

Product Release

Information for Correspondent Lenders of SunTrust Bank
August 23, 2019 • COR19-038



Alert

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Clarification

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Preview

VA Loan Seasoning and Cash-Out Revisions

Ginnie Mae issued All Participants Memorandum (APM) 19-05, Revised Pooling Eligibility for VA Refinance Loans. With this update, SunTrust Bank (SunTrust) aligns with GNMA Loan Seasoning requirements and applies an overlay limiting the loan-to-value (LTV) to 90% on VA cash-out refinance transactions.

Background Information

GNMA APM 19-05 revises loan-seasoning requirements for VA refinance transactions and restricts pool eligibility of VA cash-out refinance transactions.

Effective Dates

Effective with new locks on or after August 23, 2019.

Bulletin Details

Loan Seasoning

For all refinance loans, the more restrictive of VA or the below GNMA requirements must be met:

- The note date of the refinance loan must be on or after the later of:
 - the date on which the borrower has made at least six monthly payments on the loan being refinanced; and
 - the date that is 210 days after the first payment due date of the loan being refinanced

Cash-out Refinance Transactions

- VA cash-out refinances > 90% LTV, including any financed funding fee, are ineligible.

Revised Materials

Click [Veterans Administration \(VA\) Loan Program](#) and [Correspondent Government Overlay Matrix](#) to review revised materials.

Former Guidelines

Previously, GNMA required:

- For loan seasoning, 210 days from the date the borrower made the first payment.
- VA cash-out refinances > 90% LTV, including any financed funding fee, were eligible.

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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. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
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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