

# Product Release

Information for Correspondent Lenders of SunTrust Bank  
September 28, 2018 • Revised COR18-047



Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## Various Key Loan Program Revisions

SunTrust Bank (SunTrust) announces various guideline revisions to the Key Loan Program.

### Effective Dates

Effective for new applications on or after September 28, 2018.

### Background Information

SunTrust reviewed its policies and identified opportunities to migrate applicable information to guideline documents.

### Bulletin Details

#### Various Key Loan Program Guideline Updates

The following items are included in the revisions to the Key Loan Program.

- Define Qualified Mortgage and state SunTrust does not permit Non-Qualified Mortgage Key Loan Program originations by lenders
- Clarify Debt-To-Income (DTI) calculations must be performed separately for a borrower and non-occupant co-borrower
- Permit the use of qualifying income from a current business less than two years old for self-employed borrowers, provided the business is in the same line of work as the borrower's previous self-employed businesses
- State gift of equity cannot be combined with any additional monetary gift funds from the seller, and the borrower must contribute a minimum of five percent from their own funds towards the down payment, regardless of LTV, TLTV, or Home Equity Line of Credit TLTV (HTLTV)
- Declare a borrower cannot have a history of a previous foreclosure or Deed-In-Lieu with SunTrust, as well as state the borrower cannot have scheduled a SunTrust mortgage to be discharged or dismissed in a previous bankruptcy
- For properties gifted within the past twelve months, specify a maximum LTV/TLTV of 60%, which is based on current appraised value, in addition to requiring verification the property was not in default at the time of transfer
- Announce a borrower can only have one financed second home in SunTrust's portfolio
- Update guidance for borrowers meeting tradeline requirements with a co-borrower not meeting tradeline requirements to state the following:
  - o The borrower meeting tradeline requirements must meet the credit score and all product/underwriting guidelines.
  - o If the co-borrower has a credit score, and if the co-borrower's income is required to qualify, the credit score must meet product requirements.
  - o Compensating Factor Code EN2 must be captured in the origination system for borrowers meeting tradeline requirements, but the co-borrower does not.
  - o No additional restrictions apply to these transactions.
- Modify Home Equity Line of Credit (HELOC) guidance as follows:
  - o HELOC transactions must be qualified using the greater of 1% of the full line amount, or the payment as reflected on the credit report or the borrower's monthly HELOC statement.

# Product Release

Information for Correspondent Lenders of SunTrust Bank  
September 28, 2018 • Revised COR18-047



## Bulletin Details, continued

### Revised Material

Click [Underwriting](#), [Key Loan Program](#) and Key Loan Program Eligibility Checklist ([COR 0650](#)) to view the revised material.

**Note:** The revision to this Product Release bulletin was to include the Key Loan Program Eligibility Checklist ([COR 0650](#)) in the revised material.

### Former Guidelines

Previously, the guideline content outlined in the Bullet Details section was located in corporate policy.

## 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.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. SunTrust does not guarantee or assume liability for any third-party products or services. ©2018. SunTrust Banks, Inc. SunTrust and the SunTrust logo are trademarks of SunTrust Banks, Inc. All rights reserved.