

# Product Release

Information for Correspondent Lenders of Truist Bank  
August 7, 2020 • COR20-033



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## Upcoming Agency and Key LIBOR ARMs Retirement

Truist Bank (Truist) announces the upcoming retirement of all Agency London Interbank Offered Rate (LIBOR) and Key Loan LIBOR adjustable rate mortgage (ARM) loan products.

**Note:** The Key Loan program is currently temporarily suspended.

### Effective Dates

- All LIBOR ARM products will retire effective September 30, 2020
- All LIBOR ARM loan applications must be dated on or before September 30, 2020
- All LIBOR ARM loans must be purchased by Truist on or before November 30, 2020

### Background Information

Fannie Mae Lender Letter LL-2020-01 and Freddie Mac Bulletin 2020-1 announced that the GSEs will no longer acquire loans indexed to LIBOR and will be retiring all LIBOR ARM plans later this year. In response to these publications, we take the opportunity to provide this heads-up notification to ensure that your pipeline of Agency LIBOR ARM loans comply with Fannie Mae and Freddie Mac's application cut-off and delivery date requirements.

Additionally, in anticipation of the retirement of the LIBOR index, we have also decided to retire all Key Loan LIBOR ARM loan products.

### Bulletin Details

#### LIBOR ARMs Retirement

All Agency LIBOR ARM loan products will retire effective September 30, 2020. Agency loan programs impacted by this retirement include the following:

- Standard Agency
- Agency Plus
- HomeReady®
- Home Possible®
- Texas Section 50(a)(6)

The Key Loan program is temporarily suspended; however, in anticipation of the retirement of the LIBOR index, we will also formally retire all Key LIBOR ARM loan products effective September 30, 2020.

#### Application Date and Purchase Deadlines

All Agency LIBOR ARM loan applications must be dated on or before September 30, 2020. Additionally, to meet Fannie Mae and Freddie Mac's delivery date requirements, we are imposing a November 30, 2020 purchase (by Truist) cut-off date.

#### Notes:

- The above November 30, 2020 purchase (by Truist) cut-off date also applies for all Agency HomeStyle Renovation® and CHOICERenovation<sup>SM</sup> LIBOR ARM loans. Additionally, as a reminder, all renovation work must be completed when the loan is delivered to Truist for purchase.
- Due to the current Key Loan program suspension, there are no current Key LIBOR ARM pipeline loans and no new loan applications are eligible for registrations and/or locks. As such, no further application and purchase cut-off date deadlines are required.

# Product Release

Information for Correspondent Lenders of Truist Bank  
August 7, 2020 • COR20-033



## Bulletin Details, continued

### LIBOR ARM Replacement Product

Truist will offer a new Agency 7/6-Month Secured Overnight Financing Rate (SOFR) ARM product under all of the Agency loan programs listed above. We will announce additional details about the new Agency 7/6-Month SOFR ARM offering and our timeframe to begin accepting registrations and/or locks in a future communication bulletin.

## 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. Truist Bank does not guarantee or assume liability for any third-party products or services. Truist Bank is an Equal Housing Lender. ©2020 Truist Financial Corporation. SunTrust, Truist, and the BB&T|SunTrust now Truist logo are service marks of Truist Financial Corporation. All rights reserved.