

Product Release

Information for Correspondent Lenders of SunTrust now Truist Bank
June 12, 2020 • COR20-022



Alert

Update

Reminder

Clarification

Training
Information

Preview

Freddie Mac LPA ACE Eligibility Expansion

SunTrust now Truist Bank (Truist) revises Agency Loan Product Advisor® (LPA®) product guidelines to align with recently announced Freddie Mac updates related to expanded eligibility for Automated Collateral Evaluation (ACE) appraisal waivers.

Effective Dates

All updates are effective immediately for existing and new loan applications on or after June 12, 2020.

Background Information

Freddie Mac Bulletin 2020-13 announced guideline updates impacting ACE appraisal waiver eligibility requirements. With these updates, the COVID-19 ACE expansion previously announced in Bulletin 2020-05 is now being added as standard guidance. In response to these publications, we reviewed impacted guidelines and identified the opportunity to implement revisions to align with Freddie Mac requirements.

Bulletin Details

LPA ACE Enhancements

For LPA loans, we provide the following expanded eligibility requirements for ACE appraisal waivers:

- Add eligibility for cash-out refinance transactions
 - For primary residence cash-out refinances, the mortgage must have an LTV/TLTV ratio less than or equal to 70%
 - For second home cash-out refinances, the mortgage must have an LTV/TLTV ratio less than or equal to 60%
- Increase maximum LTV/TLTV ratios for primary residence and second home “no cash-out” refinance transactions from 80% to 90%

Note: All other existing eligibility requirements for ACE appraisal waiver offers continue to apply.

Before and After Matrix

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

Revised Material

Click [Agency Loan Programs](#) to review the revised product material.

Former Guidelines

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former guidelines.

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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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