

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

May 16, 2014 • COR14-054



Alert

Update

Reminder

Clarification

Training
Information

Preview

Documentation Provided to Appraisers

This bulletin announces requirements for documentation that lenders must provide to appraisers at time of assignment and/or at time of inspection of the property.

Intended Audience

Origination
Processing

Secondary Marketing

Underwriting

Closing
Delivery
Funding

Compliance
Legal

Other

Effective Dates

Friday, May 19, 2014

The revised documentation requirements are effective for appraisal orders and property inspections on or after this date.

Background Information

As a result of Freddie Mac Bulletin 2014-2, SunTrust Mortgage updated our appraisal guidelines to reflect documentation that lenders must provide to appraisers for both conventional and government loan programs.

Bulletin Details

The following information must be provided to the appraiser at time of assignment and/or at time of inspection of the property as applicable:

- a copy of the complete executed sales contract, including all addendums to the sales contract (a sales contract on a new home should state the base price of the house and itemize each option; plans and specifications if the property is new construction or renovation),
 - If new addendums are executed after the effective date of the appraisal, the appraiser must receive these new addendums.
 - The appraiser must review the new addendums and determine if the appraised value, marketability of the property, and/or information in the appraisal needs to be updated. If an update is required, the appraiser may require an additional fee.

Action Required

Processing and Underwriting/Appraisal Review Starting May 19, 2014

For both conventional and government loan programs, follow the revised documentation requirements for appraisal orders and property inspections on or after this date.

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Bulletin Details, continued

Information Provided to the Appraiser, continued

- complete legal description,
- income and expense statements and property leases,
- current homeowner association budgets,
- any additional information that is not included in the sales contract, and
- any other known information that may affect the value or marketability of the property. This information includes, but is not limited to, an affiliation between the property seller and purchaser, proposed changes to the use of the property, and the presence of any Contaminated Site or Hazardous Substance affecting the property or the neighborhood in which the property is located.

The documents and communication provided to the appraiser must capture the following information, typically found in the sales contract and/or financing addendum to the sales contract:

- the property address
- settlement charges
- loan fees or charges
- discounts to the sales price
- payment of condominium or Planned Unit Development (PUD) fees
- interest rate buydowns
- below-market-rate financing
- credits or refunds to borrower expenses
- absorption of monthly payments
- assignment of rent payments
- non-realty items included in the transaction

Revised Material

Click [Appraisal Guidelines](#) to review the revised material.

Former Guideline

Information Provided to the Appraiser

Our appraisal guidelines did not previously include requirements for documentation that lenders must provide to appraisers.

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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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