



Memorandum

TO: NIFA Participating Lenders
FROM: Jacki Young, Chief Homeownership Officer
DATE: April 4, 2017
SUBJECT: Memo #17-03, Tax Service Fee Reduction

Please be advised U.S. Bank has announced a reduction in the tax service fee for all NIFA loans. This change will take effect for loans reserved in Lender Online on or after Monday, April 17, 2017. The amount of the reduced fee is \$21.50 for properties located in Nebraska.

The tax service fee remains at \$85.00 for all loans reserved in Lender Online prior to Monday, April 17, 2017.

Attached is U.S. Bank's Lender Operations Update #2017-011 announcing the change. We are also providing an updated Allowable Closing Costs & Fees chart for your reference.

If you have any questions, please let us know.

Lender Operations Update



Attn: HFA Lenders

L-2017-011

Tax Service Fee Reduction

March 17, 2017

Housing Finance Agency Division

Update

Summary

U.S. Bank is pleased to announce a reduction in the tax service fees charged to HFA lenders at the time of loan purchase.

Tax Service Fees

The tax service fee will be determined by the location of the collateral property, according to the following chart:

States	Tax Service Fee
AZ, CA, CO, DE, ID, MT, NE, NV, UT, WA, WV	\$21.50
All other states	\$58.00

Effective Date

This change will be in effect for loans reserved on or after Monday, April 17, 2017.

Fees on Disclosures

U.S. Bank does not prohibit lenders from passing the tax service fee on to the consumer.

If a lender imposes this fee directly on the consumer, U.S. Bank Home Mortgage will accept the following methods of disclosing the tax service fee in either Section A or Section B on the Loan Estimate and Closing Disclosure as described in this Lender Operations Update.

Section A

Lenders may incorporate the amount of the tax service fee into their Section A Origination Charges, either as part of an origination point or itemized separately. U.S. Bank acknowledges that lenders have some discretion in labeling and structuring their origination charges. For regulatory instruction, please see official commentary to Regulation Z section 1026.37(f)(1).

Section A fees should not be labeled or disclosed as paid to U.S. Bank, but may be labeled an investor charge, such as Investor Tax Service fee.

Section B

U.S. Bank will accept placement of a tax service fee in Section B of the Loan Estimate and Closing Disclosure paid to a To Be Determined or TBD tax monitoring service provider. U.S. Bank does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank.

Continued on the next page



Additional
Information

Note: Loan program guidelines and state laws may have further restrictions regarding allowable fees.

Caution: If the amount of an itemized tax service fee paid by the consumer at the time of closing is greater than the amount imposed on the lender by U.S. Bank at the time the loan is purchased, a refund may be due to the consumer. Please consult your legal or compliance staff for further advice.

This Lender Operations Update does not alter any instruction given in L-2016-019 to HFA program lenders regarding other fees (i.e., a funding fee or underwriting fee) deducted by U.S. Bank from wire funds at the time a loan is purchased.

Questions

Please refer to the [HFA Division Lending Guide](#) for information regarding the delivery and funding of loans through the HFA Division. From the home page, select **U.S. Bank Lending Manuals**, and then **Continue**. If you experience problems accessing the guide you may need to temporarily allow pop-ups or add AllRegs as a favorite.

If you have questions regarding this Lender Operations Update, please contact the HFA Hotline at 800.562.5165, option 2.

We appreciate your continued partnership.



**NEBRASKA INVESTMENT FINANCE AUTHORITY
SINGLE FAMILY PROGRAM**

ALLOWABLE CLOSING COSTS & FEES

EFFECTIVE DATE: LOAN RESERVATIONS DATED ON AND AFTER APRIL 17, 2017

GOVERNMENT & CONVENTIONAL LOANS

Name of Fee & Description	Maximum Charged to Buyer		Maximum Charged to Seller
Origination Fee	Not Allowed		Not Allowed
Tax Service Fee			
Retained by Master Servicer for disbursement of real estate taxes	\$21.50	OR	\$21.50
Master Servicer Funding Fee			
Retained by Master Servicer	\$400.00	OR	\$400.00
Lender Processing Fee/Underwriting Fee	Reasonable & Customary		Reasonable & Customary
Retained by Participating Lender	Not To Exceed \$400.00	OR	Not To Exceed \$400.00
Lender Closing Fee (1)	Reasonable & Customary		Reasonable & Customary
Retained by Participating Lender for closing loan	Not To Exceed \$150.00	OR	Not To Exceed \$150.00
Third Party Closing Fee - First Mortgage Loan (1)	Reasonable & Customary		Reasonable & Customary
Retained by Third Party for closing loan on behalf of Participating Lender	Not To Exceed \$225.00	OR	No Set Limit
Third Party Closing Fee - Second Mortgage Loan (1)	Reasonable & Customary		Reasonable & Customary
Retained by Third Party for closing loan on behalf of Participating Lender	Not To Exceed \$75.00	OR	No Set Limit
Third Party Escrow Closing Fee	Reasonable & Customary		Reasonable & Customary
Retained by Third Party for closing real estate transaction	No Set Limit		No Set Limit
Real Estate Buyer Broker Fee	Reasonable & Customary		Reasonable & Customary
Retained by Real Estate Company	Not To Exceed \$250.00		No Set Limit

(1) In no situation will NIFA allow the Participating Lender and Third Party Company to charge a closing fee for the first or second mortgage loan.

(2) All other reasonable and customary out-of-pocket costs (e.g. appraisal fee, title insurance fee, inspection fee, etc.) are allowed as permitted by law and agency loan underwriting guidelines.