

Section 1.03 – Loan Registration and Lock-in Procedures

**In This Policy
Section**

This policy section contains the following topics.

Related Bulletins	2
Daily Rates and Price Notification	2
General	2
Lock Options and Pricing Adjustments	3
Extended Lock Option	3
Upfront Commitment Fees	4
Eligible Products	4
Loan Registration and Lock-in Procedures	5
General	5
Escrow Waiver Fees	5
Confirmations	5
CRA Incentive	6
CRA Incentive and Verification	6
Lock-in Terms	7
General	7
Expired Lock-Ins and Lock-In Extensions	8
Expired Lock-ins	8
Extension Fees	8
Fallout Loans	9
General	9
Relock	10
General	10
Re-pricing	11
Re-pricing	11
Renegotiations	11
Pended Loan Policy	12
Pended Loan Fees	12
Return of Mortgage Loans	12
Truist Point of Sale Pricing Controls	12
Non-Delegated Lenders	12
Delegated and Non-Delegated Lenders	12

Related Bulletins

General

Related bulletins are provided below in PDF format. To view the list of published bulletins, select the applicable year below.

- [2022](#)
 - [2021](#)
 - [2020](#)
 - [2019](#)
-

Daily Rates and Price Notification

General

- Loan rates and prices will be posted to the Truist Correspondent website origination system by approximately 10:00 a.m., Eastern Time.
 - The rates and prices are valid until 10:00 p.m., Eastern Time on the same day.
 - Lock-ins will be accepted between the hours of 10:00 a.m. and 10:00 p.m., Eastern Time.
 - All price quotes include the service release premium (SRP).
 - Rate Sheet, Adjustments page, and SRP schedules are posted to assist in the calculation of price.
 - Final price quoted on all transactions includes SRP and any applicable pricing adjustments.
 - The SRP Schedule may be accessed by logging in to our Truist Correspondent website. The SRP link is located under the Regional Announcements section of the Home page.
 - Market conditions may dictate that prices change more than once a day.
 - Truist will notify correspondents of the price change when possible; however, there are circumstances in the market when Truist must close the lock-in desk immediately.
-

Lock Options and Pricing Adjustments

Extended Lock Option

- The extended lock-in option allows lock protection for up to 270 days.
- The extended lock-in option is not available on transactions where the subject property is located in the state of Illinois.
- Extended Locks may be withdrawn the same day as the lock without penalty. Loans withdrawn after the initial lock date are subject to paying the upfront fee.

Hard Locks

- Refer to Rate Sheet and Adjustments page.

Rate Cap with Float Down Option

The rate cap with float down option offers rate protection up to 270 days with a one-time float down option.

- To establish the capped rate, the lender locks their rate at above the 60-day market rate.
- If the market improves, the lender may exercise the one time float down option and relock the loan on the current 60-day price. The applicable float down rate adjustment will be added to the 60 day pricing.
- The float down option may only be exercised when the loan is within 45 days of delivery to Truist.
- The expiration date is the original expiration date or 45 days, whichever comes first.
- The applicable upfront fee is refundable to the lender should they close and fund the loan.
- Rate Cap and Float Down Options are not available on High Balance products.

Reference: See subtopic **Upfront Commitment Fees** for additional information.

- Refer to Rate Sheet and Adjustments page for adjustments and upfront fees.
-

Lock Options and Pricing Adjustments, continued

Upfront Commitment Fees

- All upfront commitment fees are due to Truist within five (5) business days of lock-in.
- In order to be properly credited, the fees must be remitted separately from other documentation, in an envelope clearly marked "Mail Code: 301-40-05-55, Attn: Correspondent Billing, Extended Locks, 1001 Semmes Avenue, Richmond, VA 23224." The Truist Lock Desk will not be responsible for checks sent to other departments of Truist that are not properly marked. Failure to adhere to this policy will result in loss of the extended lock.
- Expiration dates include the delivery times.
- The entire upfront fee is refundable *only* in the event of credit or appraisal denial.
- Loans that are delivered AFTER the expiration date forfeit the upfront fee.

Eligible Products

- Agency Fixed
 - The ARM Alternative
 - FHA/VA Fixed
-

Loan Registration and Lock-in Procedures

General

- Correspondent lenders have three (3) options for registering and/or locking loans:
 - Truist Correspondent website,
 - telephone, or
 - facsimile.
 - The *Registration/Lock-in Form* ([COR 0001](#)) must be used to transmit application data and lock-in information via fax. Correspondent lenders may also telephone the Truist Lock Desk to register and/or lock-in a loan.
 - Additionally, the following loan registration and lock-in policies apply:
 - all loans must be registered prior to submission for underwriting,
 - all loans must have a registered lock-in no later than one (1) business day prior to delivery, and
 - all loans must be locked in separately.
-

Escrow Waiver Fees

- Escrow waiver fees vary according to loan product and state.
- Actual cost of the escrow waiver can be found in the Truist Correspondent SRP Schedule.
- Products that permit a waiver of escrows have two SRP values listed on the SRP Schedule:
 - The first value is labeled “Loans with Escrows.”
 - The second value is “Loans without Escrows.”
- The difference in the two SRP Schedules provided is the actual cost of the escrow waiver for that product and state.
- If partial or full escrows are being waived, the “Loans without Escrows” SRP value from the schedule must be used.
- The use of a fixed cost for escrow waivers was replaced with the rollout of the SRP Schedule.

Note: The SRP Schedule may be accessed by logging in to our Truist Correspondent website. The SRP link is located under the Regional Announcements section of the Home page.

Reference: See General Section [1.08: Loan Delivery and Purchase Review](#) for more information regarding waiver of escrows.

Confirmations

- Lock-in confirmations are available to Correspondent lenders online.
 - If a lock-in confirmation is not received, contact the Truist Lock Desk.
 - It is the Correspondent lender’s responsibility to review each lock-in confirmation for accuracy.
 - If any discrepancies are noted, please contact the Truist Lock Desk immediately.
 - Truist recommends Correspondent lenders provide borrowers with a lock-in disclosure to protect them in an upward rate environment.
-

CRA Incentive

CRA Incentive and Verification

Target Area

- Loan eligibility for CRA Incentive is limited to Truist Bank's Community Reinvestment Act (CRA) assessment areas. It is also based on the subject property being located in a low-or-moderate income census tract or the borrower's income being equal to or lower than Truist's maximum allowable income level for the property county.
- Truist's assessment areas are NOT located in all areas of the states.
- To determine if your loan qualifies for the incentive(s), take the following steps:

Step	Action
1	Go to http://www.truistgeocoder.com/
2	Enter Password: CORRES
3	Input your borrower's annual income and property address
4	You will receive either a "Qualified" or "not-Qualified" value
5	If "Qualified," lock your loan at LendingSpace
6	Complete the CRA Census Tract Verification Form (COR 0560A), if required. Email completed form to SunTrust.Corr.CRA@suntrust.com within 48 hours of loan being locked.

- If the form is received within 48 hours of lock, Truist will validate the information and make the appropriate price adjustment.
-

Lock-in Terms

General

- Lock-in terms are available in 7, 15, 30, 45, 60, and 75 day terms.
 - Exact terms available will vary according to the product and, depending on the loan program, the price will be established for the actual term of the lock-in (refer to the daily quote sheet for specific product terms).
 - A lock-in will establish the purchase price and the terms of the loan, subject to the terms and conditions in the correspondent seller guide.
 - “Best efforts” delivery is expected on all locked loans. The correspondent lender must make every effort to close the loan according to the terms of the lock-in.
 - If the borrower changes the type of loan requested, so that the terms of the loan no longer agree with the terms of the lock-in, the correspondent lender must notify the Truist Lock Desk and the loan will be re-priced.
 - Loan delivery to Truist is “mandatory” on closed loans that are locked with Truist.
 - It is an event of default, under the Correspondent Loan Purchase Agreement, if a loan subject to a “best efforts” lock-in closes, but is not delivered to Truist. In the event of such a default, notwithstanding the remedies outlined in the Purchase Agreement, Truist may charge the correspondent lender a pair off penalty. The pair off penalty will not be less than the quoted loan price on the expiration date of the lock-in less the lock-in price, with a minimum penalty of one eighth of one percent (.125%) of the loan principal.
 - If a locked-in loan is withdrawn, an audit will be completed to verify that the borrower has withdrawn the loan.
-

Expired Lock-Ins and Lock-In Extensions

Expired Lock-ins

- If the original lock-in term expires before the loan is delivered, the loan will be subject to re-pricing.
- If a correspondent lender is aware of a loan that will not meet the delivery date, the Truist Lock Desk should be contacted **prior to** the expiration date.
- If the loan has expired, or a withdrawn loan is reactivated, a one-time Rate lock “Relock” will be granted under the following terms:
 - the original lock expiration date is expired at the time of the request,
 - maximum day relock of 15 or 30 days,
 - the rate and price of the relock will be determined by using the “worse case pricing” rule based off of the current lock pricing period (refer to the Relocks topic for additional guidance), and
 - the loan must meet guidelines in place at time of the relock or extension.
- If the original lock is expired, the locked loan may return to “float status” at no extra cost if the following applies:
 - The original lock has expired by greater than thirty (30) days.
- Once a loan has been expired for thirty (30) days, the loan will automatically be withdrawn from Truist’s pipeline.
- All exceptions to pricing policies are negotiated on a case-by-case basis.
- The following products are eligible for lock extensions:
 - Fannie Mae/Freddie Mac
 - FHA/VA/RD (fixed rate only)
 - Key Loan Program

Extension Fees

If delivery is not made after the 60 days of total extensions, the loan is subject to worse case pricing. See below for extension periods and fees:

Extension Period	Extension Fee
1 Day	0.02%
2 Days	0.04%
3 Days	0.06%
4-60 Days	.020 for each additional day up to 60 days

Notes:

- All extensions are cumulative. Correspondent lenders may have extensions not to exceed a total of sixty (60) days.
 - Policies are subject to change without notice.
 - Correspondent lenders may contact the Truist Lock-In and Registration Desk for further information at 800-382-2111.
-

Fallout Loans

General

- Truist's ability to offer competitive pricing is directly affected by our customer's ability to manage their fallout ratios. Fallout occurs when a loan is not delivered according to the lock-in terms. A loan is considered a fallout loan if:
 - the lock-in expired prior to the loan delivery,
 - the loan was denied,
 - the loan was withdrawn, or
 - for any reason the loan did not close according to the lock-in terms.
 - Correspondent lenders are responsible for notifying the Truist Lock Desk within one (1) business day if a loan falls out due to denial or withdrawal.
 - During any sixty (60) day period, fallout loans are measured by dollar amount, and by the number of successful deliveries versus unsuccessful deliveries.
 - Fallout loans must not exceed thirty-five percent (35%) of all loans subject to a lock-in.
 - A Correspondent lender's failure to maintain the amount of fallout loans within these limits may cause Truist to terminate the *Correspondent Loan Purchase Agreement*.
 - Truist reserves the right to charge a pair off fee for any locked loan that is not delivered to Truist.
 - The pair off fee is calculated by taking the difference in original price and current market and multiplying that figure times the loan amount.
 - The minimum pair off fee is .125 of a point.
-

Relock

General

If the original lock has expired 15 and 30 day relocks are available at a cost of worst case between the original and current rate/price plus all applicable program adjustors.

15 Day Relock:

Determine the rate and price of the relock by using the worst case between current market and original rate/price, plus all applicable program adjustors including the .10 relock adjustment for a 15 day relock.

30 Day Relock:

Determine the rate and price of the re-lock by using the worst case between current market and original rate/price, plus all applicable program adjustors including the .150 relock adjustment for a 30-day relock.

Re-pricing

Re-pricing

- A locked-in loan may require re-pricing for several reasons including but not limited to the following:
 - an expired lock-in or failure to deliver the closing package by the lock-in expiration date, or
 - a loan that has been pended for purchase for an extended period of time.
 - If the re-pricing of an expired lock-in is requested, the price will never be better than the original lock-in rate or price. All exceptions to pricing policies are negotiated on a case-by-case basis.
 - If the loan is re-priced, the purchase price will decrease a minimum of one eighth of one percent (.125%) in points or the difference between the purchase price and current market price.
 - The loan must meet guidelines in place at time of the re-pricing.
 - A borrower may change the loan program applied for and receive a new current lock-in only if the loan has been denied under the terms for which the applicant originally applied. A new 60-day lock-in may be made under a new program at current rates and points. Before a new lock-in can be entered, the Truist Lock Desk must be contacted.
 - If the borrower chooses voluntarily (not the result of a loan denial) to change the loan product, thereby affecting the lock-in, the Truist Lock Desk will authorize a new lock-in at the higher of the price being quoted for the new product at the time of application or the current price for the new product. The expiration date will remain unchanged from the previous lock-in.
-

Renegotiations

- Contact the Truist Correspondent Lock Desk to renegotiate a Key Loan program loan.
 - For loan programs other than the Key Loan program, the price on a locked loan may be renegotiated on a case-by-case basis using the following requirements:
 - Once the borrower has requested the renegotiation, the Correspondent lender must contact the Truist Correspondent Lock Desk to initiate the renegotiation.
 - Only one rate renegotiation per loan is allowed.
 - The market must have moved more than 0.500 in price from the original lock date in order for a rate renegotiation to occur.
 - A rate decrease of at least .125% is required.
 - Lock extensions on a renegotiated loan will be permitted using existing lock extension fees.
 - The pricing offered on the renegotiation will not exceed the originally locked price.
 - The rate renegotiation offer is calculated by splitting the market difference not to exceed the original price of the loan.
 - [Click here](#) to access Renegotiation Request form COR 0002.
-

Pended Loan Policy

Pended Loan Fees

Reference: See General Section [1.08: Loan Delivery and Purchase Review](#) for information regarding pended loan fees.

Return of Mortgage Loans

- The decision to assess and collect penalties or return loan files will be discussed by the Correspondent Operations Manager and the Correspondent Account Manager.
 - A performance tracking report identifies the number of loans per correspondent delivered and purchased without pend conditions as well as the number of loans returned or with penalty assessments.
 - Correspondents will be notified by telephone as necessary regarding inadequate loan delivery performance.
-

Truist Point of Sale Pricing Controls

Non-Delegated Lenders

In order to limit pricing discretion from occurring at the point of sale, Truist requires Correspondent Non-Delegated lenders to:

- maintain policies and procedures for restricting the amount of subsidy used.

Note: It is highly recommended that lenders cap subsidy at 100 basis points.

- maintain policies and procedures to properly document all pricing exceptions, as required by the Consumer Financial Protection Bureau (CFPB), and
 - maintain policies and procedures to monitor these exceptions for any unlawful disparate impact patterns that might occur, and to take corrective action in the event one does occur.
-

Delegated and Non-Delegated Lenders

- Truist will analyze pricing activity of all Correspondent lenders and notify lenders if we identify unexplainable patterns.
 - Truist will require remedial actions for those situations in which we deem such action is warranted.
 - Truist will consider the fair lending risk of loan pricing in setting our Correspondent rate sheets and determining whether to purchase Correspondent loans.
-