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Agency Loan Level Pricing Adjustment Waivers

Truist Bank (Truist) announces revised Loan Level Pricing Adjustments (LLPAs) for certain borrowers and affordable mortgage products delivered to Fannie Mae and Freddie Mac.

Effective Dates

The LLPA waivers are effective with new locks and re-locks for Best Effort Commitments on or after March 3, 2023. Lock extensions and re-locks will be subject to the new LLPAs if the loan is delivered after March 3, 2023. Please note, the LLPA may not be reflected in the price until after the lock extension or re-lock has been completed. Mandatory Commitments are not eligible at this time.

Background Information

Under the direction of the FHFA and in response to their announcing an enterprise pricing framework, Freddie Mac and Fannie Mae have eliminated upfront fees for certain borrowers and affordable mortgage products, while implementing targeted changes to the upfront fees for most cash-out refinance loans. These changes were announced in Freddie Mac Guide Bulletin 2022-22 and Fannie Mae LL 2022-05, and Truist has aligned with these pricing updates.

Bulletin Details

Pricing Waiver Eligibility

Loan Level Pricing Adjustments (LLPAs) are now waived by both Fannie Mae and Freddie Mac for loan types in the categories described below:

HomeReady and Home Possible Loans

Fannie Mae and Freddie Mac will waive the LLPAs for all HomeReady® and Home Possible® loan products. This pricing waiver was effective in Lending Space on November 18, 2022.

Loans for First-Time Homebuyers with Income at or below applicable Area Median Income (AMI) Limits

Freddie Mac and Fannie Mae will waive the LLPAs for loans meeting the following characteristics:

- At least one borrower on the loan is a first-time homebuyer, **and**
- The property is secured by a primary residence, **and**
- The total qualifying income is at or below 100% of the applicable AMI for non-high-cost areas, and 120% for high-cost areas. Clients may use Fannie Mae's [Area Median Income Look Up Tool](#) or Freddie Mac's [Home Possible Income & Property Eligibility Tool](#) to assist with determination of AMI%.

Desktop Underwriter® and Loan Product Advisor® will provide feedback messages indicating when a first-time homebuyer meets the applicable AMI limits and is eligible for the LLPA Waiver. A Special Feature Code (SFC) for this pricing waiver is not required.

Bulletin Details, continued

Pricing Waiver Eligibility, continued

Duty to Serve Eligibility

Under the Duty to Serve rule, mortgage loans supporting Duty to Serve must meet certain requirements beyond those in the Truist Standards. To be considered an eligible Duty to Serve loan, the loan must meet requirements applicable to all Duty to Serve mortgage loans and all other requirements specific to the type of mortgage loan, as follows:

- The total qualifying income must be at or below 100% of the applicable AMI (refer to Fannie Mae’s [Area Median Income Look Up Tool](#) or Freddie Mac’s [Home Possible Income & Property Eligibility Tool](#)), **and**
- Be secured by principal residence, **and**
- Be a purchase or limited cash-out refinance transaction, **and**
- The property type must be:
 - located in a high needs rural region, a persistent poverty rural county, or a property within a high needs population (including a Native American), as [defined](#) by FHFA, **or**
 - originated by small financial institution, as [defined](#) by FHFA, **or**
 - subject to income-based resale restrictions
- In addition, lenders must use SFC 874 for Fannie Mae loans meeting Duty to Serve characteristics described above. For Freddie Mac loans located in a rural tract or high needs rural region, lenders must use SFC J85.

Notes:

- Some loans may be eligible under more than one category. Lenders should deliver all applicable special feature codes.
- AUS messages related to the applicable SFCs and Duty to Serve loans will be updated in a future release and may not align with the updates above until then. Furthermore, the AUS will not be able to identify all applicable Duty to Serve features.
- For more information on Agency LLPA Waivers, refer to the Truist [Trusted Advisor Tips](#).

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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