

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

January 10, 2014 • COR14-009



Alert

Update

Reminder

Clarification

Training
Information

Preview

The Ability-to-Repay Rule Now Used to Determine a Qualified Mortgage

SunTrust Mortgage, Inc. includes the eight factors used in the Consumer Financial Protection Bureau's (CFPB) Ability-to-Repay and Qualified Mortgage Standards Rule (ATR Rule) used to determine if a creditor originates a "Qualified Mortgage" (QM) to the general Underwriting Guideline located in the *Correspondent Seller Guide*.

Intended Audience

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

Friday, January 10, 2014
Effective for loan applications dated on or after this date.

Background Information

On January 10, 2013, the CFPB issued its ATR Rule. The final rule provides specific standards for defining "debt" and "income" in its Appendix Q. The ATR Rule also contains eight factors used to determine if a creditor originates a "Qualified Mortgage" (QM).

Information contained in this bulletin should not be deemed to constitute the provision of legal/compliance advice by SunTrust Mortgage. Correspondent lenders are urged to consult with their legal/compliance departments for information, interpretation, and/or additional requirements related to these regulations.

Note: Correspondent lenders must deliver QM/ATR compliant transactions to SunTrust Mortgage.

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Bulletin Details

Ability to Repay Requirements

The Ability-to-Repay Rule contains 8 factors used to determine if a creditor/lender originates a QM loan according to the CFPB's ATR Rule. These requirements have been included in the general section of the Underwriting Guidelines, the FHA 203(b) and the Veteran Administration (VA) Loan Programs.

Revised Materials

Click [Underwriting](#), [The FHA 203\(b\) Loan Program](#), and the [Veterans Administration \(VA\) Loan Program](#).

Former Guideline

Previously we did not publish the eight factors used to determine if a creditor originates a QM in our guidelines.

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.

Action Required

Originators, Processors, Underwriters, Closers, Funders, Compliance and Legal Starting January 10, 2014

Ensure the new CFPB Ability-to-Repay Rule is met on all loans with an application date on or after this date.

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