

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
June 22, 2018 • COR18-033



Alert

Update

Reminder

Clarification

Training
Information

Preview

DU[®] 10.2 Revisions and Other Agency Enhancements

SunTrust Mortgage, Inc. announces the release of updates to Fannie Mae's Desktop Underwriter[®] (DU) Version 10.2. The changes in the DU Version 10.2 release will include:

- updates to the bankruptcy and mortgage delinquency assessment
- the ability to underwrite HomeStyle[®] Energy loan casefiles
- DU messaging updates

Additionally, we revise Agency product guidelines to align with recently announced Fannie Mae updates.

Effective Dates

Community Seconds[®] mortgage, donations from entities, and Property Inspection Waiver (PIW) updates are effective immediately for new and existing loan applications on or after June 22, 2018.

DU Version 10.2 bankruptcy, mortgage delinquency, HomeStyle Energy, and messaging updates are effective for DU 10.2 loan casefiles submitted or resubmitted to DU on or after the weekend of June 23, 2018.

Background Information

This weekend, Fannie Mae will release updates to DU Version 10.2 that include bankruptcy and mortgage delinquency assessment revisions, the ability to underwrite HomeStyle Energy loans, and other messaging updates. In addition, Fannie Mae recently announced updates impacting several Agency guidelines in SEL-2018-04 and SEL-2018-05. In response to these publications, we reviewed impacted guidelines and identified opportunities to align with Fannie Mae requirements.

Bulletin Details

Fannie Mae DU Version 10.2 Updates

A summary of the DU Version 10.2 release updates include:

- Revising DU bankruptcy guidelines:
 - When DU identifies a bankruptcy on the credit report and the information is inaccurate, the lender may instruct DU to disregard the bankruptcy information on the credit report in the eligibility assessment. This is done by entering "Confirmed CR BK Incorrect" in the Explanation field for question b. in the Declarations section of the online loan application, and resubmitting the loan casefile to DU.
 - When DU identifies a bankruptcy on the credit report and that bankruptcy was due to extenuating circumstances, the lender may instruct DU to disregard the bankruptcy information on the credit report in the eligibility assessment. This is done by entering "Confirmed CR BK EC" in the Explanation field for question b. in the Declarations section of the online loan application, and resubmitting the loan casefile to DU.
- Revising DU mortgage payment history guidelines to reflect that when DU identifies a mortgage delinquency on the credit report, and the information is inaccurate, the lender may instruct DU to disregard the mortgage delinquency information on the credit report. This is done by entering "Confirmed Mtg Del Incorrect" in the Explanation field for question f. in the Declarations section of the online loan application, and resubmitting the loan casefile to DU.

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Bulletin Details, continued

Fannie Mae DU Version 10.2 Updates, continued

- Adding the ability to underwrite HomeStyle Energy loans in DU; specific information must be provided in the following DU fields:
 - **Energy Improvement Amount:** The amount of new energy improvements included in the purchase or limited cash-out transaction, and any non-PACE energy debt being paid off with the limited cash-out transaction. Non-PACE energy debt included in this field should not be included in Line d. of the Details of Transaction.
 - **PACE Loan Payoff Amount:** The payoff amount of existing PACE loans. PACE energy debt should not be included in line d. of the Details of Transaction.
- DU messaging updates to align with guideline revisions announced in this bulletin, as follows:
 - New messaging advising lenders that the bankruptcy or mortgage delinquency information was not used in the eligibility assessment because DU was instructed to underwrite the loan casefile without the information
 - Revising the messaging reminding lenders to ensure HomeStyle Energy requirements are met and that the loan is delivered with Special Feature Code 375
- Other various messaging updates to provide clarity and consistency with currently published guidelines including, but not limited to, the following:
 - DU Validation Service messaging updates for income and asset validation
 - Adding "Potential Casefile Reuse" to the Potential Red Flag messages
 - Revising detached condo project review messaging
- Retiring the Excess Financing or Sales Concessions Amount field; any value provided in this field on DU Version 10.2 loan casefiles will not be used in any calculations or messages

Other Guideline Enhancements

A summary of the other Agency enhancements are as follows:

- For non-AUS and DU loans, updating Community Seconds mortgage and donations from entities guidelines to include federally recognized Native American tribes as eligible providers
- For DU loans, clarifying PIW guidance to reflect that after Fannie Mae receives an acceptable appraisal that was performed after a disaster, a property may be eligible for a PIW on a future transaction

Before and After Matrices

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

[Click here](#) to see the before and after matrix that provides a detailed overview of the DU Version 10.2 updates effective for DU 10.2 loan casefiles submitted or resubmitted to DU on or after June 23, 2018.

Revised Materials

Click [Agency Loan Programs](#) 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.

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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 3.

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