

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

April 4, 2014 • COR14-038



Alert

Update

Reminder

Clarification

Training
Information

Preview

Enhancements to Jumbo Solution Second Mortgage and Key Loan Program Tradeline Requirements

SunTrust Mortgage, Inc. now provides detailed guidance for the Jumbo Solution Second Mortgage and Key Loan Program in regard to borrowers that have thin credit files and do not meet traditional tradeline requirements for these programs.

Intended Audience

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

Friday, April 4, 2014

Effective for applications dated on or after this date.

Background Information

In an effort to increase client delight and expand our Jumbo Solution Second Mortgage and Key Loan Program products to established cash borrowers, SunTrust Mortgage made changes to the Credit Requirements for borrowers with thin credit files.

Bulletin Details

Borrowers Not Meeting the Minimum Tradeline Requirements

- Credit reports that contain too few qualifying tradelines, insufficient trade history and/or do not meet the tradeline requirements may be considered on a case-by-case basis.
- These guidelines are not eligible for First Time Homebuyers.
- All borrower(s) and co-borrower(s) with a credit score must meet minimum credit score requirements.

Action Required

Originations, Processing, and Underwriting

Starting April 4, 2014

Apply guidelines in this bulletin to loans with applications dated on or after this date.

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Bulletin Details, continued

Borrowers Not Meeting Minimum Tradeline Requirements, continued

- Borrowers not meeting the minimum tradeline requirements are eligible provided all below requirements are met:
 - maximum loan amount \$1,000,000,
 - maximum 70% loan-to-value (LTV)/total-loan-to-value (TLTV)/home equity line of credit TLTV (HTLTV),
 - minimum gross disposable income (GDI) \$6,000,
 - 24 months reserves,
 - no major derogatory credit in the last 24 months,
 - not more than \$1,000 in aggregated balance(s) in judgments, collections, and/or charge-offs may reflect on the credit report,
 - any open judgment, collection, and/or charge-off must be paid at closing, and
 - a housing history with no late mortgage or rental payments in the last 24 months.

Note: The underwriter may require additional non-traditional credit as a compensating factor.

- Files must meet all other credit, income, and collateral guidelines WITHOUT exception.

Borrower Meeting Tradeline Requirements with a Co-Borrower Not Meeting Tradeline Requirements

- The borrower must meet the credit score and all Key Loan guidelines and the co-borrower must meet the following:
 - no major derogatory credit in the last 24 months,
 - not more than \$1,000 in aggregated balance(s) in judgments, collections, and/or charge-offs may reflect on the credit report, and
 - any open judgment, collection, and/or charge-off must be paid at closing.

Note: If the co-borrower has a credit score, the credit score must meet Key Loan requirements.

Revised Materials

Click [Key Loan Program](#) and Key Loan Program Eligibility Checklist ([COR 0650](#)) to view the revised materials.

Former Guideline

[Click here](#) to see the before-and-after matrix that provides a detailed overview of all updates effective for loan applications dated on or after April 4, 2014,

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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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