

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
January 12, 2018 • COR18-001

Alert

Update

Reminder

Clarification

Training
Information

Preview

Termite Inspection Requirement Updates

SunTrust Mortgage, Inc. is pleased to announce revisions to the Wood-Destroying/Termite Inspection requirements for Government and Portfolio products.

Intended Audience

Origination
Processing

Secondary Marketing

Underwriting

Closing
Delivery
Funding

Compliance
Legal

Purchase
Reviewers

Effective Dates

Friday, January 12, 2018

All updates are effective immediately for all loans on or after this date.

Background Information

SunTrust Mortgage recently reviewed our Government and Portfolio impacted guidelines for termite inspection requirements and identified opportunities to more closely align with HUD and VA for individual government products.

Bulletin Details

Infestation, Dampness, or Settlement/Detrimental Conditions
Conventional Non-Agency Loan Program

- If the appraiser indicates evidence of wood-boring insects, dampness, or abnormal settlement, the appraisal must comment on the effect on the value and marketability of the subject property. The lender must either provide satisfactory evidence that the condition was corrected or submit a professionally prepared report indicating, based on an inspection of the property, that the condition does not pose any threat of structural damage to the improvements.
- Termite inspections are not a requirement unless required by state or local law.

SunTrust Mortgage notes that a termite/wood-boring insect report is acceptable for 90 days from the date of the report, unless a different timeframe is otherwise stated in the report or required by state or local law.

Action Required

Origination, Processing, Underwriting, Closing, Delivery, Funding, Compliance, Legal and Purchase Reviewers Starting January 12, 2018

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

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Bulletin Details, continued

Non-Agency Loan Programs

References:

- For Key Loan Program transactions, follow the guidance in the Appraisal Analysis topic in the Appraisal Guidelines for guidance.
- For FHA transactions, follow FHA Handbook 4000.1 for product specific requirements.
- For VA transactions, follow VA Lender's Handbook for product specific requirements.

Before and After Matrix

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

Revised Materials

Click [Appraisal Guidelines](#) and [Loan Delivery and Purchase Review](#) to review the revised materials.

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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