

# Product Release

Information for Correspondent Lenders of SunTrust now Truist Bank  
April 20, 2020 • COR20-015



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## Temporary Agency and Government Product Restrictions

SunTrust Now Truist Bank (Truist) implements temporary restrictions to our standard Agency, Agency Plus, HomeReady®, Home Possible®, Texas Section 50(a)(6), Federal Housing Administration (FHA), and Veterans Affairs (VA) mortgage loan programs.

### Effective Dates

All updates are effective for loans locked on or after April 24, 2020.

**Note:** We will honor all loans locked prior to April 24, 2020. Relocks will not be permitted; however, extensions will be allowed.

### Background Information

The COVID-19 pandemic is the most serious challenge that financial institutions have faced in nearly a century. Given the current economic environment challenges and market volatility, we are taking concrete steps now with interim changes to our Agency and Government products.

### Bulletin Details

#### Temporary Agency Product Restrictions

For non-AUS, Desktop Underwriter® (DU®), and Loan Product Advisor® (LPA®) loans, the table below outlines the temporary Agency product restrictions. These temporary restrictions apply to:

- standard Agency, Agency Plus, HomeReady, Home Possible, and Texas Section 50(a)(6) mortgage loan programs
  - fixed and adjustable rate mortgage (ARM) transactions
  - all property types

**Note:** Current Truist Agency guidelines continue to apply outside of these restrictions (including TLTV/HTLTV ratio requirements).

| Temporary Agency Product Restrictions |  |            |                      |  |
|---------------------------------------|--|------------|----------------------|--|
| Occupancy Type                        | Transaction Type                       | # of Units | Minimum Credit Score | Maximum LTV  |
| Primary                               | Purchase                               | 1          | 680                  | Refer to the applicable product description for current LTV requirements |
|                                       |  | 2-4        | Not Eligible         |  |
|                                       | Limited Cash-Out Refinance (Rate/Term) | 1          | 680                  | Refer to the applicable product description for current LTV requirements |
|                                       |  | 2-4        | Not Eligible         |  |
|                                       | Cash-Out Refinance                     | 1          | 680                  | 70%  |
|                                       |  | 2-4        | Not Eligible         |  |

# Product Release

Information for Correspondent Lenders of SunTrust now Truist Bank  
 April 20, 2020 • COR20-015



## Bulletin Details, continued

### Temporary Agency Product Restrictions, continued

| Temporary Agency Product Restrictions |  |   |                      |  |
|---------------------------------------|--|---|----------------------|--|
| Occupancy Type                        | Transaction Type                       | # of Units  | Minimum Credit Score | Maximum LTV  |
| Second Home                           | Purchase                               | 1   | 680                  | 70%  |
|                                       | Limited Cash-Out Refinance (Rate/Term) | 1<br><i>Available for hBBT*/hST*/Truist - to - Truist Rate/Term Refinance</i> | 680                  | Refer to the applicable product description for current LTV requirements |
|                                       | Limited Cash-Out Refinance (Rate/Term) | 1<br><i>Available when the existing lender is not hBBT/hST/Truist</i>         | 680                  | 70%  |
|                                       | Cash-Out Refinance                     | 1   | Not Eligible         |  |
| Investment Property                   | Not Eligible                           |   |                      |  |
| *hBBT refers to BB&T now Truist       |  |   |                      |  |
| *hST refers to SunTrust now Truist    |  |   |                      |  |

### Temporary Government Product Restrictions

- For FHA loans, the table below outlines the temporary product restrictions. These temporary restrictions apply to:
  - conforming and jumbo
  - owner occupied, HUD-Approved secondary residence, and investment
  - fixed and ARM
  - all property types

**Note:** Current Truist FHA guidelines continue to apply outside of these restrictions (including TLTV/HTLTV ratio requirements).

### Purchase Transactions

| Temporary FHA Product Restrictions |                 |  |                      |                        |
|------------------------------------|-----------------|--|----------------------|------------------------|
| Occupancy                          | Number of Units | LTV                                    | Minimum Credit Score | Maximum Debt-to Income |
| Owner Occupied                     | 1               | Refer to FHA guidelines for LTV limits | 680                  | 50%                    |
|                                    | 2-4             | Not Eligible                           |                      |                        |
| HUD-Approved Secondary Residence   | 1               | 70%                                    | 680                  | 50%                    |
|                                    | 2-4             | Not Eligible                           |                      |                        |

# Product Release

Information for Correspondent Lenders of SunTrust now Truist Bank  
 April 20, 2020 • COR20-015



## Bulletin Details, continued

### Temporary Government Product Restrictions, continued

#### Refinance Transactions

| Temporary FHA Product Restrictions        |   |   |  |                      |  |
|---|---|---|--|----------------------|--|
| Type of Refinance                         | Occupancy   | Number of Units   | LTV/CLTV                               | Minimum Credit Score | Maximum Debt-to-Income                 |
| No Cash Out/<br>Rate-Term<br>Refinance    | Owner Occupied                                      | 1<br><i>Available when the existing lender is not hBBT/hST/Truist</i>   | Refer to FHA guidelines for LTV limits | 680                  | 50%                                    |
|   | HUD Approved<br>Secondary<br>Residence              | 1<br><i>Available when the existing lender is not hBBT/hST/Truist</i>   | 70%                                    | 680                  | 50%                                    |
|   |   | 1<br><i>Available for hBBT/hST/Truist-to- Truist</i>                    |  |                      |  |
|   | Owner Occupied and HUD Approved Secondary Residence | 2-4   | Not Eligible                           |                      |  |
| Credit Qualify<br>Streamline<br>Refinance | Owner Occupied and HUD Approved Secondary Residence | 1-4<br><i>Available for hBBT/hST/Truist-to- Truist</i>                  | N/A                                    | 680                  | Refer to FHA guidelines for DTI limits |
|   |   | 1-4<br><i>Available when the existing lender is not hBBT/hST/Truist</i> | Not Eligible                           |                      |  |
| Non-Credit Qualify Streamline Refinance   | Investment Property                                 | 1-4   | Not Eligible                           |                      |  |
| Cash Out                                  | Owner Occupied                                      | 1   | 70%                                    | 680                  | 45%                                    |
| Cash Out                                  | Owner Occupied                                      | 2-4   | Not Eligible                           |                      |  |

# Product Release

Information for Correspondent Lenders of SunTrust now Truist Bank  
April 20, 2020 • COR20-015



## Bulletin Details, continued

- For VA loans, the table below outlines the temporary product restrictions. These temporary restrictions apply to:
  - conforming and jumbo
  - owner occupied and investment
  - fixed rate
  - all property types

**Note:** Current Truist VA guidelines continue to apply outside of these restrictions (including TLTV/HTLTV ratio requirements).

| Temporary VA Product Restrictions |                 |              |                      |                        |
|-----------------------------------|-----------------|--------------|----------------------|------------------------|
| Loan Type                         | Number of Units | LTV          | Minimum Credit Score | Maximum Debt-to-Income |
| Purchase                          | 1               | 100%         | 680                  | 50%                    |
|                                   | 2-4             | Not Eligible |                      |                        |
| Cash-out                          | 1               | 70%          | 680                  | 45%                    |
|                                   | 2-4             | Not Eligible |                      |                        |
| IRRRL Investment                  | 1-4             | Not Eligible |                      |                        |

## Revised Materials

Click [Agency Loan Programs](#), [Fannie Mae HomeReady®](#) and [Freddie Mac Home Possible® Mortgages](#), [FHA 203b Loan Program](#), [Veterans Administration \(VA\) Loan Program](#), [Texas Section 50\(a\)\(6\) Mortgages](#), [Loan Delivery and Purchase Review](#), [Correspondent Agency Overlay Matrix](#), and [Correspondent Government Overlay Matrix](#) to review the revised product materials.

## Former Guidelines

Previously, these restrictions were not in place.

## 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. SunTrust Bank now Truist Bank does not guarantee or assume liability for any third-party products or services. ©2020 Truist Financial Corporation. SunTrust®, the SunTrust logo, and Truist are service marks of Truist Financial Corporation. All rights reserved.