

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

January 3, 2014 • COR14-002



Alert

Update

Reminder

Clarification

Training
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Preview

Clarification to Agency Texas Section 50(a)(6) Cash-Out Refinances

SunTrust Mortgage, Inc. removes internal teammate guidance from our guidelines for Agency Texas Section 50(a)(6) cash-out refinances (also known as “true cash-out”).

Intended Audience

Origination Processing	Secondary Marketing	Underwriting	Closing Delivery Funding	Compliance Legal	Other
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Effective Dates

There is no effective date.

Background Information

In bulletin [COR13-100](#), SunTrust Mortgage reintroduced Agency Texas Section 50(a)(6) cash-out refinances for borrowers with a primary residence in the state of Texas as of October 21, 2013. Because our guidelines included a reference to two closing/funding checklists which are not required documents for loan delivery to SunTrust Mortgage, we therefore revised our guidelines to remove a reference to these checklists.

Bulletin Details

Pre-Closing and Post-Closing Quality Control Review

The following closing/funding checklists are not required documents for loan delivery to SunTrust Mortgage, and no longer appear in our product description for Agency Texas Section 50(a)(6) cash-out refinances:

- Texas Equity Preliminary Review Checklist
- Texas Equity Funding Review Checklist

Action Required

Correspondent Lenders Starting January 3, 2014

Review this bulletin and be aware of the clarification regarding closed loan files for Agency Texas Section 50(a)(6) cash-out refinances.

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Bulletin Details, continued

Program Reminders

As previously announced in bulletin [COR13-100](#), Agency Texas Section 50(a)(6) cash-out refinances are only eligible for correspondent lenders who meet the following requirements:

- the correspondent is lawfully authorized to originate such loans,
- the correspondent has the Texas Section 50 (a)(6) cash-out refinance loan transaction reviewed by an attorney, and
- the correspondent has delegated underwriting authority for Agency transactions with SunTrust Mortgage.

In addition, Agency Texas Section 50(a)(6) cash-out refinances are not eligible for underwriting submission to SunTrust Mortgage. Correspondent lenders must use their delegated underwriting authority. SunTrust Mortgage underwriters will not underwrite these transactions.

Revised Material

Click [Texas Cash-Out \[50\(a\)\(6\)\] Refinance First Mortgages](#) to review the revised material.

Former Guideline

Our guidelines for Agency Texas Section 50(a)(6) cash-out refinances previously referenced the following closing/funding checklists, which are not required documents for loan delivery to SunTrust Mortgage:

- Texas Equity Preliminary Review Checklist
- Texas Equity Funding Review Checklist

Other Resources

Support Group	Description and Contact Information:
Account Manager or Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each account manager or correspondent relations coordinator is located in General Section 1.01: The Correspondent Division
Resource Center	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact the Resource Center at 800.382.2111, Option 1, Option 2.

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