

Product Release



Information for Correspondent Lenders of SunTrust Bank
December 7, 2018 • COR18-060

Alert

Update

Reminder

Clarification

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Information

Preview

180 and 270 Day Lock Options Available

SunTrust Bank (SunTrust) revises guidelines to add 180 and 270 lock day options. 180 and 270 lock options will have a rate cap and also offer float down to current market pricing.

Effective Dates

Effective for new locks on or after December 10, 2018.

Background Information

Correspondent Sales Channel currently offers 90 and 120 extended lock options. In keeping with the market, SunTrust will offer two additional lock extension opportunities for Correspondent clients.

Bulletin Details

Lock Options and Pricing Adjustments/Rate Cap with Float Down Option

Correspondent Seller Guide Section 1.03: Loan Registration and Lock-in Procedures has been revised as follows:

- The rate cap with float down option offers rate protection up to 270 days with a one-time float down option.
- To establish the capped rate, the lender locks their rate at above the 60-day market rate based on the table below.
- If the market improves, the borrower may exercise the one time float down option and relock the loan on the current 60-day price. The applicable float down rate adjustment will be added to the 60 day pricing.
- The float down option may only be exercised when the loan is within 45 days of delivery to SunTrust.
- The expiration date is the original expiration date or 45 days, whichever comes first.
- The applicable upfront fee is refundable to the borrower should they close and fund the loan.

Lock Days	Rate Cap	Points	Floatdown Rate	Upfront Fee	Amount Refunded
180	60 Day Rate + 0.375%	60 Day Price - 0.250	+ 0.125 in Rate	1.000%	1.000%
270	60 Day Rate + 0.625%	60 Day Price - 0.250	+ 0.125 in Rate	1.000%	1.000%

Revised Material

Click [Loan Registration and Lock-in Procedures](#) to review the revised material.

Former Guidelines

Previously we only offered extended lock options up to 120 days and did not have a float down option.

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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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