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Agency LPA 30-Day Accounts and Income/Employment Verifications Revisions

Truist Bank (Truist) revises Agency Loan Product Advisor[®] (LPASM) guidelines to align with recently announced Freddie Mac updates. With these updates, we revise LPA guidelines related to the following:

- 30-day accounts
- third-party income and employment verifications

Effective Dates

All updates are effective for new loan applications on or after April 23, 2021.

Background Information

Freddie Mac Bulletin 2021-9 announced updates impacting 30-day accounts and third-party income and employment verifications guideline requirements. In response to this publication, we reviewed impacted guidelines and identified the opportunity to implement revisions to align with Freddie Mac requirements.

Bulletin Details

30-Day Accounts (*Formerly Referred to as “Open-End” Accounts under LPA Guidelines*)

We revise LPA requirements for the treatment of 30-day accounts (i.e., accounts that require the balance to be paid in full monthly and previously referred to as “open-end” accounts under LPA guidelines) as follows:

- The full amount of the outstanding account balance must be included in the debt payment-to-income ratio, or the lender must verify that the borrower has sufficient funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the borrower for the mortgage transaction, and the source of funds must be an eligible source.

Note: Freddie Mac will update LPA feedback messages by July 6, 2021 to reflect these changes.

Third-Party Income and Employment Verifications

We update LPA requirements for third-party income and employment verifications as follows:

- for third-party 10-day pre-closing verifications (10-day PCVs), we relax guidelines to state that the form used by the third-party verification services provider must now only contain the name and contact information of the provider (*previously, guidelines required the form to include the name, address, and phone number of the third-party verification service provider*)
- we revise guidelines to state that the lender must verify that all third-party verification service providers have procedures to comply with quality control requests for reverification from Freddie Mac, the lender, and/or Servicer

Before and After Matrix

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

Revised Material

Click [Agency Loan Programs](#) to review the revised product material.

Former Guidelines

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

Product Release

Information for Correspondent Lenders of Truist Bank
April 23, 2021 • COR21-022



Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
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.

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