

# Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

May, 2, 2014 • COR14-049



Alert

Update

Reminder

Clarification

Training  
Information

Preview

## First-time Homebuyer Escrow Waiver Eligibility Changes

SunTrust Mortgage, Inc. removes the first-time homebuyer escrow waiver restriction for Agency and Agency Plus non-automated underwriting system (non-AUS), Fannie Mae's Desktop Underwriter (DU), and Freddie Mac's Loan Prospector (LP) products.

### Intended Audience

Origination  
Processing

Secondary  
Marketing

Underwriting

Closing  
Delivery  
Funding

Compliance  
Legal

Other

### Effective Dates

**Monday, May 5, 2014**

Effective for locks on or after this date.

### Background Information

SunTrust Mortgage reviewed its escrow waiver guidelines for opportunities to improve the borrower's experience. We determined that we could remove the first-time homebuyer escrow waiver restriction for the Agency and Agency Plus non-AUS, DU, and LP loan products.

### Bulletin Details

#### First-time Homebuyer Waiver Eligibility Requirements

The following are first-time homebuyer escrow waiver eligibility requirements:

- For Agency and Agency Plus non-AUS, DU, and LP loan products, a first-time homebuyer is eligible for escrow waiver.
- For the Key loan product, a first-time homebuyer is not eligible for escrow waiver.
- There are no State escrow waiver restrictions for first-time homebuyers.

**Note:** All other State escrow restrictions apply such as LTV, occupancy, lien position, etc.

- If a particular law or regulation does not allow a lender to require an escrow account under certain circumstances, the loan would be eligible without escrows.

### Action Required

**Origination, Processing, Secondary Marketing, Underwriting, Closing, Delivery, and Funding Starting May 5, 2014**

Apply the new guidance to locks on or after this date.

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## Bulletin Details, continued

### First-time Homebuyer Definition

A first-time homebuyer is an individual who meets all of the following requirements:

- Is purchasing the security property,
- Will reside in security property as a primary residence, and
- Had no ownership interest (sole or joint) in a residential property during the 3-year period preceding the date of the purchase of the security property.

**Note:** A displaced homemaker or a single parent may also be considered a first-time homebuyer if the individual had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding 3-year period. If a displaced homemaker or single parent solely owned the marital primary residence during the preceding 3-year period, you may not consider the individual as a first-time homebuyer.

### Revised Material

Click [Loan Delivery and Purchase Review](#) and [Correspondent Agency Credit Overlay Matrix](#) to view the revised materials.

## Former Guideline

Previously, first-time homebuyers were not eligible for an escrow waiver.

## 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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