

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
April 20, 2018 • COR18-020



Alert

Update

Reminder

Clarification

Training
Information

Preview

Additional Agency Guideline Revisions

SunTrust Mortgage, Inc. revises Agency Loan Product Advisor® (LPA®) guidelines to align with recently announced Freddie Mac updates. With these updates, we:

- revise income eligibility requirements for Home Possible® mortgages
- update appraisal requirements to reflect that lenders now have the option to submit the Appraisal Update and/or Completion Report (Form 442), directly to the Uniform Collateral Data Portal (UCDP)

Additionally, we continue to provide Agency overlay relief and guideline improvements.

Effective Dates

All updates are effective immediately for new and existing loan applications on or after April 20, 2018.

Background Information

Freddie Mac Bulletins 2017-26 and 2018-3 announced updates impacting Agency LPA Home Possible income eligibility and Appraisal Update and/or Completion Report (Form 442) guidelines. In response to these Freddie Mac publications, we reviewed impacted guidelines and identified opportunities to implement revisions to align with Freddie Mac requirements. Additionally, we continue to provide overlay relief and improve the presentation of our guidelines.

Bulletin Details

Freddie Mac Guideline Revisions

For LPA loans, aligning with Freddie Mac, as follows:

- Revising income eligibility requirements for Home Possible mortgages by:
 - removing the requirement that all income reported on the application must be verified
 - clarifying that the lender must use income used to qualify the borrower to establish that the income limits are not exceeded
- Updating appraisal guidance to reflect that lenders now have the option to submit the Appraisal Update and/or Completion Report (Form 442), directly to UCDP

Other Guideline Improvements and Overlay Relief

A summary of the other Agency updates are as follows:

- For HomeReady® and Home Possible mortgages, clarifying that standard mortgage insurance coverage must be obtained; alternatives to standard mortgage insurance coverage offered by DU (minimum coverage with corresponding loan-level price adjustments [LLPAs]) and LPA (custom mortgage insurance coverage) are not eligible
- Adding a note to clarify DU guidance for the Judgements and/or Liens subtopic, regarding delinquent federal income taxes that the IRS has approved to be paid through an installment agreement, as previously announced in Correspondent Bulletin [COR18-012](#)
- For LPA loans, removing the overlay requiring the borrower to have sufficient assets to pay off a HELOC that has a balloon payment or call option within the first five years of the note date

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Bulletin Details, continued

Before and After Matrix

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

Revised Materials

Click [Appraisal Guidelines](#), [Agency Loan Programs](#), [Fannie Mae HomeReady®](#) and [Freddie Mac Home Possible® Mortgages](#), and [Correspondent Agency Overlay Matrix](#) 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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