

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

March 7, 2014 • COR14-029



Alert

Update

Reminder

Clarification

Training
Information

Preview

Additional Guidance for Insured Closing Protection Letters

SunTrust Mortgage Inc., clarifies and updates the Insured Closing Protection Letter (ICPL) guidance to eliminate errors, reduce risks, and ensure the lender has maximum protection with the ICPL obtained.

Intended Audience

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

Friday, March 7, 2014
Effective for all loans closing on or after this date.

Background Information

SunTrust Mortgage recently reviewed and identified some common errors with our ICPL's and guidelines. We are taking this opportunity to correct these issues and to further improve the content, clarity, and consistency of our published guidelines.

Bulletin Details

Insured Closing Protection Letters (ICPL)

- Formats for ICPLs differ by state law. SunTrust accepts the standard state mandated forms. The state of the form should match the state in the property address.

Note: Blanket ICPLs are NOT acceptable.

Action Required

Closing, Delivery and Funding Starting March 7, 2014

Apply the updates and clarifications for all loans closing on or after this date.

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Bulletin Details, continued

Verification of ICPL

- The ICPL must meet the following requirements:
 - An individual insured closing protection letter is required with each settlement,
 - Be obtained prior to issuing closing/settlement instructions,
 - Be transaction specific, and
 - Must Include:
 - the name of the approved settlement company name/settlement attorney/agent.
 - the borrower(s) name, and
 - the subject property address.
- Closing/settlement date must be within 120 days of the ICPL date or within the ICPL expiration date if listed.

Note: The closing company/attorney/agent must bring to date the title binder and/or ICPL with any updates that may affect title found within 30 days of closing and updated documents as appropriate supporting the changes.

- Acceptable Information
 - ICPLs need to be accurate, and need to be clearly tied to the loan transaction.
 - Borrower name should clearly match the borrower(s). All titleholders should be listed which may differ from all borrowers.
 - Nicknames or aliases are not acceptable.
 - Property address should be clearly identified with the legal address.
 - Avenue/road designations need to be correct.
 - State and zip codes should be correct.
 - City may differ due to mailing rules only.
 - Compass directions (e.g. NE, SW) when part of the legal address need to be correct.
 - Unit or condominium numbers must be present and must match.

Notes:

- If the ICPL is drafted to cover only Person A located at Firm 1, but Person B also located at Firm 1 actually performs the closing then the lender is NOT covered. So if the individual closing person is referenced, that person must be the one doing the closing. The other acceptable alternative is for the Firm 1 in this example to be listed so that protection runs to all members thereof.
- If there are multiple closing companies/attorneys/agents involved in a closing then the ICPL should name each of the closing companies/attorneys/agents, or a separate ICPL is required for each company/attorney/agent performing the closing.

Revised Material

Click [Title Insurance](#) to view the revised material.

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Former Guideline

Previously, our guidelines did not address the details of verification and acceptable information for ICPL requirements.

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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