

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
March 3, 2017 • COR17-009

Alert

Update

Reminder

Clarification

Training
Information

Preview

Agency Guideline Revisions

SunTrust Mortgage, Inc. revises Agency product guidelines to align with recently announced Freddie Mac updates. We also continue to improve the presentation of our guidelines. With these updates, we:

- revise properties with solar panels guidelines for Loan Product AdvisorSM (LPASM) transactions
- update LPA guidelines to clarify that trended credit data is not incorporated in LPA or considered by Freddie Mac for LPA loan transactions
- clarify LPA monthly debt payment-to-income ratio guidance regarding lease payments
- refresh guideline requirements (for all underwriting methods) for the following:
 - inter vivos revocable trusts/living trusts
 - all remaining lease payment and qualifying ratio guidelines

Intended Audience

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

Friday, March 3, 2017

All properties with solar panels guideline updates are effective for new loan applications only taken on or after this date.

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

Background Information

Freddie Mac Bulletin 2016-20 announced updates impacting Agency guidelines relating to solar panels, lease payments, inter vivos revocable trusts/living trusts, and trended credit. In response to this Freddie Mac publication, we reviewed impacted guidelines and identified opportunities to implement revisions to more closely align with Freddie Mac requirements.

Additionally, in support of our guideline improvement initiative, we reviewed our Agency inter vivos revocable trust/living trust, qualifying ratio, and lease payment guidelines in their entirety and identified opportunities to refresh our guidelines to more closely reflect the Agencies' language and/or presentation of guidance.

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Bulletin Details

Guideline Updates

A summary of the updates are as follows:

- For LPA loans, aligning with Freddie Mac by:
 - Incorporating Freddie Mac specific guidance for properties with solar panels to include:
 - eligibility requirements for mortgages secured by properties with solar panels owned by the borrower
 - eligibility requirements for mortgages secured by properties with solar panels that are owned by a third party and subject to a lease agreement, power purchase agreement (PPA) or similar type of agreement
 - underwriting requirements to permit the exclusion of payments for solar panels from the borrower's debt payment-to-income ratio, under certain conditions
 - appraisal requirements for the valuation of properties with energy-efficient features and for high-performing energy-efficient properties
 - Updating guidelines to clarify that trended credit data is not incorporated in LPA or considered by Freddie Mac for LPA loan transactions
 - Clarifying monthly debt payment-to-income ratio guidelines to reflect that all monthly lease payments (not just car lease payments) must be included in the monthly debt payment-to-income ratio (with a permissible exception for payments for solar panels)

Guideline Improvements

In addition to the guideline updates outlined above, we refreshed guidelines (i.e., relocated guidance and adopted Agency specific language) for the topic/guidelines outlined below. Guideline intent remained the same.

- Inter vivos revocable trusts/living trusts
- All remaining lease payment and qualifying ratio guidelines

Before and After Matrices

[Click here](#) to see the before-and-after matrix that provides a detailed overview of all updates that are effective immediately for new loan applications only taken on or after March 3, 2017.

[Click here](#) to see the before-and-after matrix that provides a detailed overview of all updates that are effective immediately for both new and existing loan applications on or after March 3, 2017.

Revised Materials

Click [Agency Loan Programs](#), [Appraisal Guidelines](#), and [Correspondent Agency Overlay Matrix](#) to review the revised product materials.

Action Required

Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal Starting March 3, 2017

Apply the guidelines as outlined in this bulletin and related Before-and-After Matrices.

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Former Guidelines

See the before-and-after matrices provided in the Bulletin Details section to access the former guidelines.

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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