

# Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
October 30, 2015 • COR15-048

Alert

Update

Reminder

**Clarification**

Training  
Information

Preview

## Additional Clarity Provided on FHA Loans

SunTrust Mortgage, Inc. provides additional revisions and clarity around various topics. Additionally, we revised the SunTrust Government Credit Overlay Matrix.

### Intended Audience

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

There is no new effective date.

#### Background Information

SunTrust Mortgage published bulletin [COR15-041](#) on August 28, 2015 and [COR15-042](#) on September 11, 2015, alerting teammates of the significant changes to the FHA guidelines. We are taking this opportunity to improve the content, clarity, and consistency of our published guidelines.

### Bulletin Details

#### Eligible Occupancy / Property Types

We removed the word “warrantable” from the “warrantable PUD’s” property type. An Appraiser must contact the Direct Endorsement (DE) Lender if the property is located in a PUD that does not meet this definition.

#### Ineligible Occupancy / Property Types

We revised our Ineligible Occupancy/Property Types to include cooperatives. HUD permits cooperative properties, except under Section 248 Mortgages on Indian Lands.

#### SunTrust Government Credit Overlay Matrix

We updated the Ineligible Transactions category with the following programs:

- Non-Credit Qualifying Streamline Refinances, and
- HUD REO Good Neighbor Next Door (GNND) Sales Incentive Program.

### Action Required

#### Origination, Processing, Underwriting, Closing, Delivery, Funding Starting October 16, 2015

Review current pipeline with case numbers assigned on or after September 14, 2015, to determine if the clarifications will have any impacts on your loans.

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## Bulletin Details, continued

### Outdated References

We removed several outdated references in the Automated Underwriting Systems section of the *Correspondent Seller Guide*.

### Revised Materials

Click [FHA 203\(b\) Loan Program](#), [Automated Underwriting Systems \(AUS\) Guidelines](#), and [SunTrust Government Credit Overlay Matrix](#) to view the revised materials.

### Former Guidelines

- Previously, PUDs were reflected as needing to be “warrantable,”
- SunTrust Mortgage did not reflect cooperatives as ineligible occupancy/property types,
- Previously, we did not reflect Non-Credit Qualifying Streamline Refinances, and HUD REO Good Neighbor Next Door (GNND) Sales Incentive Programs as ineligible, and
- We had outdated references in our AUS section that no longer apply.

### 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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