

Product Release

Information for Correspondent Lenders of Truist Bank
August 13, 2021 • COR21-043



Alert

Update

Reminder

Clarification

Training
Information

Preview

Reversal of Temporary COVID-19 Restrictions for Government

Truist Bank (Truist) revises temporary COVID-19 product restrictions for Federal Housing Administration (FHA), Veterans Affairs (VA) and Rural Development (RD). With this update, we reverse the temporary COVID-19 restriction as follows:

- return to pre-COVID-19 credit score and debt-to-income requirements, and
- remove property, transaction type, and occupancy restrictions

Effective Dates

The debt-to-income updates are effective with loans locked or delivered on or after August 16, 2021. All other updates are effective with loans locked on or after August 16, 2021.

Background Information

Truist previously applied temporary guidance to our Government products to mitigate risk as a result of the COVID-19 pandemic. As the economy has improved, Truist takes the opportunity to revise the temporary restrictions applied to our Government products.

Bulletin Details

Reversal of Temporary Covid-19 Restrictions for Government

COVID-19 Temporary Restrictions	Reversal to Prior Guidelines
Minimum credit score restricted to 680	<ul style="list-style-type: none">• FHA minimum credit score:<ul style="list-style-type: none">• 640 for Purchase and Cash-out Refinance, and• 720 for serviced Credit-qualifying Streamline Refinances.• VA minimum credit score:<ul style="list-style-type: none">• 640 for Purchase/ Cash-out Refinance/ conforming non-serviced IRRRL,• 660 for jumbo non-serviced IRRRL, and• 720 for non-serviced, non-owner/previously occupied IRRRL• RD minimum credit score 640
DTI restricted to 50% for Purchase/Rate-term/Streamline Refinances and 45% for Cash-out	<ul style="list-style-type: none">• FHA maximum DTI for credit scores 640-659 is 50% and for credit scores ≥ 660 is 55%• VA Maximum DTI is 50%• RD maximum DTI as permitted by RD
2-4 Unit Properties not permitted	<ul style="list-style-type: none">• 1-4 unit properties permitted for FHA and VA• 1 unit properties as permitted by RD
Maximum loan-to-value (LTV) limited to 70% on Cash-out Refinance and Secondary Residence	<ul style="list-style-type: none">• FHA maximum LTV as permitted by FHA• VA maximum LTV is 90% for Cash-out Refinance
Investment/Previously Occupied Properties not permitted	<ul style="list-style-type: none">• Permitted for FHA Non-credit Qualifying Refinances and VA IRRRL

Note: Review the Government Overlay Matrix for any remaining COVID-19 restrictions.

Revised Materials

Click [Veterans Administration \(VA\) Loan Program](#), [Rural Development Loan Program](#), and [Correspondent Government Overlay Matrix](#) to review the revised material.

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Former Guidelines

Previously, Truist applied temporary COVID-19 restrictions to its government products that included:

- credit score, DTI, LTV, transaction type and property type restrictions

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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