

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
July 1, 2016 • COR16-019



Alert

Update

Reminder

Clarification

Training
Information

Preview

Agency Multiple Financed Properties Revisions and Upcoming LP Name Change

SunTrust Mortgage, Inc. revises Agency multiple financed properties guidelines (for borrowers financing a second home or investment property) to more closely align with recently announced Fannie Mae updates. Additionally, SunTrust Mortgage removes unique SunTrust borrower exposure limits for Agency loans (for all occupancy types).

We also provide a heads up notification regarding Freddie Mac's upcoming deployment of their new Loan Advisor SuiteSM portal and name change of their automated underwriting system, Loan Prospector[®] (LP), to Loan Product AdvisorSM.

Intended Audience

Origination Processing	Secondary Marketing	Underwriting	Closing Delivery Funding	Compliance Legal	Other
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Effective Dates

Friday, July 1, 2016

The non-AUS multiple financed properties guideline updates are effective immediately for new loan applications taken on or after this date.

The removal of the borrower exposure limits (all underwriting methods) and the DU and LP multiple financed properties guideline updates are effective immediately for existing loans that can benefit from these updates and all new loan applications taken on or after this date.

Monday, July 11, 2016

Freddie Mac deploys their new Loan Advisor Suite portal and Loan Prospector becomes Loan Product Advisor.

Background Information

In SEL-2016-03, Fannie Mae announced revisions to their multiple financed properties guidelines for borrowers financing a second home or investment property. In response to this publication, we reviewed impacted guidelines and identified opportunities to more closely align with Fannie Mae requirements.

Additionally, Freddie Mac recently notified lenders about the upcoming deployment of their new Freddie Mac Loan Advisor Suite portal. As a part of this deployment, Loan Prospector (Freddie Mac's automated underwriting system commonly referred to as LP) will become Loan Product Advisor.

Bulletin Details

Multiple Financed Properties Guideline Updates

For borrowers financing a second home or an investment property, a summary of the multiple financed properties guideline updates are as follows:

- For non-AUS and DU loans, aligned with Fannie Mae by:
 - redefining a financed property as a residential one- to four-unit property with a mortgage for which the borrower is personally obligated

Action Required

Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal
Starting July 1, 2016

Apply the guidelines as outlined in this bulletin and related Before-and-After Matrix.

Lenders should familiarize themselves with the upcoming Loan Product Advisor Suite launch to determine any updates needed to their respective systems.

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Bulletin Details, continued

Multiple Financed Properties Guideline Updates, continued

- revising the reserve calculation for the other financed properties, which will now be determined by applying a specific percentage based on the number of financed properties to the aggregate of the outstanding unpaid principal balance (UPB) for all mortgages and HELOCs; [Click here](#) for calculation examples
- removing eligibility restrictions related to LTV/TLTV/HTLTV and cash-out refinance transactions; standard eligibility requirements now apply
- removing the minimum 720 credit score requirement that was previously associated with the LTV/TLTV/HTLTV restrictions; credit score requirements, per the transaction type, now apply

Important Notes:

- **For DU transactions, the revised cash reserve requirements outlined above must be confirmed manually outside of DU.** Fannie Mae will automate these eligibility requirements with their upcoming DU 10.0 release, which is currently scheduled for the weekend of September 24, 2016.
- If the borrower is financing a second home or investment property and the transaction is underwritten through DU, the maximum number of financed properties remains at six. This is an existing overlay.
- **SunTrust Mortgage Internal Teammates:** SFC 150 is no longer required to be captured for non-AUS, DU, and LP loans.

SunTrust Borrower Exposure Guideline Updates

For Agency non-AUS, DU, and LP loans, we aligned with Fannie Mae and Freddie Mac by removing all borrower exposure overlay requirements, for all occupancy types.

Upcoming Deployment of Freddie Mac's Loan Advisor Suite

On July 11, 2016, Freddie Mac deploys their new Freddie Mac Loan Advisor SuiteSM portal. As a part of this deployment, Freddie Mac's automated underwriting system, Loan Prospector, will become Loan Product AdvisorSM.

In addition to the name change, when Loan Product Advisor launches on July 11th, lenders will have access to today's Loan Prospector functionality, plus several new enhancements to enable a more efficient process that include:

- Redesigned Loan Product Advisor Feedback Certificate
- New Cash-to-Close Feedback Messages
- Redesigned Web Page Interface with Improved Usability

In the coming weeks, SunTrust Mortgage will begin to update impacted guideline documents to replace all Loan Prospector references with Loan Product Advisor.

For more information on this upcoming change, see the following Freddie Mac provided resources: [Single-Family News Center article](#), [Loan Advisor Suite](#), and [Loan Product Advisor](#).

Before and After Matrix

[Click here](#) to see the before-and-after matrix that provides a detailed overview of the guideline updates.

Revised Materials

Click [Agency Loan Programs](#), [DU Refi™ Plus Loan Program](#), [Maximum Number of Financed Properties and Borrower Exposure](#), and [Correspondent Agency Overlay Matrix](#) to review the revised product materials.

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Former Guidelines

See the before-and-after matrix provided in the Bulletin Details section to access the former guidelines.

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.

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