

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

May 30, 2014 • COR14-059



Alert

Update

Reminder

Clarification

Training
Information

Preview

Improved Agency and Agency Plus Loan Eligibility

SunTrust Mortgage, Inc. announces loan eligibility enhancements for certain Agency and Agency Plus transactions. In addition, we clarify the age of credit documentation requirements to align with previously revised guidance.

Intended Audience

Origination
Processing

Secondary
Marketing

Underwriting

Closing Delivery
Funding

Compliance
Legal

Other

Effective Dates

Friday, May 30, 2014

Age of credit document clarification effective for new and existing applications on or after this date.

Monday, June 2, 2014

With the exception of the age of credit document clarification, updates are effective for loans locked on or after this date.

Background Information

SunTrust Mortgage helps light the way to financial well-being by looking for opportunities to strengthen our products, simplify guidelines, and expand our offerings, making our lenders more competitive in today's market. As a result, we lifted various Agency and Agency Plus overlays. In addition, we recently discovered the need to clarify published guidance to align with the age of credit document update previously announced in [COR14-017](#).

Bulletin Details

Summary of Changes

The following changes apply to Agency transactions:

- The maximum loan-to-value (LTV) for one-unit investment property purchase transactions increased to 85% LTV, with a minimum credit score of 660.
- Geographic restrictions on loans secured by condominiums lifted. Condominium financing now permitted in all counties.

Note: Florida Special Designation Condominium guidelines remain unchanged and continue to apply.

Action Required

Origination, Processing, Secondary Marketing, and Underwriting
As of May 30, 2014
Follow revised guidance.

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Bulletin Details, Continued

Summary of Overlay Changes, continued

- Agency minimum credit score requirements for Desktop Underwriter® (DU) and Loan Prospector® (LP) transactions reduced as follows:
 - 640 minimum credit score for primary residence, purchase and limited cash-out (i.e., rate/term) refinance transactions
 - 640 minimum credit score for second home purchase and limited cash-out (i.e., rate/term) refinance transactions less than or equal to 80% LTV
 - 660 minimum credit score for second home purchase and limited cash-out (i.e., rate/term) refinance transactions greater than 80% LTV
 - 640 minimum credit score for investment property purchase transactions less than or equal to 80% LTV
 - 660 minimum credit score for investment property purchase transactions greater than 80% LTV

Note: For Agency non-AUS transactions, the minimum credit score requirements remain unchanged.

For Agency Plus one-unit primary residence purchase and limited cash-out (rate/term) refinance transactions, we reduced the minimum credit score requirement to 640 for all lending areas, including Florida.

[Click here](#) to see the before-and-after matrix that provides a detailed overview of the updates.

Age of Credit Documentation Clarification

As previously announced in [COR14-017](#), for existing and new construction, credit documentation (credit reports, employment, income, and asset documentation) cannot be more than 120 days old prior to the date the note is signed. We clarified the Documentation subtopic in the Liabilities and Qualifying Ratios topic of the Agency Loan Programs product description to align with this guidance.

Revised Materials

Click [Agency Credit Overlay Matrix](#), [Agency Loan Programs](#), [Agency Plus Loan Program](#), [SunTrust Condominium and PUD Approval Requirements](#), and Agency Plus Loan Program Eligibility Checklist ([COR0160](#)) to view the revised materials.

Former Guideline

Refer to before-and-after matrix located in the Bulletin Details section to view the former guidelines.

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Other Resources

Support Group	Description and Contact Information:
Account Manager or Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each account manager or correspondent relations coordinator is located in General Section 1.01: The Correspondent Division
Resource Center	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact the Resource Center at 800.382.2111, Option 1, Option 2.

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