

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

August 22, 2014 • COR14-087



Alert

Update

Reminder

Clarification

Training
Information

Preview

FHA Data Entry Requirements for Gifts in DU®

SunTrust Mortgage, Inc. reminds lenders of the importance of entering gift funds and other assets properly in Desktop Underwriter® (DU) for FHA loans. Entering the source of down payment and assets properly will ensure correct information is sent to the FHA TOTAL Mortgage Scorecard for accurate findings and insurability of the loan.

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

Fannie Mae issued DU for Government Loans on July 29, 2014 reminding lenders that gift funds and other assets must be entered into DU® properly in order to obtain acceptable findings through TOTAL Scorecard. SunTrust published this guidance in Correspondent Bulletin 12-083 on July 20, 2012. We take this opportunity to remind lenders of this guidance and to provide additional clarity.

Bulletin Details

Entering the Source of Down Payment into DU®

As a reminder, you must enter the full amount of the gift into Section II under the Source of Down Payment Section, even if the entire amount is not being used for the borrower's down payment or if the amount of the gift exceeds the down payment amount needed.

The full amount of the gift funds are entered under Section VI, choosing "gifts" under Assets. It is very important that you list the gift funds separately from the other assets in this section. Follow these next steps for the disposition of the gift funds:

- If the gift funds have already been deposited into the borrower's checking or savings account, (a) the total amount of the gift is entered separately under Assets, then (b) the balance of the checking or savings is entered, adjusting the balance downward by the amount of the gift so that funds are not duplicated.
- If the gift funds have not been deposited into the borrower's checking or savings account, (a) the total amount of the gift is entered separately under Assets, then (b) the balance of the checking or savings accounts is entered as verified.

Action Required

Origination, Processing, Secondary Marketing, and Underwriting

Starting, August 22, 2014
Review all FHA loans with gifts to ensure they have been entered correctly in DU and the findings are accurate prior to the loan closing.

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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 account manager or 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 1.01: 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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