

# Product Release

Information for Correspondent Lenders of Truist Bank  
October 8, 2021 • COR21-055



Alert

**Update**

Reminder

Clarification

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Preview

## Revisions to Temporary Agency COVID-19 Product Restrictions

Truist Bank (Truist) updates guidelines to remove certain Truist temporary COVID-19 product restrictions for standard Agency, Agency Plus, HomeReady®, Home Possible®, Texas Section 50(a)(6), and CorrAdvantage loan programs. With these updates we:

- reinstate eligibility of second home cash-out refinance transactions
- reinstate eligibility of investment property transactions
- remove the temporary LTV cap of 70% for second home purchase and limited cash-out (rate/term) refinance transactions (when the existing lender is not heritage BB&T (hBBT), heritage SunTrust (hST), or Truist)
- remove temporary minimum representative credit score requirements

For CorrAdvantage loans, we also revise guidelines to clarify minimum representative credit score guidance per underwriting method.

### Effective Dates

- The investment property transaction reinstatement update is effective for locks on or after October 8, 2021.
- All other updates are effective immediately for existing and new loan applications on or after October 8, 2021.

### Background Information

Truist previously applied temporary guidance to our Agency products to mitigate risk as a result of the COVID-19 pandemic. During a periodic market review, Truist identified an opportunity to remove certain temporary restrictions applied to our Agency products. For CorrAdvantage loans, we also take the opportunity to clarify minimum representative credit score guidance per underwriting method.

### Bulletin Details

#### Revisions to Temporary COVID-19 Agency Product Restrictions

Temporary COVID-19 Restrictions	Revisions to Prior Restrictions
Second home cash-out refinance transactions not permitted	Permit second home cash-out refinance transactions
Investment property transactions not permitted	Permit investment property transactions
Maximum LTV limited to 70% for second home purchase and second home limited cash-out (rate/term) refinances (when the existing lender is not hBBT/hST/Truist)	Maximum LTV returns to 90% for second home purchase and second home limited cash-out
For non-CorrAdvantage loans [standard Agency, Agency Plus, HomeReady, Home Possible, and Texas Section 50(a)(6)]: <ul style="list-style-type: none"><li>• Minimum representative credit score restricted to 680 for second home transactions</li></ul> For CorrAdvantage loans: <ul style="list-style-type: none"><li>• Minimum representative credit score restricted to 620 for primary residence transactions</li><li>• Minimum representative credit score restricted to 680 for second home transactions</li><li>• At least one borrower on the transaction must have a usable credit score</li></ul>	For non-CorrAdvantage loans [standard Agency, Agency Plus, HomeReady, Home Possible, and Texas Section 50(a)(6)]: <ul style="list-style-type: none"><li>• Minimum representative credit score returns to 640 for second home transactions</li></ul> For CorrAdvantage loans, we remove the temporary COVID-19 credit score requirements and clarify guidelines as follows: <ul style="list-style-type: none"><li>• For Loan Product Advisor® (LPA®) loans, the minimum acceptable representative credit score is determined by LPA</li><li>• For Desktop Underwriter® (DU®) loans, the Truist minimum representative credit score requirement is 620</li><li>• CorrAdvantage standard guidelines currently require that all borrowers have a credit score. As a result, we remove unnecessary temporary COVID-19 credit score guidance.</li></ul>

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## Bulletin Details, continued

### Remaining Temporary COVID-19 Agency Product Restrictions

The following Truist temporary COVID-19 product overlays remain for non-CorrAdvantage loans [standard Agency, Agency Plus, HomeReady, Home Possible, and Texas Section 50(a)(6)] mortgages:

- At least one borrower must have a usable credit score (applies to all occupancy types)
- When rental income from a 2-4 unit primary residence or 1-4 unit investment property that is the subject property is used for qualifying, obtain documentation evidencing current receipt of monthly rental income for the most recent two (2) months

**Note:** With today's update to reinstate eligibility of investment property transactions, these remaining overlays will also apply to investment property loans.

With today's updates, we remove all Truist CorrAdvantage temporary COVID-19 product overlays.

### Revised Materials

Click [CorrAdvantage](#) and [Correspondent Agency Overlay Matrix](#) to review the revised product materials.

### Former Guidelines

Previously, the following Truist temporary COVID-19 restrictions applied to our standard Agency, Agency Plus, HomeReady, Home Possible, Texas Section 50(a)(6), and CorrAdvantage loan programs:

- Second home cash-out refinance transactions were not eligible
- Investment property transactions were not eligible
- LTV cap of 70% for second home purchase and second home limited cash-out (rate/term) refinance transactions (when the existing lender is not hBBT/hST/Truist) applied
- The following minimum representative credit score requirements applied:
  - For Agency, Agency Plus, HomeReady, Home Possible, Texas Section 50(a)(6) loans, a 680 minimum credit score was required for second home transactions
  - For CorrAdvantage loans, a 620 minimum credit score was required for primary residence transactions and a 680 minimum credit score was required for second homes.

Previously, CorrAdvantage guidelines did not contain specific minimum representative credit score guidance per underwriting method.

### 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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