

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

July 25, 2014 • COR14-080



Alert

Update

Reminder

Clarification

Training
Information

Preview

SunTrust Mortgage, Inc. POS Pricing Controls

SunTrust Mortgage, Inc. implements a strategy for controlling the fair lending risk associated with point of sale (POS) pricing for all Correspondent lenders, including those with delegated and non-delegated underwriting authority.

Intended Audience



Effective Dates

Friday, July 25, 2014
This update is effective immediately.

Background Information

Upon recent review of our pricing guidelines, we found the need to establish guidelines for point of sale pricing controls for both our delegated and non-delegated (including Emerging Banker) Correspondent lenders.

Bulletin Details

SunTrust Mortgage, Inc. Point of Sale Pricing Controls

In order to limit pricing discretion from occurring at the point of sale, SunTrust Mortgage, Inc. requires Correspondent non-delegated lenders (including Emerging Bankers) to:

- maintain policies and procedures for restricting the amount of subsidy used

Note: It is highly recommended that lenders cap subsidy at 100 basis points.

- maintain policies and procedures to properly document all pricing exceptions, as required by the Consumer Financial Protection Bureau (CFPB), and
- maintain policies and procedures to monitor these exceptions for any unlawful disparate impact patterns that might occur and take corrective action in the event one does occur.

Action Required

Origination, Processing, Underwriting, Closing, Delivery, Funding, Compliance, Legal, and Emerging Bankers Starting July 25, 2014
Follow the published guidance.

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Bulletin Details, continued

SunTrust Mortgage, Inc. Point of Sale Pricing Controls (continued)

For delegated and non-delegated lenders (including Emerging Bankers), SunTrust Mortgage will do the following:

- analyze pricing activity of all Correspondent lenders and notify lenders if we identify unexplainable patterns,
- require remedial actions for those situations in which we deem such action is warranted, and
- consider the fair lending risk of loan pricing in setting our Correspondent rate sheets and determining whether to purchase Correspondent loans.

Revised Material

Click [Loan Registration and Lock-In Procedures](#) to view the revised material.

Former Guideline

Previously we did not provide any pricing control guidance.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each correspondent relations coordinator is located in General Section 1.01: The Correspondent Division
Emerging Banker Account Executive	Specific questions on applying this procedure to specific loan files. Direct contact information for each account executive is located in General Section 1.02: 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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