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Agency LPA Age of Tax Return Requirements and Other Revisions

Truist Bank (Truist) revises Agency Loan Product Advisor[®] (LPASM) requirements to align with recently announced Freddie Mac updates. With these updates, we:

- revise age of tax return requirements to reflect dates specific to the 2021 tax year and address tax filing extensions published by the Internal Revenue Service (IRS)
- specify that a Home Equity Line of Credit (HELOC) is considered an eligible source of funds towards the down payment, closing costs, and reserves
- clarify requirements for determining automated collateral evaluation (ACE) appraisal waiver eligibility

Effective Dates

All updates are effective immediately for existing and new loan applications on or after October 14, 2022.

Background Information

Freddie Mac Bulletin 2022-2 announced updates impacting various LPA requirements. In response to this publication, we reviewed impacted standards and identified the need to implement revisions to align with Freddie Mac requirements.

Bulletin Details

Age of Tax Return Requirements

For LPA loans, we revise age of tax return requirements to:

- reflect dates specific to the 2021 tax year
- include updated footnote references to address tax filing extensions published by the IRS

HELOCs as an Eligible Source of Funds

For LPA loans, we specify that a HELOC is considered an eligible source of funds towards the down payment, closing costs, and reserves provided that the mortgage file includes:

- evidence the HELOC is secured by the borrower's real property, and
- evidence that the HELOC proceeds have been disbursed to the borrower

ACE Appraisal Waiver Clarification

For LPA loans, we clarify that Freddie Mac will accept the following for determining ACE appraisal waiver eligibility:

- the purchase price for purchase transactions, or
- the estimated value for refinance transactions

Bulletin Details, continued

Before and After Matrix

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

Revised Material

Click [Agency Loan Standard](#) to review the revised product material.

Former Standards

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former standards.

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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