

# Product Release

Information for Correspondent Lenders of Truist Bank  
January 28, 2022 • COR22-002



Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## Home Possible LTV/TLTV Enhancements

Truist Bank (Truist) announces Agency Loan Product Advisor<sup>®</sup> (LPA<sup>SM</sup>) LTV and TLTV (when secondary financing is an Affordable Second<sup>®</sup>) ratio enhancements for certain Home Possible<sup>®</sup> transactions originated using general loan limits. With these updates, we:

- increase the maximum LTV and TLTV for fixed-rate mortgages secured by 2- to 4-unit properties
- expand the maximum LTV for adjustable rate mortgage (ARM) loans secured by 2-unit properties and increase the maximum TLTV for ARM mortgages secured by 1- to 4-unit properties

As a result of the increased TLTV for Home Possible mortgages secured by 2- to 4-unit properties, we revise guidelines for purchase transactions with LTV/TLTV/HTLTVs greater than 95% to reflect a minimum borrower contribution requirement of 3%.

### Effective Dates

All updates are effective for loans locked on or after January 28, 2022.

### Background Information

Freddie Mac Bulletin 2021-29 announced expanded maximum LTV/TLTV ratios for certain Home Possible transactions. In response to this publication, we reviewed impacted guidelines and identified opportunities to implement revisions to align with Freddie Mac requirements.

### Bulletin Details

#### Home Possible LTV/TLTV Enhancements (*general loan limits only*)

We increase Home Possible maximum LTV ratios from 85% to 95% for:

- fixed-rate mortgages secured by 2- to 4-unit properties
- 5/6-month, 7/6-month, and 10/6-month Secured Overnight Financing Rate (SOFR) ARM mortgages secured by 2-unit properties

We increase Home Possible TLTV ratios up to a maximum of 105% when secondary financing is an Affordable Second for:

- fixed-rate mortgages secured by 2- to 4-unit properties
- 5/6-month, 7/6-month, and 10/6-month SOFR ARM mortgages secured by 1- to 4-unit properties

As a result of the increased TLTV ratio for Home Possible mortgages secured by 2- to 4-unit properties, we revise guidelines for purchase transactions with LTV/TLTV/HTLTVs greater than 95% to reflect a minimum borrower contribution requirement of 3%. This aligns with the existing minimum borrower contribution requirement for Home Possible 2- to 4-unit purchase transactions with LTV/TLTV/HTLTVs greater than 80% and less than or equal to 95%.

#### Before and After Matrix

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

#### Revised Material

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

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## Former Guidelines

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

## 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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