

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

January 17, 2014 • COR14-011



Alert

Update

Reminder

Clarification

Training
Information

Preview

SunTrust Mortgage, Inc. Updates Appraisal Guidelines Due to CFPB Regulations

As previously announced in bulletin [COR13-123](#), new regulatory changes issued by the Consumer Finance Protection Bureau (CFPB) impact appraisals, appraisal disclosures, and other non-appraisal valuations for all first mortgage loan programs, regardless of loan status, effective with applications on or after January 18, 2014.

Intended Audience

Origination
Processing

Secondary Marketing

Underwriting

Closing
Delivery
Funding

Compliance
Legal

Other

Effective Dates

Saturday, January 18, 2014

The new regulatory changes for appraisals and appraisal disclosures are effective with applications on or after January 18, 2014.

The ECOA disclosure, Notice of Right to Receive a Copy of the Appraisal Report, must be in compliance with the new appraisal rules.

SunTrust Mortgage will no longer maintain and provide the Appraisal Report Disclosure (COR 1370) and Appraisal Report Acknowledgement (COR 1376) in the *Correspondent Seller Guide*.

Background Information

On January 18, 2013 the CFPB issued its final rule implementing Section 1474 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. That section revised Section 701(e) of the Equal Credit Opportunity Act (ECOA), and the final rule issued by the CFPB further implements the statutory requirements by amending §1002.14 of Regulation B.

The new rule primarily requires creditors to provide free copies of all appraisals and other written valuations to applicants automatically and without applicant request, as well as requiring creditors to provide a disclosure to this effect. This new rule pertains to applications for credit to be secured by a first lien on a dwelling.

Refer to bulletin [COR13-123](#) for key elements of the new appraisal rules and other important details.

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Bulletin Details

Reminders

- This regulation applies to all loan programs, including government loan programs. Hence, under the new appraisal rules, requirements that currently apply for appraisal delivery under existing Appraiser Independence Requirements for conventional loans become applicable to all first mortgage loan programs, including government loans.
- Applicants must receive copies of all appraisals and valuations, regardless of loan status. This includes withdrawn, denied, and incomplete applications.
- Creditors must also disclose to applicants any valuations that are not associated with an appraisal. This includes proprietary values generated by Fannie Mae and Freddie Mac, Broker Price Opinions (BPOs), and Automated Valuation Models (AVMs).

Discontinuation of SunTrust Mortgage Appraisal Disclosures and Forms

Because correspondent lenders are the creditor in the mortgage transaction, and are responsible for compliance with this regulation, SunTrust Mortgage will no longer maintain and provide the following disclosures and forms in the *Correspondent Seller Guide*:

- Appraisal Report Disclosure (COR 1370)
- Appraisal Report Acknowledgement (COR 1376)

Revised Material

Click [Appraisal Guidelines](#) to review the revised material.

Former Guideline

Our guidelines did not previously require the applicant to receive a copy of all appraisals and all non-appraisal valuations, regardless of loan status and without applicant request, for all first mortgage loan programs.

Other Resources

Support Group	Description and Contact Information:
Account Manager or Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each account manager or correspondent relations coordinator is located in General Section 1.01: The Correspondent Division
Resource Center	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact the Resource Center at 800.382.2111, Option 1, Option 2.

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Action Required

Origination, Processing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal Starting January 17, 2014

Review this bulletin thoroughly for awareness of the changes resulting from the new appraisal rules.

Discard any existing SunTrust Mortgage versions of the Appraisal Report Disclosure (COR 1370) and Appraisal Report Acknowledgement (COR 1376) form referenced in this bulletin.