

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
September 11, 2015 • COR15-042

Alert

Update

Reminder

Clarification

Training
Information

Preview

New FHA Handbook for Case Numbers Assigned Monday

The Federal Housing Administration (FHA) implements their Single Family Housing Policy Handbook (HUD Handbook 4000.1) on Monday, September 14, 2015. New case numbers assigned on or after this date will follow the new guidance provided in this handbook. Additionally, HUD eliminated the use of the list price to determine the maximum mortgage amount on HUD Real Estate Owned (REO) transactions.

Intended Audience

Origination Processing	Secondary Marketing	Underwriting	Closing Delivery Funding	Compliance Legal	Other
---------------------------	------------------------	--------------	--------------------------------	---------------------	-------

Effective Dates

Monday, September 14, 2015

New HUD guidelines published in Handbook 4000.1 are effective for applications with case numbers assigned on or after this date.

Monday, September 14, 2015

HUD REO transactions using the list price to determine the maximum mortgage will not be eligible for endorsement on or after this date.

Background Information

SunTrust published bulletin [COR15-041](#) on August 28, 2015 alerting Delegated Direct Endorsement lenders of the new handbook and providing a preview of some of the highlights. As a reminder, SunTrust Mortgage, Inc. took this opportunity to align more closely with HUD's requirements. AUS findings reflect the new guidance from the handbook in TOTAL Mortgage Scorecard. HUD announced in Mortgagee Letter [2015-17](#) that they eliminated the use of the list price to determine the maximum mortgage amount.

Bulletin Details

What's new for our Correspondent D.E. Lenders Correspondent Direct Endorsement (D.E.) Lenders will reference a much abbreviated FHA product description in the *Correspondent Seller Guide* and utilize the new FHA Handbook 4000.1 for all other guidance.

SunTrust Mortgage, Inc. will remove FHA guidelines from the General Sections of the *Correspondent Seller Guide* keeping only information relating to SunTrust Mortgage's requirements for delivering a loan to SunTrust Mortgage.

Action Required

Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance, Legal and Delegated Direct Endorsement Lenders Prior to September 14, 2015

Review current HUD REO pipeline carefully and recalculate the maximum mortgage based on the lesser of the sales price or the appraised value. HUD will not endorse loans closed with the incorrect mortgage amount.

Starting September 14, 2015

Follow the guidance in the updated materials and HUD Handbook 4000.1.

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
September 11, 2015 • COR15-042

Bulletin Details, continued

What's new for our Correspondent D.E. Lenders, continued

Correspondent D.E. Lenders will continue to reference the SunTrust Government Credit Overlay Matrix for overlays to HUD's guidelines. We have identified overlays with an underline, making it easier to determine SunTrust Mortgage eligibility.

We reduced the number of required forms and checklists needed, making it easier to do business.

Accessing the new Handbook 4000.1

There are two ways to access the new handbook.

- The new 4000.1 Handbook is available on HUD's website located at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1. From there, click on "Access the Online Handbook" to open the Single-Family Policy Handbook.
- Access a pdf version of the handbook clicking this [link](#). Keep in mind, HUD will update the pdf version each time they make an update. Additionally, they will notate all changes and highlight each update made in the document.

Revised Material

Click [FHA 203\(b\) Loan Program](#), [The Correspondent Division](#), [Automated Underwriting](#), [Underwriting](#), [Reviewing Sales Contracts](#), [Appraisal Guidelines](#), [Loan Delivery and Purchase Review](#), [Leasehold Estate Guidelines](#), [Interested Party Contributions Limits](#), [Hazard and Flood Insurance](#), [Loan Closing Documentation](#), [Non-Permanent Resident Alien Requirements](#), [Short Sale and Restructured Mortgage Loans](#), [Disaster Area Procedures](#), [Social Security Validation](#), [Non-Arm's Length/Conflict of Interest](#) and the [Correspondent Government Credit Overlay Matrix](#) to review the revised product materials.

Former Guidelines

Links to former versions of the SunTrust Mortgage FHA 203(b) Product Description and the Government Credit Overlay Matrix for loans with case numbers assigned **prior to** September 14, 2015 are available in Correspondent bulletin [COR15-041](#) published on August 28, 2015. **SunTrust Mortgage will not email previously published guidance to lenders.**

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each correspondent relations coordinator is located in General Section 1.01: The Correspondent Division.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 4.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. SunTrust Mortgage, Inc. does not guarantee or assume liability for any third-party products or services. ©2015 SunTrust Banks, Inc. SunTrust, and SunTrust Mortgage are federally registered service marks of SunTrust Banks, Inc.