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Preview

LTV Reductions in Over-heating/Declining Markets for the Key Loan Program

Truist Bank (Truist) announces updates to the Declining Market Index for the Key Loan Program.

Effective Dates

Effective for new locks on or after March 31, 2023 (refer to today's Trusted Advisor Tip for instructions on how to lock the loan).

Background Information

Truist monitors valuation shifts in the housing markets on a routine basis. The Declining Market Index indicates mandatory LTV reductions for the Key Loan Program in declining and/or over-heating markets. Updates to this index are published quarterly or, as necessary, based on valuation shifts in the housing market. It is the responsibility of all Correspondent lenders involved in the appraisal review and/or approval to know these standards and apply the appropriate LTV reduction, as applicable, based on the MSAs listed in the Declining Market Index.

Bulletin Details

Over-heating Markets requiring 10% LTV Reductions

The following metropolitan statistical areas (MSAs) are added to the [Declining Market Index](#) requiring a 10% reduction to the maximum allowable LTV/TLTV for the product as stated in the Key Loan Program selling guide:

- Seattle-Tacoma-Bellevue, WA MSA
- San Francisco-Oakland-Hayward, CA MSA
- San Jose-Sunnyvale-Santa Clara, CA MSA
- Santa Cruz-Watsonville, CA MSA

Waiver of Declining Market LTV/TLTV Reduction for Truist-to-Truist Rate/Term Refinances

Declining market reductions to the maximum LTV/TLTV are waived for certain rate/term refinance transactions when the borrower's current loan is in the Truist portfolio.

To identify transactions that are eligible for the declining markets LTV/TLTV reduction waiver, the following standards must be followed:

- To determine if the loan is eligible for the declining market LTV/TLTV reduction waiver, email the Inside Sales Team and provide the current Truist loan number at CRC.correspondent@truist.com. Truist will return an email stating whether the loan qualifies for the declining markets LTV/TLTV reduction waiver.
- If the loan is eligible for the declining market LTV/TLTV reduction waiver, the validation email from Truist must be placed in the loan file.

Bulletin Details, continued

Updates to Section 2.06 Key Loan Standard:

Information in following subtopics within Section 2.06 of the Correspondent Seller Guide are updated:

- **Refinances/Rate/Term Refinance/Truist Portfolio to Truist Portfolio Transactions**
- **Maximum Loan-To-Value (LTV)**
- **Appraisal Requirements/Declining Markets/Standard Summary**

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 [Key Loan Standard](#), [Declining Market Index](#), and the [Key Loan Eligibility Checklist \(COR 0650\)](#) to review the revised product materials.

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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