update is being distributed to address recent guideline changes announced by Fannie Mae, Freddie Mac, FHA, VA and USDA/Rural Development and some changes with NIFA's compliance review process to determine program eligibility.

Please be advised that U.S. Bank continues to closely monitor the ever-changing landscape of the business because of the impacts of the COVID-19 pandemic. U.S. Bank is committed to providing home mortgages to customers during the current environment and will continue to provide information and resources so that you may continue being an efficient partner.

U.S. Bank has adopted most of the recently announced agency guidelines, as they have provided to you in their recent seller guide updates. As always, all closed first and second mortgage loans must meet agency underwriting guidelines, [U.S. Bank lending manual guidelines](#), and [NIFA program guidelines](#).

NIFA understands there will be situations where it will be difficult for Participating Lenders to obtain all of the regular income verifications to determine household income for NIFA's program eligibility. We have identified some situations that may occur set forth below. Our review team will allow the following *temporary workaround solutions* when the collection of information by the lender is impacted due to the COVID-19 pandemic.

Written Verification of Employment ("VOE"): In situations where a written VOE is not obtainable for a full-time or part-time job, NIFA will require the following for program eligibility:

- Lender certification explaining the inability to obtain a written VOE
- Paystubs with YTD information (minimum 2)
- Borrower certification including the start date of employment
- Most current W-2s

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Reduced Work Hours: In situations where the employer reduces the number of working hours for a full-time or part-time job, NIFA will require the following for program eligibility:

- Written VOE from the employer showing the reduced hours and start date
- At least one paystub to support reduced hours
- Updated AUS findings to verify reduced hours were used for qualifying income
- Borrower certification regarding reduced hours

Loss of Employment: In situations where there is a loss of employment or furlough for a full-time or part-time job, NIFA will require the following for program eligibility:

- Written VOE from the employer showing job end date
- One month checking and/or savings account statements to document loss of income
- Unemployment claim documentation
- Updated AUS findings to verify no income was used for qualifying income

We will notify Participating Lenders if any other program changes become necessary as this situation evolves. Please do not hesitate to reach out to anyone on the Homeownership Team with questions. Thanks for your continued support and partnership!