

# Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.  
January 26, 2018 • COR18-004

Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## FHA PACE Financing

SunTrust Mortgage, Inc. revises Federal Housing Administration (FHA) guidelines to align with recently announced updates relating to Property Assessed Clean Energy (PACE) obligations.

### Intended Audience

Origination  
Processing

Secondary  
Marketing

Underwriting

Closing  
Delivery  
Funding

Compliance  
Legal

STM Purchase  
Reviewers

### Effective Dates

**Friday, January 26, 2018**

Effective for new applications on or after this date.

### Background Information

Mortgagee Letter 2017-18 revises FHA policies for transactions encumbered by PACE obligations. In response to these publications, we reviewed impacted guidelines and identified opportunities to align with FHA requirements.

### Bulletin Details

#### PACE

With this publication we remove the overlay restricting use of proceeds from a no-cash out refinance to pay off a PACE encumbrance.

Additionally, we align with FHA requirements that do not permit an outstanding PACE encumbrance.

#### Before and After Matrix

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

### Action Required

**Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, Funding, Compliance, Legal and STM Purchase Reviewers Starting January 26, 2018**

Apply the guidelines outlined in this bulletin and related before-and-after matrix.

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## Bulletin Details, Continued

### Revised Materials

Click [Federal Housing Administration \(FHA\) Loan Programs](#) and [Correspondent Government Overlay Matrix](#) to review revised materials.

### Former Guidelines

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