

# Product Release

Information for Correspondent Lenders of SunTrust Bank  
April 5, 2019 • COR19-013



Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## LPA GreenCHOICE Mortgages and Agency Plus Loan Eligibility

SunTrust Bank (SunTrust) revises Agency Loan Product Advisor<sup>®</sup> (LPA<sup>®</sup>) guidelines to align with recently announced Freddie Mac updates. With these updates we:

- provide new financing options for energy and/or water efficiency related home improvements with the introduction of GreenCHOICE Mortgages<sup>SM</sup>
- permit LPA processing for Agency Plus transactions with loan amounts greater than \$1,000,000

### Effective Dates

All updates are effective for new loan applications on or after April 8, 2019.

### Background Information

Freddie Mac Bulletin 2018-15 announced revisions to permit LPA processing for Agency Plus loans with loan amounts greater than \$1,000,000. Freddie Mac Bulletin 2018-21 announced the introduction of GreenCHOICE Mortgages, which provides new financing options for energy and/or water efficiency related home improvements. In response to these announcements, we reviewed impacted guidelines and identified opportunities to implement revisions to align with Freddie Mac requirements.

### Bulletin Details

#### GreenCHOICE Mortgages

Freddie Mac's new GreenCHOICE Mortgage feature provides expanded flexibility to finance the costs of energy and/or water efficiency improvements, and replaces their Energy Conservation Improvements feature. Highlights of the new GreenCHOICE Mortgages offering include:

- Financing energy and/or water efficiency improvements up to 15% of the "as completed" value of the property with the proceeds from a purchase or "no cash-out" refinance transaction
- An escrow account must be established at the time of closing
- An Energy Report is required to verify that the improvements are cost effective, except as follows:
  - Eligible basic energy and/or water efficiency improvements with an aggregated cost less than or equal to \$6,500 may be completed without obtaining an Energy Report
- Use SFC J08 to identify an LPA loan originated using Freddie Mac's GreenCHOICE Mortgages feature
- See the attached before and after matrix for additional details related to this new offering

#### Agency Plus LPA Processing

For LPA loans, we permit LPA processing for Agency Plus loans with loan amounts greater than \$1,000,000.

#### Before and After Matrix

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

#### Revised Materials

Click [Agency Loan Programs](#) to review the revised product materials.

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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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