

## Section 1.03 – Loan Registration and Lock-in Procedures

---

### In This Policy Section

This policy section contains the following topics.

Related Bulletins .....	2
Daily Rates and Price Notification .....	2
General.....	2
Lock Options and Pricing Adjustments .....	3
Extended Lock Option .....	3
Upfront Commitment Fees .....	3
Eligible Products.....	3
Rate Cap with Float Down Option.....	4
Loan Registration and Lock-in Procedures .....	5
General.....	5
Escrow Waiver Fees .....	5
Confirmations .....	5
CRA Incentive .....	6
CRA Incentive and Verification.....	6
Lock-in Terms .....	7
General.....	7
Expired Lock-Ins and Lock-In Extensions .....	8
Expired Lock-ins.....	8
Extension Fees.....	8
Fallout Loans .....	9
General.....	9
Relock .....	10
General.....	10
Re-pricing.....	11
Re-pricing .....	11
Renegotiations .....	11
Pended Loan Policy.....	12
Pended Loan Fees .....	12
Return of Mortgage Loans.....	12
SunTrust Point of Sale Pricing Controls .....	12
Non-Delegated Lenders .....	12
Delegated and Non-Delegated Lenders.....	12

---

## Related Bulletins

---

### General

Related bulletins are provided below in PDF format. To view the list of published bulletins, select the applicable year below.

- [2018](#)
  - [2017](#)
  - [2016](#)
  - [2015](#)
  - [2014](#)
- 

## Daily Rates and Price Notification

---

### General

- Loan rates and prices will be posted to the SunTrust Correspondent website by approximately 10:00 a.m., Eastern Time.
  - The rates and prices are valid until 10:00 p.m., Eastern Time on the same day.
  - Lock-ins will be accepted between the hours of 10:00 a.m. and 10:00 p.m., Eastern Time.
  - All price quotes include the service release premium (SRP).
  - Rate Sheet, Adjustments page, and SRP schedules are posted to assist in the calculation of price.
    - Final price quoted on all transactions includes SRP and any applicable pricing adjustments.
  - The SRP Schedule may be accessed by logging in to our SunTrust Correspondent website. The SRP link is located under the Regional Announcements section of the Home page.
  - Market conditions may dictate that prices change more than once a day.
  - SunTrust will notify correspondents of the price change when possible; however, there are circumstances in the market when SunTrust must close the lock-in desk immediately.
-

## Lock Options and Pricing Adjustments

---

### Extended Lock Option

- The extended lock-in option allows lock protection for up to 120 days.
- The extended lock-in option is not available on transactions where the subject property is located in the state of Illinois.

Lock-in Period	Upfront Fee	Actual Cost	Amount Refunded
90 Days	.500%	.500%	0
120 Days	.750%	.750%	0

---

### Upfront Commitment Fees

- All upfront commitment fees are due to SunTrust within five (5) business days of lock-in.
  - In order to be properly credited, the fees must be remitted separately from other documentation, in an envelope clearly marked "VA-MTG 1612, Attn: Correspondent Billing, Extended Locks, 901 Semmes Avenue, Richmond, VA 23224." The SunTrust Lock Desk will not be responsible for checks sent to other departments of SunTrust. that are not properly marked. Failure to adhere to this policy will result in loss of the extended lock.
  - Expiration dates include the delivery times.
  - The entire upfront fee is refundable only in the event of credit or appraisal denial.
  - Loans that are delivered AFTER the expiration date forfeit the upfront fee.
- 

### Eligible Products

- Agency Fixed
  - The ARM Alternative
  - FHA/VA Fixed
-

## Lock Options and Pricing Adjustments, Continued

### Rate Cap with Float Down Option

The rate cap with float down option offers rate protection up to 270 days with a one-time float down option.

- To establish the capped rate, the lender locks their rate at above the 60-day market rate based on the table below.
- If the market improves, the lender may exercise the one time float down option and relock the loan on the current 60-day price. The applicable float down rate adjustment will be added to the 60 day pricing.
- The float down option may only be exercised when the loan is within 45 days of delivery to SunTrust.
- The expiration date is the original expiration date or 45 days, whichever comes first.
- The applicable upfront fee is refundable to the lender should they close and fund the loan.

**Reference:** See subtopic **Upfront Commitment Fees** for additional information.

Lock Days	Rate Cap	Points	Floatdown Rate	Upfront Fee	Amount Refunded
180	60 Day Rate + 0.375%	60 Day Price - 0.250	+ 0.125 in Rate	1.000%	1.000%
270	60 Day Rate + 0.625%	60 Day Price - 0.250	+ 0.125 in Rate	1.000%	1.000%

## Loan Registration and Lock-in Procedures

---

### General

- Correspondent lenders have three (3) options for registering and/or locking loans:
    - SunTrust Correspondent website,
    - telephone, or
    - facsimile.
  - The *Registration/Lock-in Form* ([COR 0001](#)) must be used to transmit application data and lock-in information via fax. Correspondent lenders may also telephone the SunTrust Lock Desk to register and/or lock-in a loan.
  - Additionally, the following loan registration and lock-in policies apply:
    - all loans must be registered prior to submission for underwriting,
    - all loans must have a registered lock-in no later than one (1) business day prior to delivery, and
    - all loans must be locked in separately.
- 

### Escrow Waiver Fees

- Escrow waiver fees vary according to loan product and state.
- Actual cost of the escrow waiver can be found in the SunTrust Correspondent SRP Schedule.
- Products that permit a waiver of escrows have two SRP values listed on the SRP Schedule:
  - The first value is labeled “Loans with Escrows.”
  - The second value is “Loans without Escrows.”
- The difference in the two SRP Schedules provided is the actual cost of the escrow waiver for that product and state.
- If partial or full escrows are being waived, the “Loans without Escrows” SRP value from the schedule must be used.
- The use of a fixed cost for escrow waivers was replaced with the rollout of the SRP Schedule.

**Note:** The SRP Schedule may be accessed by logging in to our SunTrust Correspondent website. The SRP link is located under the Regional Announcements section of the Home page.

**Reference:** See General Section [1.08: Loan Delivery and Purchase Review](#) for more information regarding waiver of escrows.

---

### Confirmations

- A lock-in confirmation will be via an email alert from Digital Docs.
  - If a lock-in confirmation is not received, contact the SunTrust Lock Desk.
  - It is the Correspondent lender’s responsibility to review each lock-in confirmation for accuracy.
  - If any discrepancies are noted, please contact the SunTrust Lock Desk immediately.
  - SunTrust recommends Correspondent lenders provide borrowers with a lock-in disclosure to protect them in an upward rate environment.
-

## CRA Incentive

---

### CRA Incentive and Verification

#### Target Area

- Loan eligibility for CRA Incentive is limited to SunTrust 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 SunTrust's maximum allowable income level for the property county.
- SunTrust's assessment areas are NOT located in all areas of the states.
- If the subject property is located within a SunTrust targeted state and county, proceed with the steps listed below to determine SunTrust qualifying results of the subject property and/or the borrower's income.

Step	Action
1	Access the following website: <a href="http://www.suntrustgeocoder.com">www.suntrustgeocoder.com</a>
2	Enter <b>CORRES</b> for password and click the <b>Login</b> button.
3	Input the property address and annual income and click the <b>Submit</b> button.
4	Print the Geocoding Results <b>and place in loan file.</b>

- The geocoding system must be used to determine the census tract locations of individual subject properties.
  - Your loan must receive a "Qualified" message in order for it to be eligible for the CRA incentive.
  - If the loan is eligible, complete the *CRA Census Tract Verification* form (COR 0560a).
    - Email completed form to [SunTrust.Corr.CRA@suntrust.com](mailto:SunTrust.Corr.CRA@suntrust.com) **within 48 hours of locking the loan.**
    - Once the information is validated, the appropriate pricing adjustments will be made and the new lock confirmation will be available online.
-

## Lock-in Terms

---

### General

- Lock-in terms are available in 7, 15, 30, 45, 60, and 75 day terms.
  - Exact terms available will vary according to the product and, depending on the loan program, the price will be established for the actual term of the lock-in (refer to the daily quote sheet for specific product terms).
  - A lock-in will establish the purchase price and the terms of the loan, subject to the terms and conditions in the correspondent seller guide.
  - “Best efforts” delivery is expected on all locked loans. The correspondent lender must make every effort to close the loan according to the terms of the lock-in.
  - If the borrower changes the type of loan requested, so that the terms of the loan no longer agree with the terms of the lock-in, the correspondent lender must notify the SunTrust Lock Desk and the loan will be re-priced.
  - Loan delivery to SunTrust is “**mandatory**” on closed loans that are locked with SunTrust.
  - It is an event of default, under the Correspondent Loan Purchase Agreement, if a loan subject to a “best efforts” lock-in closes, but is not delivered to SunTrust. In the event of such a default, notwithstanding the remedies outlined in the Purchase Agreement, SunTrust may charge the correspondent lender a pair off penalty. The pair off penalty will not be less than the quoted loan price on the expiration date of the lock-in less the lock-in price, with a minimum penalty of one eighth of one percent (.125%) of the loan principal.
  - If a locked-in loan is withdrawn, an audit will be completed to verify that the borrower has withdrawn the loan.
-

## Expired Lock-Ins and Lock-In Extensions

---

### Expired Lock-ins

- If the original lock-in term expires before the loan is delivered, the loan will be subject to re-pricing.
- If a correspondent lender is aware of a loan that will not meet the delivery date, the SunTrust Lock Desk should be contacted **prior to** the expiration date.
- If the loan has expired, or a withdrawn loan is reactivated, a one-time Rate lock “Relock” will be granted under the following terms:
  - the original lock expiration date is expired at the time of the request,
  - maximum day relock of 15 or 30 days,
  - the rate and price of the relock will be determined by using the “worse case pricing” rule based off of the current lock pricing period (refer to the Relocks topic for additional guidance), and
  - the loan must meet guidelines in place at time of the relock or extension.
- If the original lock is expired, the locked loan may return to “float status” at no extra cost if the following applies:
  - The original lock has expired by greater than thirty (30) days.
- Once a loan has been expired for thirty (30) days, the loan will automatically be withdrawn from SunTrust’s pipeline.
- All exceptions to pricing policies are negotiated on a case-by-case basis.
- The following products are eligible for lock extensions:
  - Fannie Mae/Freddie Mac
  - FHA/VA (fixed rate only)
  - Key Loan Program

---

### Extension Fees

If delivery is not made after the 60 days of total extensions, the loan is subject to worse case pricing. See below for extension periods and fees:

Extension Period	Extension Fee
1 Day	0.02%
2 Days	0.04%
3 Days	0.06%
4-60 Days	.020 for each additional day up to 60 days

#### **Notes:**

- All extensions are cumulative. Correspondent lenders may have extensions not to exceed a total of sixty (60) days.
  - Policies are subject to change without notice.
  - Correspondent lenders may contact the SunTrust Lock-In and Registration Desk for further information at 800-382-2111, Option 2.
-



## Fallout Loans

---

### General

- SunTrust's ability to offer competitive pricing is directly affected by our customer's ability to manage their fallout ratios. Fallout occurs when a loan is not delivered according to the lock-in terms. A loan is considered a fallout loan if:
    - the lock-in expired prior to the loan delivery,
    - the loan was denied,
    - the loan was withdrawn, or
    - for any reason the loan did not close according to the lock-in terms.
  - Correspondent lenders are responsible for notifying the SunTrust Lock Desk within one (1) business day if a loan falls out due to denial or withdrawal.
  - During any sixty (60) day period, fallout loans are measured by dollar amount, and by the number of successful deliveries versus unsuccessful deliveries.
  - Fallout loans must not exceed thirty-five percent (35%) of all loans subject to a lock-in.
  - A Correspondent lender's failure to maintain the amount of fallout loans within these limits may cause SunTrust to terminate the *Correspondent Loan Purchase Agreement*.
  - SunTrust reserves the right to charge a pair off fee for any locked loan that is not delivered to SunTrust.
  - The pair off fee is calculated by taking the difference in original price and current market and multiplying that figure times the loan amount.
  - The minimum pair off fee is .125 of a point.
-

## Relock

---

### General

If the original lock has expired 15 and 30 day relocks are available at a cost of worse case between the original and current rate/price plus all applicable program adjustors.

#### **15 Day Relock:**

Determine the rate and price of the relock by using the worse case between current market and original rate/price, plus all applicable program adjustors including the .125 relock adjustment for a 15 day relock.

#### **30 Day Relock:**

Determine the rate and price of the re-lock by using the worse case between current market and original rate/price, plus all applicable program adjustors including the .300 relock adjustment for a 30-day relock.

---

## Re-pricing

---

### Re-pricing

- A locked-in loan may require re-pricing for several reasons including but not limited to the following:
    - an expired lock-in or failure to deliver the closing package by the lock-in expiration date, or
    - a loan that has been pended for purchase for an extended period of time.
  - If the re-pricing of an expired lock-in is requested, the price will never be better than the original lock-in rate or price. All exceptions to pricing policies are negotiated on a case-by-case basis.
  - If the loan is re-priced, the purchase price will decrease a minimum of one eighth of one percent (.125%) in points or the difference between the purchase price and current market price.
  - The loan must meet guidelines in place at time of the re-pricing.
  - A borrower may change the loan program applied for and receive a new current lock-in only if the loan has been denied under the terms for which the applicant originally applied. A new 60-day lock-in may be made under a new program at current rates and points. Before a new lock-in can be entered, the SunTrust Lock Desk must be contacted.
  - If the borrower chooses voluntarily (not the result of a loan denial) to change the loan product, thereby affecting the lock-in, the SunTrust Lock Desk will authorize a new lock-in at the higher of the price being quoted for the new product at the time of application or the current price for the new product. The expiration date will remain unchanged from the previous lock-in.
- 

### Renegotiations

- Contact the SunTrust Correspondent Lock Desk to renegotiate a Key Loan program loan.
  - For loan programs other than the Key Loan program, the price on a locked loan may be renegotiated on a case-by-case basis using the following requirements:
    - Once the borrower has requested the renegotiation, the Correspondent lender must contact the SunTrust Correspondent Lock Desk to initiate the renegotiation.
    - Only one rate renegotiation per loan is allowed.
    - The market must have moved more than 0.500 in price from the original lock date in order for a rate renegotiation to occur.
    - A rate decrease of at least .125% is required.
    - Lock extensions on a renegotiated loan will be permitted using existing lock extension fees.
    - The pricing offered on the renegotiation will not exceed the originally locked price.
    - The rate renegotiation offer is calculated by splitting the market difference not to exceed the original price of the loan.
  - [Click here](#) to access Renegotiation Request form COR 0002.
-

## Pended Loan Policy

---

**Pended Loan Fees**      Reference: See General Section [1.08: Loan Delivery and Purchase Review](#) for information regarding pended loan fees.

---

**Return of Mortgage Loans**

- The decision to assess and collect penalties or return loan files will be discussed by the Correspondent Operations Manager and the Correspondent Account Manager.
- A performance tracking report identifies the number of loans per correspondent delivered and purchased without pend conditions as well as the number of loans returned or with penalty assessments.
- Correspondents will be notified by telephone as necessary regarding inadequate loan delivery performance.

---

## SunTrust Point of Sale Pricing Controls

---

**Non-Delegated Lenders**      In order to limit pricing discretion from occurring at the point of sale, SunTrust requires Correspondent Non-Delegated lenders to:

- maintain policies and procedures for restricting the amount of subsidy used.

**Note:** It is highly recommended that lenders cap subsidy at 100 basis points.

- maintain policies and procedures to properly document all pricing exceptions, as required by the Consumer Financial Protection Bureau (CFPB), and
  - maintain policies and procedures to monitor these exceptions for any unlawful disparate impact patterns that might occur, and to take corrective action in the event one does occur.
- 

**Delegated and Non-Delegated Lenders**

- SunTrust will analyze pricing activity of all Correspondent lenders and notify lenders if we identify unexplainable patterns.
- SunTrust will require remedial actions for those situations in which we deem such action is warranted.
- SunTrust will consider the fair lending risk of loan pricing in setting our Correspondent rate sheets and determining whether to purchase Correspondent loans.

---