

Lender Best Practice: Validation of Parties search on FHA Loans

November 9, 2018

Comm18-023



Good news! This Best Practice is an update on the Validation of Parties on FHA Loans Best Practice that we sent out on 9/28/18. We have reduced the list of parties that we require to be searched to more closely align with FHA's 4000.1 list. See #4 below for the revised list.

We hope this simplification will help you avoid any post purchase issues.

1. FHA requires all parties participating in the mortgage transaction to be checked on the HUD LDP list & the GSA EPL (SAM) lists.
2. In addition, SunTrust requires these parties to be checked on the SunTrust Ineligible List.
3. Loans that include a party on any of these lists are not eligible for sale to SunTrust Correspondent.
4. The parties that must be checked on FHA loans include but are not limited to the following:
 - Borrowers (including all AKA's or name variations found in the file*)
 - Seller (except where selling the Principal Residence)**
 - Listing & selling real estate agent
 - Loan originator
 - Loan Processor
 - Underwriter
 - Appraiser
 - Closing Agent
 - Title company

*Tip - most commonly found on the credit report

**Tip - check the top of page 1 of the appraisal to see if the owner (seller) is the current occupant. If not, the seller needs to be searched.

Thank you for your business!
Your SunTrust Correspondent Team

The information contained herein is intended as informational material for the sole and exclusive use of the business entities to which it was distributed and is subject to change without written notice.

Equal Housing Lender. SunTrust Bank - NMLS #93471. ©2018. SunTrust Banks, Inc. The SunTrust logo is a trademark of SunTrust Banks, Inc. All rights reserved.