



MEMORANDUM

TO: NIFA Participating Lenders
FROM: Jacki Young, Chief Homeownership Officer
DATE: April 13, 2018
SUBJECT: Memo #18-13, Tax Service Fee Increase

Please be advised U.S. Bank Home Mortgage (USBHM) has announced an increase in the tax service fee for all NIFA loans. The tax service fee will increase to \$80.00.

This change will be effective for all loans with a reservation date on or after April 30, 2018. Attached is USBHM's Lender Operations Update #2018-019 for your reference. An updated Allowable Closing Costs & Fees chart is available in Lender Online under program documents.

If you have any questions, please let us know.

Lender Operations Update



Attn: Correspondent and HFA Lenders

March 30, 2018

Tax Service Fee Change

L-2018-019

Correspondent and HFA

Update

Summary	The purpose of this Lender Operations Update (LOU) is to announce the change in the tax service fees charged to Correspondent, HFA and Tennessee Housing Development Agency (THDA) lenders at the time of loan purchase.
Fee	The tax service fee will be increased to \$80.00 for all properties located in all states.
Effective Date	This change will be effective with Correspondent or THDA loans purchased and/or HFA loans reserved on or after April 30, 2018 .
Fees on Disclosures	U.S. Bank Home Mortgage 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 announcement.
Section A	<p>Lenders may incorporate the amount of the tax service fee into their Section A Origination Charges, either as part of an origination charge 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).</p> <p>Section A fees should not be labeled or disclosed as paid to U.S. Bank, but may be labeled as an investor charge, such as Investor Tax Service fee. We will not accept Section A fees disclosed as paid to U.S. Bank.</p>
Section B	<p>We will accept placement of the fee in Section B of the Loan Estimate and Closing Disclosure paid to a tax service provider of the lender's choice. U.S. Bank Home Mortgage does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank.</p> <p>Note: As a reminder, correspondents should not list TBD as the tax service provider, but should indicate the payee based on the best available information available at the time of issuing the disclosure.</p>
Additional Information	<p>Note: Loan program guidelines and state laws may have further restrictions regarding allowable fees.</p> <p>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 Home Mortgage 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.</p> <p>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 Home Mortgage from wire funds at the time a loan is purchased.</p>

**Seller Guide
Update**

The Correspondent Seller and HFA Lending Guides will be updated to reflect the new tax service based on the effective date as provided above.

Questions

Correspondent/THDA: Please contact your Account Executive or the Client Support Area at 800.200.5881, option 1.

HFA: Please contact the Housing Finance Agency Hotline at 800.562.5165, option 2 for the HFA Lender Management Team.

We appreciate your continued partnership.
