

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
March 24, 2017 • COR17-011



Alert

Update

Reminder

Clarification

Training
Information

Preview

Agency Appraisal Enhancements

SunTrust Mortgage, Inc. revises Agency appraisal guidelines to align with recently announced Fannie Mae updates. With these updates, we:

- provide flexibility on the use of comparable sales for appraisals in new subdivisions or condo projects
- revise requirements related to appraiser trainees
- clarify guidance regarding adjustments to appraisals for financing or sales concessions

Intended Audience

**Origination
Processing**

Secondary Marketing

Underwriting

**Closing
Delivery
Funding**

**Compliance
Legal**

Other

Effective Dates

Friday, March 24, 2017

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

Background Information

In SEL-2017-01, Fannie Mae announced revisions to their appraisal guidelines. In response to this publication, we reviewed impacted guidelines and identified opportunities to align with Fannie Mae requirements.

Bulletin Details

Guideline Updates

A summary of the updates are as follows:

- For non-AUS and Desktop Underwriter[®] (DU[®]) loans, aligned with Fannie Mae by:
 - Providing flexibility on the use of comparable sales in new subdivisions or condo projects, in the event closed sales are not yet available at the time of the appraisal, as follows:
 - Appraisers may use two pending sales in the subject subdivision or project, and
 - Appraisers must provide at least three closed comparable sales from outside the subject subdivision or project

Action Required

Origination, Processing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal Starting March 24, 2017

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

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Bulletin Details, continued

Guideline Updates, continued

- Clarifying that when an appraiser trainee completes the property inspection, a supervisory appraiser is not required to accompany the appraiser trainee on the inspection
- Specifying that appraisers may use dollar-for-dollar adjustments to comparable sales, for financing or sales concessions, when the adjustment is consistent with the local market's response to the concessions
- Requiring new Special Feature Code (SFC) 917 when delivering a loan secured by a site condo

Note: Continue to use Project Type Code V to identify site condo loans without a condo project review.

Before and After Matrix

[Click here](#) to see the before-and-after matrix that provides a detailed overview of the guideline updates.

Revised Material

Click [Agency Loan Programs](#), [Appraisal Guidelines](#), [Condominium and PUD Approval Requirements](#), and Project Compliance: Condominium Lender Warranties-Agency and Non-Agency Loan Products ([COR 0212a](#)) to review the revised product materials.

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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