

Alert

Update

Reminder

Clarification

Training  
Information

Preview

## LPA Asset and Income Modeler (AIM) for Self-Employed Income Revisions

Truist Bank (Truist) revises Agency Loan Product Advisor<sup>®</sup> (LPA<sup>SM</sup>) guidelines to align with recently announced Freddie Mac updates for borrowers with self-employed income evaluated using automated income assessment with LPA using tax return data (i.e., LPA AIM for self-employed income).

### Effective Dates

- The LPA AIM for self-employed income tax transcripts and tax filing extension updates are effective for LPA submissions and resubmissions on and after April 15, 2022.
- The LPA AIM for self-employed income age of tax return requirements updates are effective immediately for existing and new loan applications on or after April 15, 2022.

### Background Information

Freddie Mac Bulletins 2022-2 and 2022-5 announced updates related to LPA AIM for self-employed income. 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 AIM for Self-Employed Income

We revise LPA AIM for self-employed income requirements as follows:

- permit lenders to request a tax transcript from the Internal Revenue Service (IRS) through a third-party service provider designated by Freddie Mac
  - if a tax transcript is provided, LPA will compare the data from the borrower's tax return(s) to the data on the tax transcript
  - If the data matches, relief from enforcement of representations and warranties related to the accuracy and integrity of the eligible income on the tax return data is available
- enhance the AIM for self-employed offering by accommodating tax extension filings (i.e., IRS Form 4868) for the 2021 tax year
  - the assessment will perform an analysis to determine continued income stability by comparing the estimated tax liability for the 2021 tax year to prior year(s) tax liability for consistency
  - if consistency is confirmed, this automated improvement will eliminate the requirement for the lender to determine continued income stability when an IRS Form 4868 is present for the 2021 tax year and when the prior year(s) tax return(s) is used for the income calculation for eligible income that appears on the Income Calculation Report
  - LPA will display the results of the assessment on the Feedback Certificate, including income representation and warranty relief eligibility
- incorporate age of tax return requirements for the 2021 tax year

**Important Note:** LPA loans for borrowers with self-employed income evaluated using automated income assessment with LPA using tax return data (i.e., LPA AIM for self-employed income) must be underwritten by the Correspondent lender (approved by Truist for delegated underwriting authority). These transactions are not eligible for purchase if Truist underwrites the loan.

# Product Release

Information for Correspondent Lenders of Truist Bank  
April 15, 2022 • COR22-013



## Bulletin Details, continued

### Before and After Matrix

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

## 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.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. Truist Bank does not guarantee or assume liability for any third-party products or services. Truist Bank is an Equal Housing Lender. ©2020 Truist Financial Corporation. SunTrust, Truist, and the BB&T|SunTrust now Truist logo are service marks of Truist Financial Corporation. All rights reserved.