

# Product Release

Information for Correspondent Lenders of Truist Bank  
October 21, 2020 • COR20-054 Revised



Alert

Update

Reminder

Clarification

Training  
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Preview

## Adverse Market Refinance Fee Implementation Revision

Truist Bank (Truist) previously communicated plans for incorporation of the Adverse Market Refinance Fee. Dealing with the Adverse Market Fee has been stressful for all of us in the industry. Truist has made a decision to revise and simplify our stance regarding implementation.

### Effective Dates

Effective for loans locked prior to September 14, 2020 and delivered to Truist on or after November 1, 2020.

#### Notes:

- Applicable for Best Effort locks only.
- Loans must be delivered in purchasable condition.
- Relocks or extensions that extends the lock expiration past November 1, 2020 may be subject to a 50 basis point adverse market refinance fee.

### Background Information

A new adverse market refinance fee loan level price adjustment (LLPA) was introduced in the market with [Fannie Mae Lender Letter\(LL-2020-12\)](#), [Freddie Mac Bulletin 2020-32](#). Truist communicated incorporation of the LLPA with [COVID 19 Update #33](#) and subsequent communication [COVID 19 Update #34](#). Previously, we required loans locked prior to September 14, 2020 be funded on or before November 1, 2020 to avoid incurring the adverse market refinance fee. In keeping with Truist's commitment to helping our clients succeed, we offer additional flexibility by shifting the focus from funding to delivery timeframe. To avoid application of the adverse market refinance fee, deliver loans to Truist on or before November 1, 2020.

When we initially published this bulletin, we indicated that the adverse market refinance fee does not apply to loan amounts less than \$125,000. We revised this bulletin to correctly indicate the fee does not apply to loan amounts less than or equal to \$125,000.

### Bulletin Details

#### Loan Delivery

The adverse market refinance fee does not apply to loans locked prior to September 14, 2020 that are delivered to Truist in purchasable condition on or before November 1, 2020.

Loans relocked or extended after November 1, 2020 may be subject to the adverse market refinance fee.

To avoid application of the adverse market refinance fee, deliver loans to Truist on or before November 1, 2020.

Pricing cannot be guaranteed on pending loans not in purchasable condition.

Applies to all Agency loans, except for the following:

- Loan amounts less than or equal to \$125,000
- Fannie Mae HomeReady® Products
- Freddie Mac Home Possible® Products

### Former Guidelines

Previously, we required loans locked prior to September 14, 2020 be funded on or before November 1, 2020 to avoid incurring the adverse market refinance fee.

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## 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 or send an email to <a href="mailto:CorrespondentProductSupport@SunTrust.com">CorrespondentProductSupport@SunTrust.com</a> .

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