

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
July 10, 2015 • COR15-034

Alert

Update

Reminder

Clarification

Training
Information

Preview

Additional VA Guidance for Contract Revisions

SunTrust Mortgage, Inc. updates our Veterans Administration (VA) guidelines to reflect the additional clarifications for providing sales contracts when revised during the appraisal process and the associated fees.

Intended Audience

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

Friday, July 10, 2015

All updates are effective immediately for both existing and new loan applications on or after this date.

Background Information

VA provided additional clarity in Circular 26-14-29 Change 1, addressing when to provide appraisers with amended contracts during the appraisal process. We also are taking this opportunity to provide requirements for charging the veteran for an additional appraisal report.

Bulletin Details

Appraisal Request – Notification of Point of Contact

The following documents must be supplied to the appraiser:

- A copy of the agreement of sale and all addenda, immediately upon assignment, but not later than one (1) business day after the date of assignment.
 - If the agreement of sale is amended during the process (prior to the effective date of the appraisal), provide the updated contract to the appraiser.
 - If the agreement of sale is amended (subsequent to the effective date of the appraisal, but prior to loan closing), use due-diligence in determining whether the amendment(s) could reasonably be thought to affect the estimated value of the property being used as security for the loan. If so, provide the updated contract to the appraiser.

Additional Appraisal Fees

- Depending on the amount of time and/or extent of any change to the originally considered agreement of sale, the circumstances may warrant the appraiser considering such a change, to constitute a new assignment under USPAP.

Action Required

**Origination, Processing,
Underwriting, Closing, Delivery and
Funding**

Starting July 10, 2015

Apply the guidelines outlined in this bulletin and VA Circular 26-14-29, Change 1.

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Bulletin Details, continued

Additional Appraisal Fees, continued

- An additional fee may be warranted up to the full amount of a new appraisal fee, which may be paid by the veteran. Correspondent lenders should refer disputes to any such additional fees to your Regional Loan Center of the jurisdiction.

Closing Costs

- The VA appraiser's fee is an allowable fee that the veteran may pay in addition to the one percent (1.00%) flat charge. The VA Appraiser's fee may be increased up to an additional \$50 for VA appraisals in order to complete the Fannie Mae Market Conditions Addendum Form 1004MC required on all VA Appraisals.
- A second appraisal fee is acceptable if the correspondent lender or the veteran is requesting reconsideration of value.
- The appraiser determines if a second appraisal is warranted based on an amended sales contract subsequent to the effective date of the original appraisal.
- The following applies to other requests for second appraisals:
 - the veteran cannot pay for an appraisal when it is the seller who is requesting the reconsideration of value.
 - the veteran cannot pay for appraisals requested by parties other than the veteran or correspondent lender. The actual cost of the appraisal may be charged on a credit card when this cost is paid outside of closing under the following conditions:
 - a payment for the amount charged is included in the total debt ratio, AND
 - the borrower has sufficient assets (documentation in file) to pay for the appraisal, in addition to funds needed for other closing costs and the down payment (if applicable).
 - This guideline must be applied OUTSIDE OF AUS.

Revised Materials

Click [Veterans Administration \(VA\) Loan Program](#) to view the revised materials.

Former Guidelines

Previously, all amendments to the sales agreement had to be submitted to the VA appraiser for the appraisal report to be revised. Additionally, the veteran could not pay the second appraisal fee

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.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 4.

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