

# Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
December 01, 2017 • COR17-043



Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## Agency Condominium, Appraisal, and Credit Report Revisions

SunTrust Mortgage, Inc. revises Agency condominium and appraisal guidelines to align with recently announced Freddie Mac updates. With these updates we:

- simplify the project eligibility requirements for detached condominium projects
- revise the list of ineligible condominium project characteristics
- incorporate the UAD condition and quality ratings and level of updating definitions
- specify when lenders must provide the appraiser with an updated sales contract and circumstances that warrant an updated appraisal

Additionally, we align with recently announced Fannie Mae credit report requirements to align with industry standards for reporting public information.

### Intended Audience

Origination  
Processing

Secondary  
Marketing

Underwriting

Closing  
Delivery  
Funding

Compliance  
Legal

Other

### Effective Dates

**Friday, December 1, 2017**

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

### Background Information

Freddie Mac Bulletin 2017-8 announced condominium project and appraisal related updates. Fannie Mae Announcement SEL-2017-07 announced updated credit report requirements in response to how public information is now reported. In response to these publications, we reviewed impacted guidelines and identified opportunities to implement revisions to align with Freddie Mac and Fannie Mae requirements.

### Bulletin Details

#### Condominium Project Guideline Revisions

For Loan Product Advisor® (LPA®) loans, aligning with Freddie Mac by revising condominium project requirements as follows:

- Simplifying the project eligibility requirements for detached condominium projects to reflect that detached condos no longer need to be reviewed for compliance with ineligible projects, project ownership, and ownership and use of common elements
- Revising the list of ineligible project characteristics by:
  - Updating the definition of a “condominium hotel” to clarify that they remain ineligible unless the project does not have the characteristics of a hotel or similar type of transient housing
  - Clarifying that projects with pending litigation involving minor matters that do not affect the safety, structural soundness, functional use or habitability may be eligible, when certain requirements are met

### Action Required

**Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal Starting December 1, 2017**

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

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## Bulletin Details, continued

### Condominium Project Guideline Revisions, continued

- Specifying that a project or investment in a project that could be viewed as an investment security is ineligible
- Adding, as ineligible, projects with mandatory dues or similar membership fees for the use of amenities

### Appraisal Related Guideline Revisions

For LPA loans, aligning with Freddie Mac by revising appraisal guidelines as follows:

- Incorporating the standardized Uniform Appraisal Dataset (UAD) condition and quality ratings and level of updating definitions, previously only published on Freddie Mac's website
- Specifying that lenders are not required to provide the appraiser with an updated sales contract unless the updated terms impact the physical description or condition of the property. In such cases, the lender must obtain an updated appraisal of the property. Changes to the sales contract that are not required to be provided to the appraiser include, but are not limited to:
  - Changes to the transaction terms such as sales price, financing or sale concessions, and
  - Date revisions, corrections to typographical errors, etc.

### Credit Report Requirements Update

For non-AUS and Desktop Underwriter® (DU®) loans, aligning with Fannie Mae by updating credit report requirements to align with how public record information is reported, as a result of the consumer reporting agencies National Consumer Assistance Plan (NCAP).

### Before and After Matrix

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

### Revised Materials

Click [Condominium and PUD Approval Requirements](#), [Appraisal Guidelines](#), and [Agency Loan Programs](#) to review the revised product materials.

## Former Guidelines

See the before and after matrix provided in the Bulletin Details section of this bulletin 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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