

# Product Release

Information for Correspondent Lenders of SunTrust Bank  
July 12, 2019 • COR19-030



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## Delegated Underwriting Classification Revisions

**Great News!** SunTrust Bank (SunTrust) now allows Level II delegated lenders to underwrite Automated Underwriting Systems (AUS) approved 3-4 unit properties under the Agency, Agency Plus, HomeReady and Home Possible loan programs. As a result of this change, we revised the delegated underwriting authority classification guidelines in our *Correspondent Seller Guide*.

We also provide clarification that Joint Ventures are excluded from the Third Party Originator (TPO) restrictions on Key Loans within the Expanded Plus underwriting classification as long as the Correspondent has control of the joint venture through majority ownership or voting rights.

**Note:** SunTrust must approve all Joint Ventures.

### Effective Dates

Effective immediately for new and existing loan applications on or after July 12, 2019.

### Background Information

SunTrust reviewed its policies and identified an opportunity to help our Correspondent Lenders better serve their mortgage loan applicants.

### Bulletin Details

#### Delegated Underwriting Classification—Level II Authority

Correspondent lenders with Level II underwriting authority may underwrite the following loans:

- Agency Automated Underwriting Systems (AUS) loans including:
  - Agency (1-4 units)
  - Agency Plus (1-4 units)
  - Agency Texas Section 50(a)(6) Mortgages
  - Fannie Mae HomeReady® (1-4 units)
  - Freddie Mac Home Possible® (1-4 units)
- All eligible loans must receive one of the following eligible AUS recommendations:
  - Agency and Agency Plus
    - DU "Approve/Eligible"
    - LPA "Accept/Eligible"
  - Agency Texas Section 50(a)(6) Cash-out Refinance
    - DU "Approve/Eligible"
  - Fannie Mae HomeReady®
    - DU "Approve/Eligible"
  - Freddie Mac Home Possible®
    - LPA "Approve/Eligible"

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## Bulletin Details, continued

### Delegated Underwriting Classification—Level II Authority, continued

- Ineligible loans include the following:
  - Non-AUS (Manually Underwritten Transactions)
  - Key Loan Program
  - Jumbo Solution Second Mortgage Program
  - Loans that receive a DU/DO “Refer with Caution” recommendation are not acceptable

### Delegated Underwriting Classification—Expanded

Correspondent lenders with Expanded underwriting authority may underwrite the following loans:

- All loans eligible under Level II Authority
- Agency 1-4 units, non-AUS (Manually Underwritten Transactions)
- Fannie Mae HomeReady® 1-4 units, non-AUS (Manually Underwritten Transactions)

The following loans are ineligible with Expanded underwriting authority:

- Key Loan Program
- Jumbo Solution Second Mortgage Loan Program

### Delegated Underwriting Classification—Expanded Plus

Correspondent lenders with Expanded Plus underwriting authority may underwrite the following loans:

- All loans eligible under Expanded Authority
- Key Loan Program transactions meeting the following requirements:
  - Loan amount  $\leq$  \$1,000,000
  - 1-unit primary residence only (i.e., no second homes)
  - Non-occupant co-borrowers are not eligible
  - Short sale subject properties are not eligible
  - TPO originated (regardless of any Third Party Amendment) are not eligible

**Note:** Joint Ventures are excluded from this restriction as long as the Correspondent has control of the joint venture through majority ownership or voting rights. Joint Venture approval is required by SunTrust.

The following loans are Ineligible with Expanded Plus underwriting authority:

- Jumbo Solution Second Mortgage Loan Program
- Key Loan Program transactions not meeting the above criteria (must be underwritten by SunTrust)

### Revised Material

Click [Section 1.05: Underwriting](#) to review the revised material.

## Former Guidelines

Previously, Correspondent lenders with Level II underwriting authority were not eligible to underwrite Agency loan program AUS approved 3-4 unit properties.

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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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