

Product Release



Information for Correspondent Lenders of SunTrust Bank
July 26, 2019 • COR19-034

Alert

Update

Reminder

Clarification

Training
Information

Preview

Home Possible Income Limits Revisions

SunTrust Bank (SunTrust) announces the following upcoming revisions to Home Possible[®] income limits:

- limiting the borrower's total annual qualifying income to 80% of the area median income (AMI) for the property's location
- implementing the 2019 Home Possible AMI limits

Effective Dates

The Home Possible income limits revisions are effective for all Home Possible mortgages submitted/resubmitted to Loan Product Advisor[®] (LPA[®]) on or after July 28, 2019. See the table outlined in the Bulletin Details section below for additional details regarding how LPA will determine which income limit to use.

Background Information

Freddie Mac Bulletins 2019-15 and 2019-16 announced upcoming revisions related to Home Possible income limits requirements.

Bulletin Details

Home Possible Income Limits Revisions

For LPA loans, we align with Freddie Mac's upcoming Home Possible income limits revisions by:

- Updating the income limit requirements to state that the borrower's qualifying income, converted to an annual basis, must not exceed 80% of the AMI for the property's location. This change will apply to all Home Possible mortgages, including those secured by properties in low-income census tracts.
- Embracing the 2019 AMI limits
 - For Home Possible mortgages, Freddie Mac will update LPA and the [Home Possible Income & Property Eligibility tool](#) on July 28, 2019.

Impacts on Existing Home Possible Pipeline

No negative impact will occur to the existing pipeline of Home Possible loans. For your existing pipeline, LPA will assess eligible Home Possible mortgages against the previous and/or current year income limits, applying the **better** of the two year's limits. The table below outlines how LPA will determine which income limit to use.

Loan Product Advisor Determination of Income Limits	
When the mortgage is submitted as a Home Possible Mortgage on and after July 28, 2019, and...	Then the following income limits are applied...
The last submission before July 28, 2019 was also a Home Possible Mortgage, and income limits were met	The better of: <ul style="list-style-type: none">• 2018 AMI at the "no or 100% of AMI" limit; OR• 2019 AMI at the "80% of AMI" limit
<ul style="list-style-type: none">• The mortgage is submitted for the first time• The Key Number cannot be identified, or• The last submission before July 28, 2019 was not submitted as Home Possible and/or did not meet the income eligibility limits	2019 AMI at the "80% of AMI" limit

Revised Material

Click [Fannie Mae HomeReady[®] and Freddie Mac Home Possible[®] Mortgages](#) to review the revised product material.

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Former Guidelines

Previously for Home Possible mortgages, the borrower's total annual qualifying income could not exceed 100% of the AMI for the property's location and there was no income limit for properties located in low-income census tracts, defined as those census tracts where the median tract income is no greater than 80% AMI. Additionally, 2018 AMI limits applied for all Home Possible mortgages.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
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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