

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
August 18, 2017 • COR17-030

Alert

Update

Reminder

Clarification

Training
Information

Preview

Key Loan Program Improved

SunTrust Mortgage, Inc., improves the Key Loan Program.

Intended Audience

Origination
Processing

Secondary Marketing

Underwriting

Closing
Delivery
Funding

Compliance Legal

Other

Effective Dates

Monday, August 21, 2017

The LTV enhancements and removal of 2-unit property eligibility are effective with loans locked on or after this date.

Friday, August 18, 2017

All other updates are available with new and existing loan applications on or after this date.

Background Information

To improve guideline requirements and presentation, SunTrust Mortgage reviewed the Key Loan Program and provides the enhancements outlined in the Bulletin Details section below.

Bulletin Details

Key Guideline Improvements

The following list provides highlights of guideline enhancements to the Key Loan Program:

- maximum cash-out cap for condominiums aligns with single-family residences,
- Delayed Financing Cash-Out refinance transactions are eligible,
- maximum acreage expands to 15 acres,
- allowable age of income, asset and credit documentation increases to 120 days,
- removal of 2-unit properties as eligible property type,
- principal curtailments allowed up to \$1,000, and
- for salaried/hourly borrowers, W-2 transcripts may be used in lieu of federal income tax returns.

Note: If the borrower provides W-2 transcripts in lieu of federal income tax returns, W-2's are required.

Action Required

Origination, Processing, Underwriting, Closing, Delivery and Funding

Starting August 18, 2017

Apply the guidelines effective for new and existing loan applications.

Starting August 21, 2017

Apply the guidelines that are effective for loans locked on or after this date.

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Bulletin Details, continued

Key Guideline Improvements, continued

Other simplifications, improvements and clarifications are included in this update. For a detailed account of all the updates, please refer to the before-and-after matrix linked below.

Loan-To-Value (LTV) Enhancements

In addition to a more contemporary, readable LTV table format, the enhancements below apply for the Key Loan Program.

For primary residence transactions, the minimum credit score decreases by 20 points, with improved LTV parameters for many of the credit score buckets.

For second home single family residence and planned unit development transactions with loan amounts up to \$1,000,000, LTV parameters improve. For loan amounts up to \$1,500,000, both credit score and LTV parameters improve.

Refer to the before-and-after matrix linked below for a full account of changes to the LTV tables.

Elimination of General Section Guidelines and Clean-Up Item

SunTrust Mortgage eliminates the Income Analysis and Verbal Verification of Employment Guidelines documents from the General section of the *Correspondent Seller Guide*. All pertinent guidance migrates to the applicable product guideline document.

Also, the term "Closing Disclosure" replaces "Settlement Statement" in guidelines listed in the Revised Materials section below..

Before-and-After Matrix

[Click here](#) to view the before-and-after matrix that provides a detailed account of all updates associated with this bulletin.

Revised Materials

Click [Underwriting](#), [Loan Delivery and Purchase Review](#), [Fraud Prevention Guidelines](#), [Maximum Number of Financed Properties and Borrower Exposure](#), [Key Loan Program](#) and Key Loan Program Eligibility Checklist ([COR 0650](#)) to view the revised material.

Former Guidelines

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

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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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