

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

August 1, 2014 • COR14-082



Alert

Update

Reminder

Clarification

Training
Information

Preview

DU Changes for VA Loans Implemented

SunTrust Mortgage, Inc. updates Veterans Administration (VA) loan program guidelines to reflect changes to the way Fannie Mae's Desktop Underwriter (DU) determines when a bankruptcy occurred and the circumstances under which a loan receives a "Refer" recommendation.

Intended Audience

Origination
Processing

Secondary Marketing

Underwriting

Closing
Delivery
Funding

Compliance
Legal

Other

Effective Dates

Friday, August 1, 2014

Effective with new applications and loans in the pipeline on or after this date.

Saturday, May 17, 2014

2014 County Loan Limit updates announced on February 28, 2014 were effective with all DU casefiles submitted or resubmitted on or after this date.

Background Information

Fannie Mae issued DU for Government Release Notes effective May 17, 2014. We take this opportunity to align our VA guidelines with this change.

Bulletin Details

VA DU Bankruptcy Updates

VA loans processed through DU, which include a bankruptcy in the credit profile are subject to the following:

- If bankruptcy information is found in the public records segment of the credit report that information is used in determining when the bankruptcy occurred.
- The bankruptcy information in the tradeline segment will only be used to determine when the bankruptcy occurred if the public records segment does not contain any bankruptcy information.

Action Required

Origination, Processing, Underwriting, Closing, Delivery, and Funding
Starting August 1, 2014

Follow the published guidance.

Starting May 17, 2014

DU casefiles submitted on or after this date no longer require manual application of 2014 county loan limits.

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Bulletin Details, continued

VA DU Bankruptcy Updates

- If a bankruptcy is present in the public records segment, but the date associated with the bankruptcy is blank or invalid, DU will issue a "Refer" recommendation based on the presence of the bankruptcy. SunTrust updates its guidelines to reflect this change.

Revised Materials

Click [Veterans Administration VA Loan Program](#) to review the revised material.

Former Guideline

Previously, SunTrust Mortgage published that a "Refer" recommendation would be received only when there was a bankruptcy or foreclosure reporting on the credit report within the last 2 years.

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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