

# Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
December 7, 2016 • COR16-039

Alert

Update

Reminder

Clarification

Training  
Information

Preview

## Agency 2017 Loan Limits and New Minimum Key Loan Limit Announced

The maximum Agency conforming loan limits will increase in 2017. This will be the first increase in the baseline loan amount since 2006. The revised loan limits are defined in terms of general loan limits and high-cost area loan limits (i.e., applicable for Agency Plus transactions).

With this communication, SunTrust Mortgage, Inc. announces our implementation strategy for the revised 2017 conforming loan limits, which is as follows:

- We will begin accepting locks for Agency loans originated under the new **general** loan limits starting Monday, December 12, 2016.
- We will be increasing the **minimum** loan limits (i.e., from \$417,001 to \$424,101 for 1-unit, etc.) for Agency Plus transactions, effective for Agency Plus loans locked on or after Monday, December 12, 2016.
- We will begin accepting locks for Agency Plus loans originated under the new 2017 **maximum high-cost area** loan limits starting Monday, December 19, 2016.

As a result of the conforming loan limit increase, SunTrust Mortgage also increases the **minimum** loan amount for the Key Loan Program.

### Intended Audience

Origination  
Processing

Secondary  
Marketing

Underwriting

Closing  
Delivery  
Funding

Compliance  
Legal

Other

### Effective Dates

#### Monday, December 12, 2016

The 2017 Agency **general** loan limits, revised Agency Plus minimum loan limits, and the revised minimum Key loan limit are effective for loans locked on or after this date.

#### Monday, December 19, 2016

The 2017 Agency Plus **maximum high-cost area** loan limits are effective for loans locked on or after this date.

### Background Information

The Federal Housing Finance Agency (FHFA), Fannie Mae, and Freddie Mac recently announced the maximum 2017 conventional loan limits. In response to this announcement, SunTrust Mortgage aligns with Agency guidelines and implements the increased 2017 loan limits for standard Agency, Agency Plus, Texas Cash-Out Refinance, and DU Refi Plus™ transactions. We also increase the minimum loan limits for Key Loan Program transactions.

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## Bulletin Details

**Standard Agency, Texas Cash-Out Refinance, and DU Refi Plus Agency Loans**  
For standard Agency, Texas Cash-Out Refinance (1-unit only), and DU Refi Plus Agency loans, the maximum **general** loan limits for 2017 will be as follows:

- \$424,100 for one unit properties
- \$543,000 for two unit properties
- \$656,350 for three unit properties
- \$815,650 for four unit properties

Freddie Mac implemented the 2017 general loan limits in Loan Product Advisor<sup>SM</sup> (LPA) on December 2, 2016. Fannie Mae will implement the 2017 general loan limits in Desktop Underwriter<sup>®</sup> (DU<sup>®</sup>) on the weekend of December 10, 2016.

### Important Notes:

- SunTrust Mortgage will not begin accepting locks on loans underwritten with the new general loan limits until Monday, December 12, 2016.
- DU and LP loans with an “Ineligible” recommendation (including an “Ineligible” recommendation due to loan amount) remain ineligible for purchase or funding.

### Agency Plus Loans

Agency Plus (including DU Refi Plus Agency Plus) **high-cost area** loan limits for 2017 will be as follows:

Minimum Loan Amount	Maximum Loan Amount
<ul style="list-style-type: none"><li>• \$424,101 for one unit properties</li><li>• \$543,001 for two unit properties</li><li>• \$656,351 for three unit properties</li><li>• \$815,651 for four unit properties</li></ul>	<p>The maximum loan amount will vary based on the location of the subject property; however, will NEVER exceed:</p> <ul style="list-style-type: none"><li>• \$636,150 for one unit properties</li><li>• \$814,500 for two unit properties</li><li>• \$984,525 for three unit properties</li><li>• \$1,223,475 for four unit properties</li></ul>

[Click here](#) for a complete listing of the 2017 maximum conforming limits for all counties and county equivalent areas in the country.

**Reminder:** Loans on properties in the states of Alaska and Hawaii, or any U.S. territories, remain ineligible for purchase or funding. See the applicable product description for additional geographic lending restrictions that continue to apply.

Freddie Mac implemented the 2017 high-cost area loan limits in LPA on December 2, 2016. Fannie Mae will implement the 2017 high-cost area loan limits in DU on December 10, 2016.

### Important Notes:

- SunTrust Mortgage will be increasing the **minimum** loan limits (as shown above) for Agency Plus transactions, effective for loans locked on or after Monday, December 12, 2016.
- We will not begin accepting locks for Agency Plus (including DU Refi Plus Agency Plus) loans underwritten with the new 2017 **maximum high-cost area** loan limits until Monday, December 19, 2016.
- DU and LP loans with an “Ineligible” recommendation (including an “Ineligible” recommendation due to loan amount) remain ineligible for purchase or funding.

## Action Required

**Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal Starting December 12, 2016**

Begin using the applicable 2017 **general** loan limits for standard Agency, Texas Cash-Out Refinance, and DU Refi Plus Agency transactions locked on or after this date.

Begin using the revised minimum loan limits for Agency Plus and Key Loan Program transactions locked on or after this date.

**Starting December 19, 2016**

Begin using the applicable 2017 **maximum high-cost area** loan limits for Agency Plus (including DU Refi Plus Agency Plus) transactions locked on or after this date.

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## Bulletin Details, continued

### Key Loan Program

As a result of the conforming loan limit increase announced by the FHFA, SunTrust Mortgage increases the minimum loan amount for Key Loan Program transactions (1-2 units) to \$424,101.

### Revised Materials

All impacted product materials reflecting the revised loan limits (that will be effective on December 12, 2016) will be published to the *Correspondent Seller Guide* on Friday, December 9, 2016.

## Former Guidelines

### Standard Agency, Texas Cash-Out Refinance, and DU Refi Plus Agency Loans

For standard Agency, Texas Cash-Out Refinance (1-unit only), and DU Refi Plus Agency loans, the maximum **general** loan limits for 2016 are as follows:

- \$417,000 for one unit properties
- \$533,850 for two unit properties
- \$645,300 for three unit properties
- \$801,950 for four unit properties

### Agency Plus Loans

The loan limits for Agency Plus (including DU Refi Plus Agency Plus) are as follows:

Minimum Loan Amount	Maximum Loan Amount
<ul style="list-style-type: none"><li>• \$417,001 for one unit properties</li><li>• \$533,851 for two unit properties</li><li>• \$645,301 for three unit properties</li><li>• \$801,951 for four unit properties</li></ul>	<p>The maximum loan amount will vary based on the location of the subject property; however, will NEVER exceed:</p> <ul style="list-style-type: none"><li>• \$625,500 for one unit properties</li><li>• \$800,775 for two unit properties</li><li>• \$967,950 for three unit properties</li><li>• \$1,202,925 for four unit properties</li></ul>

### Key Loan Program

The minimum loan amount for the Key Loan Program (1-2 units) is \$417,001.

## 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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