

# Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
November 18, 2016 • COR16-035

Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## FHA and Property Eligibility and Insurance Revisions

SunTrust Mortgage Inc. revises Federal Housing Administration (FHA) guidelines for ineligible property types and Property and Flood Insurance coverage requirements in response to recently published revisions to Handbook 4000.1.

### Intended Audience

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

#### Friday, November 18, 2016

All updates are effective immediately for both existing and new loan applications on or after this date.

### Background Information

On June 30, 2016, the Department of Housing and Urban Development (HUD) released revisions to Handbook 4000.1. In support of our commitment to simplified guidelines and minimal overlays while insuring compliance with regulatory agencies we implemented revisions outlined in this bulletin.

### Bulletin Details

#### Ineligible Property Types

Properties with individual water purification systems required to make the water safe and potable are ineligible for purchase by SunTrust Mortgage.

#### General Property and Flood Insurance Requirements

Revisions to insurance requirements as follows:

- Evidence of insurance (flood, hazard, etc) is required for all loans.
- Required insurance depends on varying factors such as property type, occupancy, the flood zone improvements are located
- All required insurance must meet the more restrictive of:
  - Product requirements (FHA, GNMA, etc.)
  - Regulatory Requirements (Biggerts-Water, NFIP, etc)

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

#### Revised Materials

Click [Federal Housing Administration \(FHA\) Loan Programs](#), [Hazard and Flood Insurance](#) and [Correspondent Government Overlay Matrix](#) for revised materials.

### Action Required

**Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance and Legal.**

#### Starting November 18, 2016

Apply the guidelines that are outlined in this bulletin and related before-and-after matrix.

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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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