

# Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
June 29, 2018 • COR18-035



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## Agency LPA Condominium, Opinions of Title, and Other Revisions

SunTrust Mortgage, Inc. revises Agency product guidelines to align with recently announced Fannie Mae and Freddie Mac updates and provide overlay relief. With these updates we:

- eliminate the Loan Product Advisor® (LPA®) project review type for two- to four-unit condominium projects
- remove the LPA sales program requirements for marketing units in a new condominium project
- allow construction-to-permanent (CP) two-closing financing for detached condominiums for non-AUS and Desktop Underwriter® (DU®) transactions
- permit an attorney's opinion of title in lieu of a title insurance policy for LPA transactions

### Effective Dates

Effective for new and existing loan applications on or after June 29, 2018.

### Background Information

Fannie Mae SEL-2018-01 and Freddie Mac Bulletin 2018-5 announced updates impacting several Agency guidelines. 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 and provide overlay relief.

### Bulletin Details

#### LPA Condominium Updates

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

- Eliminating the project review type for two- to four-unit condominium projects, and:
  - Incorporating project eligibility requirements specific to two- to four-unit condominium projects into the following project review types: Streamlined Reviews, Established Condominium Projects, and New Condominium Projects; the requirements for Reciprocal Project Reviews remain unchanged.
  - Adding new requirements for Established Condominium Project and New Condominium Project review types specific to two- to four-unit condominium projects:
    - No units can be 60 or more days' delinquent in the payment of the homeowners association assessments
    - New owner-occupancy requirements if the property will be used as an investment property
  - Updating the definitions for "Two- to Four-Unit Condominium Project", "Established Condominium Project", and "New Condominium Project"
- Removing the requirement that the sales program developed for marketing units in new condominium projects must recognize and provide procedures for complying with all laws pertaining to the advertising and sale of real estate, the form and content of sales contracts, and the method for handling deposits connected with the sale

**Note:** SunTrust Mortgage will **not** be embracing the Freddie Mac-owned "no cash-out" refinance condominium unit mortgage update (which no longer requires lenders to determine compliance with condominium project review and eligibility requirements if the condominium unit being refinanced is currently owned or securitized by Freddie Mac). This ineligibility is a new overlay in our guidelines.

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## Bulletin Details, continued

### CP Two-Closing Transactions

For non-AUS and DU loans, aligning with Fannie Mae to allow CP two-closing financing for detached condos

### Opinions of Title

We align with Freddie Mac and now purchase LPA mortgages with an attorney's opinion of title in lieu of a title insurance policy when certain requirements are met. Additionally, we are embracing the update in Bulletin 2018-5 to allow an attorney's opinion of title for mortgages secured by units in a Planned Unit Development (PUD).

See the attached before and after matrix for guideline details related to LPA opinions of title eligibility and documentation requirements.

### Before and After Matrix

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

### Revised Materials

Click [Condominium and PUD Approval Requirements](#), [Title Insurance](#), [Agency Loan Programs](#), Project Compliance: Condominium Lender Warranties-Agency and Non-Agency Loan Products ([COR 0212a](#)), 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 3.

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