

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
June 15, 2018 • COR18-031



Alert

Update

Reminder

Clarification

Training
Information

Preview

Delegated Underwriting Authority Revision

SunTrust Mortgage, Inc. announces that Correspondent lenders with delegated underwriting authority are now eligible to underwrite the first mortgage loan when it is subject to the subordination of a SunTrust second mortgage.

Effective Dates

Effective immediately for new and existing applications on or after Friday, June 15, 2018.

Background Information

Based upon review of our underwriting and subordination of SunTrust second mortgage requirements, we found an opportunity to improve the process our delegated Correspondent lenders go through on loans subject to the subordination of a SunTrust second mortgage. This improvement saves them time as well as money since they no longer pay SunTrust an underwriting fee to underwrite these loans.

Bulletin Details

Delegated Underwriting Classification

- Correspondent lenders who have been approved by SunTrust Mortgage, Inc. for delegated underwriting authority may underwrite and approve certain loans based on the following delegation levels:

Delegation	Delegated Authority
Level II	<ul style="list-style-type: none">• Eligible:<ul style="list-style-type: none">• Agency Automated Underwriting Systems (AUS) loans including:<ul style="list-style-type: none">• Agency (1-2 units)• Agency Plus (1-2 units)• DU Refi Plus™• Agency Texas Section 50(a)(6) Cash-out Refinance• Fannie Mae HomeReady® (1-2 units)• Freddie Mac Home Possible® (1-2 units)• All eligible loans must receive one of the following eligible AUS recommendations:<ul style="list-style-type: none">• Agency and Agency Plus<ul style="list-style-type: none">• DU “Approve/Eligible”• LPA “Accept/Eligible”• DU “Approve/Eligible”• Freddie Mac Home Possible®<ul style="list-style-type: none">• LPA “Accept/Eligible”

Product Support Bulletin



Information for Correspondent Lenders of SunTrust Mortgage, Inc.
June 15, 2018 • COR18-031

Bulletin Details, continued

Delegated Underwriting Classification, continued

Delegation	Delegated Authority, (continued)
Level II, continued	<ul style="list-style-type: none"> • DU Refi Plus™ <ul style="list-style-type: none"> • DU Refi Plus “Approve/Eligible” • Agency Texas Section 50(a)(6) Cash-out Refinance <ul style="list-style-type: none"> • DU “Approve/Eligible” • Fannie Mae HomeReady® <ul style="list-style-type: none"> • Ineligible: <ul style="list-style-type: none"> • Non-AUS (Manually Underwritten Transactions) • Key Loan Program • Jumbo Solution Second Mortgage Program • Loans that receive a DU/DO “Refer with Caution” recommendation are not acceptable. <p>Reference: See the “Loans Underwritten by MI Contract Underwriting Services” topic within this document for additional requirements for submitting loans to MI Companies for underwriting purposes.</p>
Expanded Plus	<ul style="list-style-type: none"> • Eligible: <ul style="list-style-type: none"> • All loan eligible under Expanded Authority • Key Loan Program transactions meeting the following requirements: <ul style="list-style-type: none"> • Loan Amount <= \$1,000,000 • 1-unit primary residence only (i.e., no second homes) • Non-occupant co-borrowers are not eligible • Short sale subject properties are not eligible • TPO originated (regardless of any Third Party Component Advice) are not eligible. • Ineligible <ul style="list-style-type: none"> • Jumbo Solution Second Mortgage Loan Program • Key Loan Program transactions not meeting the above criteria (must be underwritten by SunTrust Mortgage) <p>Reference: See the “Loans Underwritten by MI Contract Underwriting Services” topic within this document for additional requirements for submitting loans to MI Companies for underwriting purposes.</p>
Expanded Plus	<ul style="list-style-type: none"> • Eligible: <ul style="list-style-type: none"> • All loan eligible under Expanded Authority • Key Loan Program transactions meeting the following requirements: <ul style="list-style-type: none"> • Loan Amount <= \$1,000,000 • 1-unit primary residence only (i.e., no second homes) • Non-occupant co-borrowers are not eligible • Short sale subject properties are not eligible • TPO originated (regardless of any Third Party Component Advice) are not eligible.

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
June 15, 2018 • COR18-031



Bulletin Details, continued

Delegated Underwriting Classification, continued

Delegation	Delegated Authority, (continued)
Expanded Plus, continued	<ul style="list-style-type: none">• Ineligible<ul style="list-style-type: none">• Jumbo Solution Second Mortgage Loan Program• Key Loan Program transactions not meeting the above criteria (must be underwritten by SunTrust Mortgage) <p>Reference: See the “Loans Underwritten by MI Contract Underwriting Services” topic within this document for additional requirements for submitting loans to MI Companies for underwriting purposes.</p>

Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of all guideline updates.

Revised Material

Click [Underwriting](#), [Subordination of SunTrust Second Mortgage Loans](#), [Subordinations for DU Refi Plus](#), [SunTrust Secondary Financing Subordination Checklist - DU Refi Plus \(COR 1372\)](#), [Virginia Automatic Subordination Checklist \(COR 1379\)](#), and [Texas Automatic Subordination Checklist \(COR 1380\)](#) to review the revised material.

Former Guidelines

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former guidelines.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Direct contact information for each correspondent relations coordinator is located in General Section 1.01: The Correspondent Division
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. SunTrust Mortgage, Inc. does not guarantee or assume liability for any third-party products or services. ©2018 SunTrust Banks, Inc. SunTrust, and SunTrust Mortgage are federally registered service marks of SunTrust Banks, Inc.