

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
May 26, 2017 • COR17-018

Alert

Update

Reminder

Clarification

Training
Information

Preview

HomeReady® and Home Possible® Mortgages are Now Available!

SunTrust Mortgage, Inc. announces our release of Fannie Mae's HomeReady and Freddie Mac's Home Possible Mortgages. These new Agency affordable lending product offerings are available for registrations and/or locks starting today!

Key Product Features

- Up to 97% financing (one-unit properties)
- No minimum borrower contribution (one-unit properties)
- Flexible sources of funds for down payment and closing costs
- Non-borrower household income permitted as compensating factor (DU HomeReady transactions only)
- Rental income from accessory dwelling units may be considered in qualifying the borrower
- Lower than standard mortgage insurance coverage – 25% for LTVs above 90% to 97%
- Better than or equal to standard Agency loan pricing

We also continue to improve the presentation of our standard Agency and Agency Plus guidelines.

Intended Audience

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

Friday, May 26, 2017

HomeReady and Home Possible mortgages are available for registrations and/or locks on or after this date.

All other guideline improvements are effective immediately for new and existing loan applications on or after this date.

Background Information

We are enhancing our Agency product offerings to provide additional affordable lending opportunities to help meet the diverse needs of today's borrowers.

Additionally, in support of our guideline improvement initiative, we identified opportunities to refresh certain guidelines to promote consistency, eliminate redundancies, and to more closely reflect the Agencies' language and/or presentation of guidance.

Bulletin Details

Introducing the HomeReady and Home Possible Mortgages

The HomeReady and Home Possible mortgages are conventional, Agency affordable lending, first mortgage products. The Agencies designed these products for creditworthy, low- to moderate-income borrowers, with expanded eligibility for financing primary residences in designated low-income, minority and disaster-impacted communities. These products are not limited to first-time homebuyers! The product features align with today's buyer demographics and support sustainable homeownership.

Action Required

Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance, and Legal

Starting May 26, 2017

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

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Bulletin Details, continued

Introducing the HomeReady and Home Possible Mortgages, continued

SunTrust Mortgage guidelines align with Fannie Mae and Freddie Mac requirements for these product offerings, except as outlined on the revised Correspondent Agency Overlay Matrix. The new HomeReady and Home Possible product description, *Section 2.01a: Fannie Mae HomeReady and Freddie Mac Home Possible Mortgages*, is available today under the **Products** tab on the *Correspondent Seller Guide* and is also accessible under the “New and Revised Materials” section below.

Other Guideline Improvements

In support of our guideline improvement initiative, while updating guidelines to include parameters for HomeReady and Home Possible Mortgages, we identified opportunities to refresh guidelines to promote consistency, eliminate redundancies, and to more closely reflect the Agencies’ language and/or presentation of guidance for certain topics. These guideline improvement updates apply to our standard Agency and Agency Plus loan programs too. Impacted topics include the following:

- Employer Assistance
- Gifts
- Installment Land Contracts
- Secondary Financing
- Community Seconds / Affordable Seconds
- Underwriting the Borrower

Additionally, to eliminate redundancy, Section 1.18: Loan Closing Documentation of the *Correspondent Seller Guide* is being **eliminated** in its entirety. Refer to the applicable product description for specific closing documentation requirements.

Before and After Matrix

[Click here](#) to see the before-and-after matrix that provides the guideline improvement updates referenced above and additional HomeReady and Home Possible related updates.

New and Revised Materials

Click [Automated Underwriting](#), [Underwriting](#), [Appraisal Guidelines](#), [Loan Delivery and Purchase Review](#), [Declining Market Guidelines](#), [Agency Loan Programs](#), [Fannie Mae HomeReady®](#) and [Freddie Mac Home Possible® Mortgages](#), [ARM Alternative](#), [DU Refi Plus™ Loan Program](#), and [Correspondent Agency Overlay Matrix](#) to review the revised product materials.

Former Guidelines

We did not previously offer HomeReady and Home Possible as a part of our Agency product offerings. See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former guidelines for the impacted guideline improvement topics.

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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