

# Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
July 28, 2017 • COR17-026



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## DU<sup>®</sup> 10.1 Release and Other Agency Revisions

Fannie Mae's releases Desktop Underwriter<sup>®</sup> (DU) Version 10.1 this weekend, July 29, 2017. The changes in the DU Version 10.1 release will include:

- updates to the DU credit risk assessment and eligibility requirements, including:
  - for debt-to-income (DTI) ratios greater than 45% up to 50%, DU will no longer require additional compensating factors
  - enhancing the criteria that determines the documentation required to verify self-employment income
- simplifying the risk assessment and messaging for loan casefiles with disputed tradelines
- revising the multiple financed properties reserve calculation for other financed properties (not the subject property)
- treating all timeshare loans as installment loans rather than mortgage loans
- various messaging updates
- the retirement of DU Version 9.3

When Fannie Mae provides *Selling Guide* updates in support of the DU Version 10.1 enhancements, we will provide a future communication bulletin, which may include minor revisions to align with Fannie Mae's presentation. Additionally, we will fully align maximum allowable LTV/TLTV/HTLTV ratios for adjustable rate mortgages with fixed rate mortgages and employment offers and contracts guidance in a future communication bulletin.

We also revise Agency appraisal guidelines to align with recently announced Freddie Mac appraisal related updates.

### Intended Audience

Origination  
Processing

Secondary  
Marketing

Underwriting

Closing  
Delivery  
Funding

Compliance  
Legal

Other

### Effective Dates

#### Friday, July 28, 2017

All DU 9.3 loans must have final submission to DU 9.3 by this date.

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

#### Saturday, July 29, 2017

Fannie Mae retires DU Version 9.3. Fannie Mae implements DU Version 10.1.

DU 10.1 and messaging updates are effective for new loan casefiles submitted to DU on or after the weekend of July 29, 2017.

### Background Information

In Desktop Originator/Desktop Underwriter Release Notes DU Version 10.1, Fannie Mae announced the release of DU Version 10.1 and related updates. Additionally, Freddie Mac announced updates impacting appraisal guidelines in Bulletin 2017-3. In response to these publications, we reviewed impacted guidelines and identified opportunities to implement revisions to more closely align with Fannie Mae and Freddie Mac requirements.

Correspondent Bulletin [COR17-025](#), published July 21, 2017, provided a preview of these updates.

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## Bulletin Details

### Revised Product Materials are Now Available

We updated all applicable guideline documents to reflect the previously announced DU Version 10.1 and other Agency guideline revisions.

See Correspondent Bulletin [COR17-025](#) for a complete overview of all guideline revisions.

### Revised Materials

Click [Agency Loan Programs](#), [Fannie Mae HomeReady®](#) and [Freddie Mac Home Possible® Mortgages](#), [Condominium and PUD Approval Requirements](#), [Appraisal Guidelines](#), and [Correspondent Agency Overlay Matrix](#) to review the revised product materials.

## Action Required

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

#### Starting July 28, 2017

Review existing pipeline of DU Version 9.3 loans and complete final submission to DU 9.3 by this date.

#### Starting July 28, 2017

Apply the guidelines that are effective immediately for new and existing loan applications on or after this date. See the related Before and After Matrix provided in Correspondent Bulletin [COR17-025](#) for additional information.

#### Starting July 29, 2017

Apply the guidelines that are effective for new loan casefiles submitted to DU on or after this date. See the related Before and After Matrix provided in Correspondent Bulletin [COR17-025](#) for additional information.

## Former Guidelines

See the before and after matrices provided in Correspondent Bulletin [COR17-025](#) 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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