

Product Release



Information for Correspondent Lenders of SunTrust Bank
June 14, 2019 • COR19-025

Alert

Update

Reminder

Clarification

Training
Information

Preview

HomeReady Multiple Financed Properties and Other Agency Revisions

SunTrust Bank (SunTrust) revises Agency product guidelines to align with recently announced Fannie Mae updates. With these updates we:

- revise the multiple financed properties requirements for HomeReady[®] mortgage transactions
- update boarder income guidelines for HomeReady mortgage transactions
- clarify that HomeReady mortgage insurance requirements apply when HomeReady mortgages and HomeStyle[®] Renovation mortgages are combined
- allow an alternative equivalent form in lieu of Form 1008, *Uniform Underwriting and Transmittal Summary*
- clarify properties affected by a disaster guidance

Effective Dates

- The non-AUS HomeReady multiple financed properties and boarder income updates are effective for new loan applications on or after June 15, 2019.
- During the weekend of July 20, 2019, Fannie will implement an update to Desktop Underwriter[®] (DU[®]) Version 10.3, which will include the HomeReady multiple financed properties and boarder income updates. These updates will apply to DU 10.3 loan casefiles submitted or resubmitted to DU on or after July 20, 2019.
- All other updates are effective immediately for existing and new loan applications on or after June 14, 2019.

Background Information

In Fannie Mae's DU Version 10.3 July Update Release Notes and Fannie Mae SEL-2019-03, Fannie Mae announced HomeReady updates related to multiple financed properties, boarder income, and mortgage insurance coverage. Additionally, Fannie Mae SEL-2019-03 and 2019-04 announced updates impacting various Agency guidelines. In response to these publications, we reviewed impacted guidelines and identified the opportunity to implement revisions to align with Fannie Mae requirements.

Bulletin Details

HomeReady Mortgages – Multiple Financed Properties

For HomeReady non-AUS and DU loans, we revise multiple financed properties guidance as follows:

- The occupying borrower(s) must not have an ownership interest in more than two financed residential properties, including the subject property
 - Financed properties owned by a non-occupant co-borrower, that are owned separately from the borrower, are excluded from the number of financed properties calculation

HomeReady Mortgages – Additional Guideline Revisions

For HomeReady non-AUS and DU loans, we:

- Revise boarder income requirements to clarify that the boarder must not have an ownership interest in the subject property (in addition to the existing requirement that the boarder may not be obligated on the loan)
- Clarify that the lower level of mortgage insurance permitted for HomeReady mortgages applies when HomeReady and HomeStyle[®] Renovation mortgages are combined

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Bulletin Details, continued

Form 1008, *Uniform Underwriting and Transmittal Summary*

For non-AUS loans, we permit the use of a similar document in lieu of Form 1008, *Uniform Underwriting and Transmittal Summary* to be included in the mortgage file.

Properties Affected by a Disaster

For non-AUS and DU loans, we made minor edits to the properties affected by a disaster guidance to align with Fannie Mae's language and presentation of guidance.

Before and After Matrices

- [Click here](#) to see the before and after matrix that provides a detailed overview of the HomeReady multiple financed properties and border income updates.
- [Click here](#) to see the before and after matrix that provides a detailed overview of all other updates.

Revised Materials

Click [Agency Loan Programs](#) and [Fannie Mae HomeReady® and Freddie Mac Home Possible® Mortgages](#) to review the revised product materials.

Former Guidelines

See the before and after matrices 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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