

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
June 3, 2016 • COR16-017

Alert

Update

Reminder

Clarification

Training
Information

Preview

Unreimbursed Business Expense Considerations for VA

SunTrust Mortgage, Inc announces guideline updates for Veteran Affairs (VA) loans for borrowers with unreimbursed business expenses.

Intended Audience

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

Friday, June 3, 2016

Effective for existing and new loan applications on or after this date.

Background Information

SunTrust Mortgage, Inc adopts the Department of Veteran Affairs policy clarification for clients with unreimbursed business expenses.

Bulletin Details

Unreimbursed Business Expenses

Apply the following requirements to VA transactions when the borrower has unreimbursed business expenses

- Consider automobile loan or lease payments part of borrower's recurring monthly debt.
- For borrowers who earn commission income must:
 - average the commission income over a 2 year period
 - when commission income is greater than 25% of the annual employment income, deduct any unreimbursed business expenses (IRS Form 2106)
- For borrowers earning income from a union, no longer require a reduction in income for unreimbursed business expenses (IRS 2106).

Action Required

Origination, Processing, and Underwriting.

Starting June 3, 2016

Apply the guidelines that are effective immediately on or after this date.

Revised Materials

Click [Veteran Administration \(VA\) Loan Program](#) to review the revised product materials.

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Former Guidelines

Previously, unreimbursed business expenses were deducted from commission and union income

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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