

# Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
April 7, 2017 • COR17-013



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## Coming Soon: Agency Income and Asset Guideline Revisions

SunTrust Mortgage, Inc. announces upcoming Agency income and asset guideline revisions to align with recently announced Freddie Mac and Fannie Mae updates. We also continue to improve the presentation of our guidelines for all underwriting methods. This bulletin provides a comprehensive overview of all upcoming income guideline revisions and highlights the key asset guideline changes.

**Note:** We are currently finalizing our publication materials to support the upcoming asset guideline revisions. We will provide a comprehensive before and after matrix outlining all asset guideline revisions on next week, in our April 14, 2017 communication bulletin. All impacted guideline documents will be updated to support these income and asset guideline revisions on April 21, 2017.

### Purchase Deadline for Loan Product Advisor® (LPA®) Loans Underwritten to Current Income and Asset Guidelines

In order to meet Freddie Mac's delivery requirements for LPA loans underwritten to current income and asset guidelines, we are imposing a purchase cut-off date. Freddie Mac LPA loans originated under current income and asset guidelines will be honored; however, they must be purchased by SunTrust Mortgage on or before **May 19, 2017**. See the Effective Dates section below for additional details.

### Intended Audience

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

#### Friday, April 21, 2017

Rental income and IRS Form 4506-T documentation requirements for loans using the Desktop Underwriter® (DU®) validation service guideline updates are effective immediately for new and existing loan applications on or after this date.

All other updates are effective for new loan applications taken on or after this date.

#### Friday, May 19, 2017

Freddie Mac LPA loan applications taken prior to April 21, 2017 and underwritten to current income and asset guidelines (regardless of submission date to LPA) will be honored under current guidelines; however, these loans must be purchased by SunTrust Mortgage on or before this date.

#### Monday, May 22, 2017

All Freddie Mac LPA loans purchased by SunTrust Mortgage on or after this date (regardless of the loan application date or submission date to LPA) must be underwritten to the revised income and asset guidelines.

### Background Information

Freddie Mac Bulletins 2016-19 and 2016-23 announced updates impacting Agency income and asset guidelines. Fannie Mae announcement SEL-2017-02 announced a clarification impacting rental income guidelines and an update regarding IRS Form 4506-T documentation requirements for loans using the DU validation service. In response to these Freddie Mac and Fannie Mae publications, we reviewed impacted guidelines and identified opportunities to implement revisions to align with Freddie Mac and Fannie Mae requirements.

Additionally, in support of our guideline improvement initiative, we identified opportunities to refresh our guidelines to promote consistency and to more closely reflect the Agencies' language and/or presentation of guidance.

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## Bulletin Details

### Upcoming Income Guideline Revisions

The income guideline revisions provide more comprehensive requirements and guidance with a focus on matters that impact the analysis (e.g., history and continuance) of stable monthly income such as:

- Industry employment trends (e.g., employment characteristics)
- Delineating base non-fluctuating and fluctuating hourly earnings to support the analysis of income stability and calculation
- Self-employment

[Click here](#) for a high-level summary of all income guideline revisions by topic and underwriting method. For a comprehensive overview of all income guideline revisions, review the Before and After Matrices, subsequently presented in this bulletin, in their entirety.

### Upcoming Asset Guideline Revisions

The asset guideline revisions:

- Provide streamlined eligibility and documentation requirements for certain asset types
- Provide additional guidance to improve the understanding of the requirements for borrower assets and to address the efficiencies of today's banking technology
- Revise requirements to align with current industry practices
- Better organize and consolidate related content

See Freddie Mac Bulletin [2016-23](#) for additional details regarding the key asset guideline changes.

### Loan Product Advisor Updates to Support the Income and Asset Guideline Revisions

Freddie Mac updated Loan Product Advisor back on March 6, 2017 to support the income and asset guideline revisions highlighted in this bulletin.

**Important Note:** For loans originated under the revised income and asset requirements, all of the revised requirements must be used. It is not acceptable to choose to comply with some, but not all, of the revised requirements.

### Before and After Matrices

[Click here](#) to see the before and after matrix that provides a comprehensive overview of all income guideline revisions that are effective for new loan applications taken on or after April 21, 2017.

**Note:** The revised IRS Form 4506-T documentation requirement for loans using the DU validation service guideline update that is effective immediately on April 21, 2017 for both new and existing loan applications is also included in the above Before and After matrix, with specific effective date reference included.

## Action Required

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

### Starting April 7, 2017

Review these updates thoroughly for awareness of the guideline revisions being implemented on April 21, 2017.

### Starting April 21, 2017

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

### By May 19, 2017

Review existing pipeline of LPA loans to ensure loans underwritten to current income and asset guidelines are purchased by SunTrust Mortgage by this date.

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## Bulletin Details, continued

### Before and After Matrices, continued

[Click here](#) to see the before and after matrix that provides a comprehensive overview of the rental income guideline revisions that are effective for both existing and new loan applications on or after April 21, 2017.

**Note:** We will provide a before and after matrix providing a comprehensive overview of all asset guideline revisions on next week, in our April 14, 2017 communication bulletin.

## Former Guidelines

See the before-and-after matrices provided in the Bulletin Details section to access the former income guidelines. The before and after matrix that will be provided in our April 14, 2017 communication bulletin will outline the former asset 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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