

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

January 17, 2014 • COR14-013



Alert

Update

Reminder

Clarification

Training
Information

Preview

Clarified APR Threshold for FHA Safe Harbor Qualified Mortgages

As previously published in bulletin [COR14-010](#), SunTrust Mortgage, Inc. will only purchase FHA loans that meet the HUD's Safe Harbor Qualified Mortgage (QM) definition. FHA loans that meet the Rebuttable Presumption QM definition are not eligible for purchase by SunTrust Mortgage. This bulletin clarifies the Annual Percentage Rate (APR) thresholds for FHA Qualified Mortgages.

Intended Audience

Origination Processing	Secondary Marketing	Underwriting	Closing Delivery Funding	Compliance Legal	Other
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Effective Dates

Friday, January 10, 2014
Effective for FHA case numbers assigned on or after this date.

Background Information

As a result of the final rule issued by the Consumer Finance Protection Bureau concerning Qualified Mortgages, HUD issued its own final rule which identifies two types of QM loans: Safe Harbor and Rebuttable Presumption.

Safe Harbor QM loans have an APR threshold that is equal to or less than the Average Prime Offer Rate (APOR) plus the FHA Annual Mortgage Insurance Premium (MIP) plus 1.15%. Rebuttable Presumption QM loans have an APR threshold that is greater than the APOR plus the FHA Annual MIP plus 1.15%.

Bulletin Details

Government Purchases
SunTrust Mortgage will only purchase FHA loans that are QM Safe Harbor loans as defined by HUD.

Action Required

Closing, Delivery, Funding, Legal, and Compliance
Starting January 10, 2014
Only submit closed FHA loans to SunTrust Mortgage that meet HUD's QM definition of Safe Harbor.

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Bulletin Details, continued

Disclaimer

Information contained in this bulletin should not be deemed to constitute the provision of legal/compliance advice by SunTrust Mortgage. Correspondent lenders are urged to consult with their legal/compliance departments for information, interpretation, and/or additional requirements related to these regulations.

Former Guideline

Bulletin [COR14-010](#) did not include the APOR in the calculation of the APR thresholds for FHA Qualified Mortgages.

Note: HUD's Qualified Mortgage definitions are not applicable to FHA Case Numbers assigned prior to January 10, 2014.

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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