

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

March 14, 2014 • COR14-032



Alert

Update

Reminder

Clarification

Training
Information

Preview

Key Loan Program Guideline Clarity for Co-Signed Debt Requirements

SunTrust Mortgage, Inc. clarifies the requirements for omitting co-signed debt for the Key Loan Program.

Intended Audience

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

No new effective date.

Background Information

On January 10, 2014, SunTrust Mortgage published Correspondent bulletin [COR 14-006](#) outlining the Consumer Financial Protection Bureau (CFPB) standards for Ability to Repay and Qualified Mortgage Standards Rule (ATR Rule). The bulletin provided specific guidance for omission of co-signed debt for the Key Loan Program that we are further clarifying in this communication.

Bulletin Details

Requirements for Omitting Co-Signed Debt under Liabilities

The guidelines noted under the sub-topic Liabilities now agrees with the specific sub-topic on Co-Signed Debt subsequently reflected in the same section.

If a borrower has co-signed a debt but is not making the payments, it is not included in the debt ratio if the following applies:

- documentation can be provided showing the account is paid by the primary borrower of the co-signed loan for at least 12 months, and
- the payment history does not reflect any late payments, and
- the borrower provides 12 months of canceled checks to identify who is making the payments.

Action Required

Origination, Processing, Underwriting, Closing, Delivery, and Funding Starting March 14, 2014

Follow published guidance.

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Bulletin Details, continued

Revised Materials

Click [Key Loan Program](#) to view the revised material.

Former Guideline

Previously, guidance regarding the omission of co-signed debt reflected under Liabilities did not agree with the subtopic on Co-Signed Debt subsequently reflected in the same section.

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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