

Correspondent Mortgage Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.

August 15, 2014 • COR14-086



Alert

Update

Reminder

Clarification

Training
Information

Preview

HUD Clarifies FHA Manual Underwriting Guidelines

SunTrust Mortgage, Inc. clarifies multiple guidelines for manually underwritten FHA transactions.

Intended Audience

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

Monday, August 18, 2014
Effective for applications on
or after this date.

Background Information

The Department of Housing and Urban Development (HUD) provided clarification on published Mortgagee Letter (ML) 2014-02 issued on January 21, 2014, outlining multiple guideline changes for manually underwritten FHA transactions. The original changes are referenced in bulletin CR14-86.

Bulletin Details

FHA Manually Underwritten Guideline Clarifications

SunTrust Mortgage updates our FHA Non-Automated Underwriting System (AUS) guidelines to clarify previous changes issued in ML 2014-02. The clarifications are as follows:

- The “stretch ratio” benefit as it relates to Energy Efficient Homes, applies to homes that exceeds (not meet) the IECC standards.
- For manual ratios with a maximum of 40%/40%, Borrowers must have established credit lines in his/her own name open for at least six (6) months and carries no discretionary debt. For example, the monthly total housing payment is the only open instalment account they may have and the pay off in full of at least two other credit lines that can be documented for at least the previous six (6) months.
- One-month reserves are not required on a one-unit primary non-credit qualifying FHA-to-FHA streamline refinance transaction.

Action Required

Origination, Processing, Underwriting, Closing, Delivery, and Funding As of August 18, 2014

Follow the guidelines outlined in this bulletin
for manually underwritten FHA loan
transactions.

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Bulletin Details, continued

Click [FHA](#) to view the revised materials.

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
Emerging Banker Account Executive	Specific questions on applying this procedure to specific loan files. Direct contact information for each account executive 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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