

# Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

April 11, 2014 • COR14-040



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## Elimination of Real Estate Taxes Due at Settlement when Tax Escrows Are Waived

SunTrust Mortgage, Inc. eliminated the requirement for borrowers to pay real estate taxes when due within 60 days of closing when tax escrows are waived.

### Intended Audience

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

**Friday, April 11, 2014**  
Effective for all new applications  
and existing loans in the pipeline.

### Background Information

SunTrust Mortgage eliminated the requirement for real estate taxes to be paid when due within 60 days of the closing date when tax escrows are waived. We allow the borrower to choose when to pay their real estate taxes that are not yet due and payable.

### Bulletin Details

#### Investor Delivery Requirements

- SunTrust Mortgage delivery requirements stipulate that the loan must be in first lien position at time of loan delivery. Ensure that our lien is in superior lien position.
- Obtain proof that the borrower has sufficient reserves and/or a pattern of savings that supports their ability to pay the pending property taxes from post-closing reserves.

#### Tax Information Sheet

We have revised information under this subtopic in the Loan Delivery and Purchase Review section in the *Correspondent Seller Guide* to read, "Taxes due within 60 days of the closing date must be paid by the settlement agent with evidence of payment forwarded to SunTrust, unless the borrower has waived the tax escrows. We do not require payment of taxes with 60 days of settlement when tax escrows are waived." The Tax Information Sheet (COR 0034) now includes the revised tax due language.

### Action Required

**Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, and Funding Starting April 11, 2014**  
Apply the guidelines in this bulletin to all loans that have not funded.

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## Bulletin Details, continued

### Revised Materials

Click [Loan Delivery and Purchase Review](#) and [Tax information Sheet \(COR 0034\)](#) to view the revised materials.

### Former Guideline

Previously, our guidelines required taxes due within 60 days of the closing date to be collected and paid by the settlement agent regardless of whether tax escrows were waived or not.

### 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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