

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
January 8, 2016 • COR16-001

Alert

Update

Reminder

Clarification

Training
Information

Preview

Virginia Automatic Subordinations Eligibility

SunTrust Mortgage, Inc. provides updates to our guidelines to align with the Code of Virginia §55-58.2 requirements for properties located in the Commonwealth of Virginia with subordinate financing.

Intended Audience

**Origination
Processing**

Secondary Marketing

Underwriting

**Closing
Delivery
Funding**

**Compliance
Legal**

Other

Effective Dates

Monday, January 11, 2016

Effective for all loan closings on or after this date.

Background Information

SunTrust Mortgage updated guidelines to align with the Code of Virginia §55-58.2 requirements for properties located in the Commonwealth of Virginia with subordinate financing.

Bulletin Details

Requirements for the Automated Process

The property being refinanced must meet all of the following conditions to be eligible for the automatic subordination process:

- the Virginia statute defines “refinance mortgage” as a mortgage, deed of trust, or other instrument encumbering or conveying an interest in a residential real estate containing not more than one dwelling unit to secure the financing, does not need to be a primary residence,
- the subordinate deed of trust secures an original principal amount of \$150,000 or less,
- the principal amount secured by such refinance mortgage does not exceed the outstanding balance secured by the prior mortgage plus \$5,000. Cash out refinances are ineligible for this automatic process, and
- the refinance deed of trust needs to contain the appropriate language on the first page in bold or capitalized letters in order to automatically subordinate the existing second deed of trust.

Action Required

Origination, Processing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal Starting January 11, 2016

All loans submitted for purchase by SunTrust Mortgage with a closed date on or after this date must conform with these requirements.

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
January 8, 2016 • COR16-001



Bulletin Details, continued

Revised Materials

Click [Subordination of Second Mortgage Loans](#) and [COR 1379](#) for the revised materials.

Former Guidelines

Previously, our guidelines did not include the definition of a refinanced mortgage and that the property could be a one-unit primary residence only.

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.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. SunTrust Mortgage, Inc. does not guarantee or assume liability for any third-party products or services. ©2014 SunTrust Banks, Inc. SunTrust, and SunTrust Mortgage are federally registered service marks of SunTrust Banks, Inc.