

SunTrust Correspondent Lending is proud to offer the HomeReady® and Home Possible® loan programs and we are identifying opportunities for clarifications as they arise. We have recently received loans for purchase where the homeownership education was completed after closing.

We are clarifying that when homeownership education is required, it must be completed before closing on both loan types. Please see the basic education requirements broken out by loan type below. For all specifics please refer to Section 2.01a in our Correspondent Seller Guide under the Products tab.

Fannie Mae HomeReady®:

Homeownership education is required to be completed by at least one borrower on the mortgage loan for all HomeReady purchases. Homeownership education must also be completed by at least one borrower on HomeReady refinances where all borrowers are relying solely on nontraditional credit to qualify.

- Homeownership education must be completed prior to loan closing.
- If the borrower opts to complete housing counseling provided by a HUD-approved counseling agency, it must be completed prior to executing the sales contract.

Freddie Mac Home Possible®:

At least one borrower must participate in a homeownership education program before the note date, in each of the following instances:

- For purchase transactions when all borrowers are first-time homebuyers, or
- For any transaction when the credit reputation for all borrowers is established using only noncredit payment references

Landlord Education (2 - 4 Unit Primary Residences):

- Purchase transaction - At least one qualifying borrower must complete a landlord education program before the note date. Landlord education must not be provided by an interested party to the transaction, the originating lender or the lender selling the loan to FHLMC.
- Refinance transaction - Landlord education is not required but recommended for borrowers who have not previously attended a program.