

# Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

February 28, 2014 • COR14-028



Alert

Update

Reminder

Clarification

Training Information

Preview

## Loan Delivery Rewards, Pended Loan Fee Details, and Courier Fee Elimination

SunTrust Mortgage, Inc. clarifies *First Touch Funding* eligibility and revises the pended loan fee guideline. Additionally, we are eliminating the \$250 courier fee assessed for loan packages with the incorrect mailing address.

### Intended Audience

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

#### February 28, 2014

Loan delivery rewards and pended loan fee details are effective for new applications and loans in the pipeline as of this date.

The courier fee elimination is effective for loan packages received on or after this date.

### Background Information

SunTrust Mortgage takes the opportunity to provide clarity regarding loan eligibility for SunTrust Mortgage's *First Touch Funding* program. Additionally, SunTrust Mortgage updates the fees related to closed loans in pend status.

In October of 2011, our Correspondent Division began assessing a \$250.00 courier fee to encourage our correspondent lenders to send loan packages to the correct address. We no longer have this need.

### Bulletin Details

#### First Touch Funding

*First Touch Funding* provides an opportunity for correspondent lenders to be rewarded for quality loan delivery and receive a \$25.00 reduction to the applicable document review fee. Eligible loans must meet the following requirements:

- The loan must be delivered to SunTrust Mortgage for funding prior to the lock expiration date.
- The loan must pass through the purchase review and compliance process without being "pended" for loan conditions.
- SunTrust Mortgage must receive the original Note with endorsement.

### Action Required

#### Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, and Funding As of February 28, 2014

Be aware of revised First Touch Funding requirements, Pended Loan Fee guidelines, and Courier Fee elimination.

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## Bulletin Details, continued

### Pended Loan Fees

SunTrust Mortgage requires lenders to deliver all loans to SunTrust Mortgage by 2:00 PM Eastern the day of lock expiration. Upon receipt, SunTrust will review the loan to determine if it is in purchasable condition. For a loan that is not in a purchasable condition, SunTrust Mortgage will issue a pend notice. SunTrust will then calculate a pend-hit date. SunTrust will incrementally reduce the purchase price of the loan based on the following timeframes:

- If the loan is not in purchasable condition by the pend-hit date (defined as later of 7 days from pend date or 7 days from lock expiration), SunTrust Mortgage will reduce the purchase price by thirty (30) basis points.
- If the loan is not in purchasable condition by the second pend-hit date, [defined as the later of fourteen (14) calendar days from the pend date or lock expiration], SunTrust Mortgage will reduce the purchase price by an additional twenty-five (25) basis points for a total of fifty-five (55) basis points.
- If the loan is not in purchasable condition by the third pend-hit date [defined as the later of twenty-one (21) calendar days from the pend date or lock expiration], SunTrust Mortgage will reduce the purchase price by an additional twenty-five (25) basis points for a total of eighty (80) basis points.
- If the loan is not in purchasable condition by the fourth pend-hit date [defined as the later of (30) calendar days from the pend date or lock expiration], SunTrust may begin the process of returning the loan file to the correspondent lender. If the lender elects to provide missing or corrected documents, SunTrust Mortgage will reduce the purchase price an additional fifty (50) basis points for a total of one hundred thirty (130) basis points.

### Notes:

- Rate locks cannot be extended by correspondent lenders once loans are delivered to SunTrust Mortgage.
- When the pend-hit day falls on a weekend or holiday, it is rolled to the next business day.

### Courier Fee

We have eliminated the \$250.00 courier fee for each package with the incorrect mailing address.

### Revised Materials

Click [Loan Delivery and Purchase Review](#) and [Loan Registration and Lock-in Procedures](#) to view the revised material.

### Former Guidelines

Previously, SunTrust Mortgage required delivery of the Note within 24 hours for *First touch Finding* eligibility. Pended loan fees were previously calculated as follows:

- SunTrust accepted correction of an error or omission up to the earlier of lock-in expiration, or seven (7) days from date pended.
- If the pend was not cured within seven (7) calendar days from the pend date, the purchase price was reduced by one-eighth (.125%) basis points.
- If the pend was not cured within fourteen (14) calendar days from the date of the pend date, the purchase price was reduced by an additional twenty-five (25) basis points.
- If the pend was not cured within twenty one (21) calendar days from the date of the pend date, the purchase price was reduced an additional twenty-five (25) basis points.
- If the pend was not cured within thirty (30) calendar days from the date of the pend date, the loan was no longer eligible for purchase and SunTrust returned the loan file to the lender.

We also previously assessed a \$250.00 courier fee at the time of funding for each package with the incorrect mailing address.

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## 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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