

Inter Vivos Revocable Trust/Living Trust

Efficiency Update

Your SunTrust Correspondent team understands how important it is to create seamless interactions. We have recently seen an increase in ineligible loans for purchase due to the property being held in a Trust that is missing required Trust language. Remember, the Trustee must have the power to mortgage the security property for the purpose of securing a loan to the individual (or individuals) who are the borrower(s) under the mortgage or deed of trust note. In other words the Trustee must not only have the power to encumber the property, but also have the power under the Trust language or State Law to pledge/mortgage property as security for the debt/benefit of the borrower. To avoid delays in the purchase or submitting a loan not eligible for purchase

Here are three guidelines to keep in mind to help you continue to grow your business and dwindle down re-work:

1. Delegated Lenders: Please refer to both Product Specific guidelines for Trust's as well as additional Trust Guidelines spelled out in our Loan Delivery section of our Seller Guide. Review the trust carefully as well as State Law to ensure Trustee has proper authority for the transaction.
2. Non Delegated Lenders/Loans: To reduce the risk of closing a loan with a Trust that does not meet requirements, Non Delegated loans will now be pended in underwriting for Trust Approval prior to close. The full Trust will be required to be uploaded and will be reviewed prior to the loan closing.
3. All Lenders are reminded to review appropriate signature requirements regarding closing the loan where the property is held in a Trust as well as other Trust Requirements outlined in both Product Specific and Loan Delivery Section of our Seller Guide.

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