

Alert

Update

Reminder

Clarification

Training
Information

Preview

HELOC Liability within the DTI for the Key Loan

Truist Bank (Truist) updates the liability section within the Key Loan Standard for Home Equity Line of Credit (HELOC) debt obligations within the Debt to Income (DTI) ratio.

Effective Dates

Effective for new locks as of November 10, 2023.

Background Information

HELOC transactions are considered part of the borrower's recurring monthly debt obligations for a mortgage. Based on market analysis of this rule, Truist takes the opportunity to update its standards for HELOC debt.

Bulletin Details

HELOC Liability within the DTI

The HELOC guidance within the Liability section of the Key Loan Standard for is updated to consider part of the borrower's recurring monthly debt obligations using the following guidance:

- **HELOCs with a balance:** use the payment as reflected on the credit report, the borrower's monthly HELOC statement, or 1% of the full line amount if neither of these options are available.
- **Existing HELOCs without a balance:** 1% of the current HELOC credit limit is required within the borrower's recurring monthly debt obligations.
- **New or Simultaneous Close HELOCs, regardless of lender:** HELOCs closing simultaneously or when there is a documented commitment in the loan file to open a HELOC on the subject or other real estate owned property, the greater of 1% of full line amount or the documented payment amount based on the initial draw is required within the borrower's recurring monthly debt obligations.

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

Former Standards

HELOC transactions were qualified using the greater of 1% of the full line amount or the payment as reflected on the credit report or the borrower's monthly HELOC statement.

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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