

Product Release

Information for Correspondent Lenders of Truist Bank
October 16, 2020 • COR20-052



Alert

Update

Reminder

Clarification

Training
Information

Preview

Tips on Delivering CorrAdvantage Loans

Truist Bank (Truist) announced the availability of CorrAdvantage as a delivery execution option for certain lenders on August 14, 2020 with Product Release bulletin [COR20-034](#). As a follow up, we offer a few reminders, tips, and clarifications on the CorrAdvantage delivery option.

Effective Dates

No new effective date.

Background Information

CorrAdvantage is a partnership between Freddie Mac and Truist to provide a competitive alternative to correspondent outlets. Unlike a regular Correspondent relationship, under our CorrAdvantage execution the originating company remains directly responsible to Freddie Mac (through the Tri-Party Agreement) for all credit quality, underwriting and property representations and warranties.

Freddie Mac has advised that no new Tri-Party Agreements will be approved.

Bulletin Details

Loan Terms

CorrAdvantage is eligible for fully amortizing 15, 20, and 30 year fixed rate Agency, Agency Plus, Fannie Mae's HomeReady®, HomeReady Plus, Freddie Mac's Home Possible®, Home Possible Plus, and Texas 50(a)(6) transactions. CorrAdvantage lenders may not sell CorrAdvantage eligible loans through standard delivery methods.

CorrAdvantage Loan Delivery

When delivering CorrAdvantage loans:

- Complete Freddie Mac's Loan Selling AdvisorSM (LSA) Uniform Loan Delivery Dataset (ULDD) upload 24 hours prior to lock expiration and before delivery of the closed file to Truist via LendingSpace portal.
 - See [Freddie Mac ULDD Webpage](#) for additional information on entering ULDD into LSA.
 - Utilize Third-party Transaction Services (TPTS) functionality in LSA:
 - Any loan data submitted via LSA that does not match the loan data provided for registration and lock will be rejected. Should any loan data change on a loan after it is registered, email a Renegotiation Request Change Form ([COR 0002](#)) to Truist's Lock Desk (Correspondentlockdesk@suntrust.com) prior to uploading the loan via the LSA to avoid the loan data being rejected.
 - Register CorrAdvantage loans in LSA under Truist Terms of Business with Seller Servicer number **307705** and the Truist Loan Number.
 - Do not upload Fannie Mae 3.2 files in LendingSpace at registration or delivery.
- Include evidence of a successful submission of the Uniform Closing Dataset (UCD) to Freddie Mac with each loan file. The Borrower Closing Disclosure PDF must be embedded in the UCD XML file. Information on UCD can be found at [Freddie UCD Webpage](#).
- Certification of Project Compliance Condominium/PUD Lender Warranty ([COR 0212a](#)) or a comparable form should be provided, as applicable.
- Ensure each loan file delivered for funding contains documentation according to the Correspondent Closing Checklist ([COR 0013](#)).
- Refer to the CorrAdvantage Final Document Checklist ([COR 0022](#)) for requirements and contact information.

Bulletin Details, continued

Automated Underwriting System (AUS) Assessment

All loans delivered through CorrAdvantage must be assessed “Accept” by Freddie Mac’s Loan Product Advisor[®] (LPA) or Risk Assessment “Green” by Loan Quality Advisor[®] (LQA). For LQA, it is acceptable for the other evaluation areas to reflect “Yellow” or “Red” in certain scenarios.

The use of LPA is encouraged; however, CorrAdvantage eligible loans may also be submitted to Fannie Mae’s Desktop Underwriter[®] (DU), if also assessed “Accept” by LPA or “Green” by LQA.

Loans Submitted through LPA

When LPA is the AUS used to make the underwriting decision, the following applies:

- Loans must receive an “Accept” LPA assessment. A further assessment thru LQA is not required.
- LPA must not contain any purchase restriction(s).
- Loans must be eligible for sale to Freddie Mac under the terms of the Freddie Mac Seller/Servicer Guide.

Loans Submitted Through DU

When DU is the AUS used to make the underwriting decision, the following applies:

- Loans must receive an “Approve/Eligible” DU assessment.
- All loans must also receive an “Accept” assessment by LPA or “Green” by LQA.
- The first submission to LPA or LQA may be after the note date, but no later than 120 days after the note date or effective date of permanent financing.
- Loans must be processed, underwritten and documented in accordance with Fannie Mae DU guidelines relating to credit and collateral underwriting. For all other matters (examples; 4101 Uniform Instruments, 4202 Responsible Lending, Topic 4500 Affordable Mortgages and Duty to Serve, 4700 Insurance Requirements, etc.), follow Freddie Mac guidelines where more restrictive. A less restrictive Freddie Mac guideline may be utilized on a DU loan.
- A full interior and exterior appraisal is required unless DU provides an appraisal waiver and the last submission to LPA (ACE) or LQA (CY1010 message) also indicates that the loan file is eligible for an appraisal waiver.
- When DU is used to make the underwriting decision and the mortgage is secured by a condominium unit that is in a Condominium Project complying with the Fannie Mae project standards, Freddie Mac guidelines must be followed for projects with 21 or more units. Freddie Mac guidelines allow for 25% of single entity ownership, but does not allow waiver of the concentrations requirements as Fannie Mae does when the transaction is a purchase transaction that will result in a reduction of the single-entity ownership concentration where the total number of units owned by one individual or single entity is greater than 20% but less than 49%.

Enhancements and Highlights

- With the migration of CorrAdvantage to Truist’s LendingSpace origination system:
 - The following items are eligible to follow Fannie Mae terms under Flex Waiver versus the more restrictive of Fannie Mae or Freddie Mac guidelines:
 - Multiple Financed Properties,
 - Leasehold estates,
 - Resale Restricted units,
 - PUDs,
 - DU Non-Traditional Credit (not allowing no score at this time), and
 - Escrow Holdback.
 - New York transactions are eligible with pay history.
 - New process for CRA pricing.

Note: Truist will not notify Correspondents of loans paid in full.

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Bulletin Details, *continued*

Community Reinvestment Act (CRA) Incentive

- Loan eligibility for CRA Incentive is limited to Truist Bank's Community Reinvestment Act (CRA) assessment areas. It is also based on the subject property being located in a low-or-moderate income census tract or the borrower's income being equal to or lower than Truist's maximum allowable income level for the property county.
- Truist's assessment areas are not located in all areas of the states.
- To determine if your loan qualifies for the incentive(s), take the following steps:

Step	Action
1.	Go to www.suntrustgeocoder.com
2.	Enter Password: CORRES
3.	Input your borrower's annual income and property address
4.	You will receive either a "Qualified" or "not-Qualified" value
5.	Complete the CRA Census Tract Verification Form (COR 0560A), if required. Email completed form to SunTrust.Corr.CRA@suntrust.com within 48 hours of loan being locked.

CorrAdvantage Restrictions

The chart below outlines CorrAdvantage restrictions.

Restrictions for LPA Transactions	Restrictions for DU Transactions
<p>The following Freddie Mac terms are ineligible:</p> <ul style="list-style-type: none"> • Freddie Mac CHOICERenovationSM Mortgages, • Freddie GreenCHOICE MortgagesSM • Freddie Mac Enhanced Relief Refinance[®] Mortgages, • Seller Owned Converted or Modified Mortgages, • Freddie Mac HomeOne MortgageSM Refinance, • Affordable Seconds: <ul style="list-style-type: none"> ○ When an Affordable Second is treated as a gift in LPA, rather than as secondary financing, the following applies for properties subject to Income-Based Resale restrictions: <ul style="list-style-type: none"> ▪ The source of the Affordable Second may not be a non-profit entity that is also the property seller but is not affiliated with a government agency. • Rural Housing Service (RHS) Leveraged Seconds, • Home Possible under Texas(50)(a)(6), and • Freddie Special Purpose Cash-out. 	<p>The following Fannie Mae terms are ineligible:</p> <ul style="list-style-type: none"> • Mortgages secured by Condominium Units that receive a classification of "Guide Ineligible" from Fannie Mae's Condominium Project Manager("CPM"), with an approved Fannie Mae "Project Eligibility Waiver ("PEW") from Fannie Mae's Credit Variance Administration System^M ("CVAS"), • Mortgages originated under Fannie Mae's Waiver titled "Waiver of Project Eligibility Review" for Fannie Mae to Fannie Mae Limited Cash-out Refinances, • Mortgages secured by properties owned by a community land trust, • Mortgages with shared equity plans, • Mortgages using Fannie Mae HomeStyle Energy, • Mortgages using Fannie Mae HomeStyle Renovation, • Mortgages using Fannie Disaster Related Refinance Flexibilities, • Fannie Student Loan Cash-out, • Mortgages secured by properties with an overall condition rating of C5 or C6, • Mortgages using Fannie 97% option for FTHB or refinance of a Fannie owned loan, • Fannie High LTV Refinance, • Fannie Mae HomePath flexibilities, • HomeReady in combination of Texas 50(a)(6). • Subsidizing the sales price on a Community Seconds mortgage, • Resale Restrictions that Terminate Automatically: LTV/TLTV/HTLTV ratios that are not based on the lesser of the sale price or appraised value, and • Mortgages with Community Seconds made by Native American tribes or instrumentalities are not eligible unless: <ul style="list-style-type: none"> ○ the Native American Tribe or instrumentality is federally recognized, and ○ is authorized to operate on the tribal land where the property is located, or the borrower is an enrolled member of the Native American Tribe.

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Bulletin Details, *continued*

Ineligible Items for All Transactions	
<ul style="list-style-type: none">• Regardless of underwriting Method, the following items are ineligible for CorrAdvantage:<ul style="list-style-type: none">○ Properties located in Alaska, Hawaii, and US Virgin Islands○ Manufactured housing○ Land Trusts○ Co-ops○ Loans where ALL borrowers do not have a credit score○ ITIN○ Private Mortgage Insurance (PMI): Declining Renewals○ PMI: Fannie Mae Reduced PMI or Freddie Mac Custom PMI Coverage, including with HomeOne○ Properties subject to Property Assessed Clean Energy (PACE) unless paid off with new loan○ Temporary Buydowns○ Lending on Native American Tribal Land that is not held fee simple○ Single Close/Construction Conversion○ The use of electronic signatures for the following: Security Agreement and Addendums, Right to Cancel, IRS Form W-9, and any notarized documents.○ Non-Perm Resident Aliens that do not align with eligible Visa Types. Click here to view list of eligible Visa types.• Click here to view Truist overlays resulting from temporary COVID-19 related restrictions that also apply.	

CorrAdvantage Support Contacts

Department	Contact
Funding:	Bridgett Tedder Bridgett.Tedder@Truist.com (252) 296-0942
Delivery:	Julie Wood Julie.Wood@Truist.com (252) 296-0274
Final Documents:	CorrAdvantage@BBandT.com

Revised Material

Click [CorrAdvantage](#) and [The Correspondent Division](#) to review the revised material.

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 or send an email to CorrespondentProductSupport@SunTrust.com .

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