

Section 2.04 – CorrAdvantage

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Overview

Correspondent Relations and Benefits

CorrAdvantage is a partnership between Freddie Mac and Truist to provide a competitive alternative to correspondent outlets.

Unlike a regular Correspondent relationship, under our CorrAdvantage execution the originating company remains directly responsible to Freddie Mac (through the Tri-Party Agreement) for all credit quality, underwriting and property representations and warranties. As a CorrAdvantage customer, your company is fully responsible for satisfying all quality control issues; repurchase demands, and indemnification demands made by Freddie Mac.

Freddie Mac has advised that no new Tri-Party Agreements will be approved.

Benefits	
Operational bifurcation	Seller is responsible for selling representations and warranties, and Truist is responsible for the servicing reps & warrants.
Tri-Party Relationship	Loans sold through CorrAdvantage count toward minimum required Freddie Mac production.
Minimal overlays	More certainty in what you are able to sell.
Streamlined pre-funding review	Eliminates credit stops, resulting in improved funding times.
Comprehensive support	Work with a dedicated team at Truist for your loan production.

Introduction

This document is a supplement to the [Correspondent Seller Guide](#) General Section, which includes content related to doing business with Truist.

Guidance for CorrAdvantage execution are contained herein.

Related Bulletins

General

Related bulletins are provided below in PDF format. To view the list of published bulletins, select the applicable year below.

[2020](#)

Loan Terms

Loan Terms

Fully Amortizing Fixed Rate:

15, 20 and 30 years

The following loan products are eligible for CorrAdvantage:

Loan Product Name
CORRADVANTAGE AGENCY 30 YEAR FIXED
CORRADVANTAGE AGENCY 20 YEAR FIXED
CORRADVANTAGE AGENCY 15 YEAR FIXED
CORRADVANTAGE AGENCY PLUS 30 YEAR FIXED
CORRADVANTAGE AGENCY PLUS 20 YEAR FIXED
CORRADVANTAGE AGENCY PLUS 15 YEAR FIXED
CORRADVANTAGE HOMEONE 30 YEAR FIXED
CORRADVANTAGE HOMEReady 30 YEAR FIXED
CORRADVANTAGE HOMEReady 20 YEAR FIXED
CORRADVANTAGE HOMEReady 15 YEAR FIXED
CORRADVANTAGE HOMEReady PLUS 30 YEAR FIXED
CORRADVANTAGE HOMEReady PLUS 20 YEAR FIXED
CORRADVANTAGE HOMEReady PLUS 15 YEAR FIXED
CORRADVANTAGE HOMEPOSSIBLE 30 YEAR FIXED
CORRADVANTAGE HOMEPOSSIBLE 20 YEAR FIXED
CORRADVANTAGE HOMEPOSSIBLE 15 YEAR FIXED
CORRADVANTAGE HOMEPOSSIBLE PLUS 30 YEAR FIXED
CORRADVANTAGE HOMEPOSSIBLE PLUS 20 YEAR FIXED
CORRADVANTAGE HOMEPOSSIBLE PLUS 15 YEAR FIXED
CORRADVANTAGE AGENCY TX 50(a)(6) 30 YEAR FIXED
CORRADVANTAGE AGENCY TX 50(a)(6) 15 YEAR FIXED

Note: Truist refers to Fannie Mae “High Balance” and Freddie Mac “Super Conforming” loan amounts as “Agency Plus”. All Product Codes listed above that contain “PLUS” are to be used for Fannie Mae “High Balance” and Freddie Mac “Super Conforming” loan amounts.

See subsequent topic “*Underwriting Guidelines and Restrictions*” for restrictions within the eligible products listed above.

CorrAdvantage lenders **may not** sell CorrAdvantage eligible loans through standard delivery methods.

CorrAdvantage lenders **may** deliver **non-CorrAdvantage** eligible loans to Truist through standard delivery methods.

Registration and Lock-In

General

The process to register and lock a CorrAdvantage loan on Truist's website is the same as registering and locking non-CorrAdvantage loans.

Reference: See [Section 1.03: Loan Registration and Lock-In Procedures](#) of the *Correspondent Seller Guide* for further instructions concerning lock-in policies.

A Correspondent lender's LendingSpace logon access and product selection determine eligibility for the CorrAdvantage execution. In rare instances where the manual registration/lock function must be completed, please use the *Registration/Lock-in Form* ([COR 0001](#)).

Pricing

Daily Rate Sheets

The daily rate sheet reflects which products are CorrAdvantage eligible.

Price Adjustments

The daily rate sheet reflects price adjustments for CorrAdvantage eligible products.

Servicing Released Premium (SRP)

The SRP Schedule for CorrAdvantage loans is the same as for non-CorrAdvantage loans. The SRP will differ based on whether escrows have been waived.

CRA Incentive

Target Area

- Loan eligibility for CRA Incentive is limited to Truist Bank's Community Reinvestment Act (CRA) assessment areas. It is also based on the subject property being located in a low-or-moderate income census tract or the borrower's income being equal to or lower than Truist's maximum allowable income level for the property county.
- Truist's assessment areas are not located in all areas of the states.
- To determine if your loan qualifies for the incentive(s), take the following steps:

Step	Action
1	Go to www.suntrustgeocoder.com
2	Enter Password: CORRES
3	Input your borrower's annual income and property address
4	You will receive either a "Qualified" or "not-Qualified" value
5	If "Qualified," lock your loan at LendingSpace
6	Complete the CRA Census Tract Verification Form (COR 0560A), if required. Email completed form to SunTrust.Corr.CRA@suntrust.com within 48 hours of loan being locked.

- If the form is received within 48 hours of lock, Truist will validate the information and make the appropriate price adjustment.
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Underwriting Guidelines and Restrictions

Temporary COVID-19 Related Restrictions

The following temporary COVID-19 related restrictions apply until further notice:

- **Appraisal Requirements:** Appraisal Completion Reports (Forms 1004D/442) must adhere to standard requirements. Truist is not aligning with GSE flexibilities at this time.
- **Credit Score Requirements:**
 - At least one borrower on the transaction must have a usable credit score.
 - Minimum credit score is 680.
- **Maximum LTV: Primary Residence, Fixed Rate & ARMs**
 - 2-4 Units (all Transaction types): Not permitted
 - Cash-Out Refinance, 1 Unit: Max 70% LTV
- **Maximum LTV: Second Home, Fixed Rate & ARMs**
 - Cash-Out Refinance, 1 Unit: Not permitted
 - Purchase, 1 Unit: Max 70% LTV
 - Limited Cash-Out (Rate/Term) Refinance, 1 Unit: When the lender is not hBBT/hST/Truist, the max LTV is 70%

Note: hBBT refers to BB&T now Truist; hST refers to SunTrust now Truist

- **Occupancy:** Investment property transactions are not permitted
- **Power of Attorney:**
 - Online or remote notarization of the POA is not acceptable.
 - Whenever the Attorney-in-Fact under POA is an individual employed by the title insurer or the title agent, then the following is required for mortgages with note dates on and after April 7, 2020:
 - After the Closing Disclosure has been delivered to the borrower but prior to closing, an employee of the originating lender or settlement agent must explain and discuss the terms of the loan and use the POA with the borrower to confirm that the borrower understands them. The discussion must take place in person or telephonically and must be memorialized by an acknowledgement by the borrower of his or her understanding of the terms of the loan. The acknowledgment must be in writing.
- **Self-Employed Borrowers:** A Borrower Acknowledgement (for which the borrower attests regarding income/employment and forbearance) must be executed at closing for all loans.
- **Verification of Employment:**
 - Salaried/Hourly Wage Earners: A Borrower Acknowledgement (for which the borrower attests regarding income/employment and forbearance must be executed at closing for all loans.
 - Self-Employed Borrowers: See “Self-Employed Borrowers” above.

Underwriting Guidelines and Restrictions, continued

Assessment Responses

All loans delivered in Loan Selling Advisor[®] through CorrAdvantage must be assessed “Accept” by Freddie Mac’s Loan Product Advisor[®] (LPA) or “Green” by Loan Quality Advisor[®] (LQA).

The use of LPA Automated Underwriting System (AUS) is encouraged; however, CorrAdvantage eligible loans may also be submitted to Fannie Mae’s Desktop Underwriter[®] (DU) if also assessed “Accept” by LPA or “Green” (High Likelihood of Accept) by LQA.

Correspondent GSE Contract variances or waivers may not be used in conjunction with loans delivered under CorrAdvantage execution.

Correspondents assume responsibility for the delivery of investment quality mortgages, including all credit representations and warranties.

Freddie Mac Loan Product Advisor (LPA) Guidelines & Restrictions

- The following guidelines and restrictions apply when LPA is the AUS used to make the underwriting decision:
 - Loans must be assessed “Accept” by LPA. A further assessment thru LQA is not required.
 - LPA must not contain any purchase restriction(s).
 - Loans must be eligible for sale to Freddie Mac under the terms of the Freddie Mac Seller/Service Guide.
- Truist has elected not to allow the following Freddie Mac terms for delivery under the CorrAdvantage execution:
 - Freddie Mac CHOICERenovationSM Mortgages
 - Freddie GreenCHOICESM Mortgages
 - Freddie Mac Enhanced Relief Refinance[®] Mortgages
 - Seller Owned Converted or Modified Mortgages
 - Freddie Mac HomeOne MortgageSM Refinance
 - Affordable Seconds:
 - When an Affordable Second is treated as a Gift in LPA, rather than as Secondary Financing, the following applies for properties subject to Income-Based Resale restrictions:
 - The source of the Affordable Second may not be a non-profit entity that is also the property seller but is not affiliated with a government agency.
 - Rural Housing Service (RHS) Leveraged Seconds
 - Home Possible under Texas(50)(a)(6)
 - Freddie Special Purpose Cash-out

Note: See subsequent subtopic *Ineligible Items for All Transactions* for restrictions regardless of AUS method.

Resources:

- The Freddie Mac Single Family Seller/Service Guides may be accessed using the following link: [Freddie Mac's Single-Family Seller/Service Requirements](#). Any guidance within guidelines that refer to action by the delivery or settlement date not tied to a specific date, will be required upon delivery to Truist (examples: Incomplete improvements and Income commencing after note date).
 - For questions regarding Freddie Mac’s Seller/Service Guide, Underwriting or Loan Product Advisor questions, please contact: Freddie Mac’s Customer Call Center – 1-800-FREDDIE (373-33).
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Underwriting Guidelines and Restrictions, continued

Fannie Mae Desktop Underwriter (DU) Guidelines

In order for a loan to be eligible for CorrAdvantage execution when DU is used to make the underwriting decision, Freddie Mac requires the following:

- Loans must be evaluated using the version of DU that Fannie Mae requires for such Mortgage to be eligible for sale to Fannie Mae.
- The DU assessment must be “Approve/Eligible”.
- All loans must also be assessed “Accept” by LPA or “Green” by LQA.
- The first submission to LPA or LQA may be after the note date, but no later than 120 days after the note date or effective date of permanent financing.
- Loans must be processed, underwritten and documented in accordance with Fannie Mae DU requirements relating to Credit (including credit reputation and capacity to repay) and collateral underwriting.
- For all other matters (not included in above bullet) the Freddie Mac guidelines must be followed where more restrictive. A less restrictive Freddie Mac term may be utilized on a DU loan.
- A full interior and exterior appraisal is required unless DU provides an appraisal waiver AND the last submission to LPA (ACE) or LQA indicates (CY1010 message) also indicates that the loan file is eligible for a Freddie appraisal waiver.
- Each Mortgage secured by a Condominium Unit that is in a Condominium Project that complies with the Fannie Mae Project Standards is eligible for purchase, with the exception of Ineligible Projects due to excessive *Single Entity Ownership*. Freddie Mac guidelines must be followed for projects with 21 or more units, which allow a higher concentration of 25%, but does not allow the waiver of the concentration requirements like Fannie Mae.

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Underwriting Guidelines and Restrictions, continued

Fannie Mae Desktop Underwriter (DU) Restrictions

- Freddie Mac has deemed the following Fannie Mae items ineligible for delivery under the CorrAdvantage execution:
 - Mortgages secured by Condominium Units that receive a classification of “Guide Ineligible” from Fannie Mae’s Condominium Project Manager (“CPM”), with an approved Fannie Mae “Project Eligibility Waiver (“PEW”) from Fannie Mae’s Credit Variance Administration System^M (“CVAS”),
 - Mortgages originated under Fannie Mae’s Waiver titled “Waiver of Project Eligibility Review” for Fannie Mae to Fannie Mae Limited Cash-out Refinances,
 - Mortgages secured by properties owned by a community land trust,
 - Mortgages with shared equity plans,
 - Mortgages using Fannie Mae HomeStyle Energy,
 - Mortgages using Fannie Mae HomeStyle Renovation,
 - Mortgages using Fannie Disaster Related Refinance Flexibilities,
 - Fannie Student Loan Cash-out,
 - Mortgages secured by properties with an overall condition rating of C5 or C6;
 - Mortgages using Fannie 97% option for FTHB or refinance of a Fannie owned loan,
 - Fannie High LTV Refinance,
 - Fannie Mae HomePath flexibilities, and
 - Mortgages with Community Seconds made by Native American tribes or instrumentalities are not eligible unless:
 - the Native American Tribe or instrumentality is federally recognized, and
 - is authorized to operate on the tribal land where the property is located, or
 - the borrower is an enrolled member of the Native American Tribe.
- In addition, Truist has elected not to allow the following Fannie Mae terms for delivery under the CorrAdvantage execution:
 - Subsidizing the sales price on a Community Seconds mortgage,
 - Resale Restrictions that Terminate Automatically: LTV/TLTV/HTLTV ratios that are not based on the lesser of the sale price or appraised value, and
 - HomeReady in combination of Texas 50(a)(6).

Notes:

- See subsequent subtopic *Ineligible Items for all transactions* for restrictions regardless of AUS Method.
- See subsequent topic *ULDD* for additional requirements when DU is AUS of record.
- Use of Fannie Mae’s DU Validation Service is acceptable.

Resources:

- Fannie Mae’s Selling and Servicing Guides may be accessed at [Single-Family Homepage](#). Any guidance within guidelines that refer to action by the delivery date not tied to a specific implementation date, will be required upon delivery to Truist (examples: Postponed improvements, Employment Contracts as offer options).
- For questions regarding Fannie Mae’s Underwriting or DU questions, please contact: Dial 1-800-2FANNIE.

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Underwriting Guidelines and Restrictions, continued

Ineligible Items for All Transactions

Regardless of Underwriting Method, the following items are not eligible for delivery under CorrAdvantage:

- Properties located in Alaska, Hawaii, and US Virgin Islands
- Co-ops
- Land Trusts
- Manufactured housing
- No borrower has a credit score
- ITIN
- Lending on Native American Tribal Land that is not held fee simple
- PMI: Declining Renewals
- PMI: Fannie Mae Reduced PMI or Freddie Mac Custom PMI Coverage for additional LLPA, including with HomeOne
- Properties subject to Property Assessed Clean Energy (PACE) unless paid off with new loan
- Single Close/Construction Conversion
- Temporary Buydowns
- The use of electronic signatures for the following:
 - Security Agreement and Addendums,
 - Right to Cancel,
 - IRS Form W-9, and
 - any notarized documents.
- Non-Perm Resident Aliens that do not align with eligible Visa Types listed below:

Non-Permanent Resident Alien Eligible Visa Types

- A-1, A-2, A-3 (must verify no diplomatic immunity on each type)
- E-1, E-2, E-3
- G-1, G-2, G-3, G-4, G-5 (verify no diplomatic immunity on each type)
- H-1B, H-1B1, H-4 (H-4 requires H-1B or H-1B1 on the loan)
- I
- J-1, J-2 (J-2 requires J-1 on the loan)
- K-1, K-2, K-3, K-4 and a US spouse (for K-1) or US citizen (for K-2, K-3 or K-4) on the loan
- L-1, L-2
- O-1, O-2, O-3 (O-3 requires O-1 or O-2 on the loan)
- Q-2
- R-1, R-2 (R-2 requires R-1 on the loan)
- TN-1, TN-2, TD (TD requires TN-1 or TN-2 on the loan)
- V-1, V-2, V-3 **and** requires a permanent resident alien on the loan for each type.

Freddie Mac Loan Selling AdvisorSM

Third-Party Transaction Services (TPTS)

The TPTS functionality in the Freddie Mac Loan Selling AdvisorSM (LSA) is required for use in delivery of all loans sold through the CorrAdvantage execution.

Register CorrAdvantage loans in the FHLMC portal under **Seller Servicer number 307705**.

Any loan data submitted via LSA that does not match the loan data provided for registration and lock will be rejected and sent back to the Correspondent. A Renegotiation Request Change Form ([COR 0002](#)) will need to be sent to Truist's Lock Desk to have the loan data corrected to match the loan data that was uploaded to Loan Selling Advisor.

Should any loan data change on a loan after it has been registered, a Renegotiation Request Change Form ([COR 0002](#)) will need to be emailed to Truist's Lock Desk Correspondentlockdesk@suntrust.com or faxed to or FAX: 804-231-7233 prior to uploading the loan via the LSA to avoid the loan data being rejected as noted above.

References:

- See [Section 1.03 – Loan Registration and Lock-in Procedures](#), within the *Correspondent Seller Guide*, for additional information.
 - See Freddie Mac's [Third Party Transaction Services](#) webpage for resources and training.
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Funding and Delivery

General

Each loan file delivered for funding must contain documentation according to the Correspondent Closing Checklist ([COR 0013](#)).

Accurate data entry into LSA and our registration system will help reduce funding turn times.

- A successful CorrAdvantage upload into LSA is required at least 24 hours prior to the lock expiration date.
- Any loan information that has changed since the file was originally locked should be corrected through Truist's Lock Desk before the file is delivered and before the loan data is uploaded to LSA.
- Required file documentation that is missing in delivered files will be pended in accordance with our pended loan policy and penalties charged accordingly. Files will be pended if not uploaded in LSA and the pended loan policy followed which could result in penalties charged.
- The Correspondent is responsible for obtaining and housing documents according to Freddie Mac's Form of Mortgage File Documentation Policy outlined in Freddie Mac Seller/Servicer Guide Section 3302.2, including any required paper originals identified in Section 3302.2(a).

Reference: Final Documents: See *Post Funding and Delivery* Topic subsequently presented in this document for further information.

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Funding and Delivery, Continued

Uniform Loan Delivery Data (ULDD)

In order to identify mortgage for proper delivery to Freddie Mac, Uniform Loan Delivery Data (ULDD) will be required to be entered into Freddie Mac Loan Selling Advisor.

The chart below outlines rules related to the delivery of a DU loan, including those with a Property Inspection Waiver (PIW).

ULDD Data Point	DU Loans	
	Valid Values If LPA	Valid values If LQA
Automated Underwriting System Type / Automated Underwriting System Type Other Description	Other-Loan Product Advisor	Desktop Underwriter
Automated Underwriting Recommendation Description	Accept	Approve Eligible
Investor Feature Identifier	H89	H99
Automated Case Identifier	LP Key	DU Case File
If DU w/ PIW and required related LPA/LQA findings		
Property Valuation Method Type	None	None
Investor Collateral Program Identifier	PropertyInspectionAlternative	Property Inspection Waiver (PIW)

Reference: See [Freddie Mac ULDD Webpage](#) for additional information.

- If using LPA as your assessment of a DU loan's eligibility, Truist recommends delivering the LPA AUS Key data point. If the delivery file cannot be systematically or manually updated to include the LPA AUS Key, the following additional restriction applies:
 - A PIW will not be eligible even if LPA findings allow an ACE.

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Funding and Delivery, Continued

Uniform Closing Dataset (UCD) Evidence of a successful submission of the Uniform Closing Dataset (UCD) to Freddie Mac is required. The Borrower Closing Disclosure PDF must be embedded in the UCD XML file.

Information on UCD can be found at [Freddie UCD Webpage](#).

Truist does not require, nor accept, the transfer/assignment of the UCD file from Correspondents.

Post Funding and Delivery

General

- Each loan file delivered to Truist for post funding and delivery must contain documentation according to the CorrAdvantage Final Documents Checklist ([COR 0022](#)).
 - Correspondents are to retain all parts of the file for 7 (seven) years after the loan is paid in full. Paid in full loans can be identified directly from Freddie Mac's Loan Coverage Advisor Tool.
 - Original final documents are to be retained by the Correspondent. The only final documents needed by Truist are copies of the first 3 (three) pages and signature page of the recorded mortgage including the legal description, a copy of the assignment is needed, if one is executed, and a copy of the Final Title Policy.
 - Title policies are to be retained with the original file by the Correspondent.
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Training Opportunities

General

See Freddie Mac's [Third Party Transaction Services](#) webpage for resources and training.
