

**\*\*Note:** As of August 28, 2020, Key Loan Program is available with temporarily restrictions. Refer to [COR20-038](#) and clarification bulletin [COR20-043](#).

## KEY LOAN PROGRAM ELIGIBILITY CHECKLIST

**Truist Loan Number:**

**Borrower/Co-Borrower Name:**

**Instructions:** This checklist is **REQUIRED** to be completed and placed in the loan file on **ALL** delegated Key loan transactions.

**\*\* IF ANY OF RESPONSES TO THE QUESTIONS BELOW IS "NO" \*\*  
THE LOAN IS NOT ELIGIBLE FOR ORIGATION UNDER THE KEY LOAN PROGRAM.**

		Yes	No
<b>1. Loan Amount</b>	<p>Loan amount is less than or equal to \$2,000,000.</p> <p><b>Note:</b> If loan amount is greater than \$1,000,000, the loan must be underwritten by Truist.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2. Occupancy/ Property Types</b>	<ul style="list-style-type: none"> <li>• The subject property is a primary residence.</li> </ul> <p><b>Note:</b> Second home and investment property transactions are ineligible.</p> <ul style="list-style-type: none"> <li>• The subject property does not exceed 15 acres.</li> <li>• If applicable, Declining Market guidelines have been met.</li> <li>• If the subject property is a condo, it is located in a warrantable condo project.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3. Eligible Borrowers</b>	<p>The borrower (and co-borrower, if applicable) is a US citizen or Permanent Resident Alien.</p> <p><b>Note:</b> If there file contains any non-occupant co-borrowers, the loan must be underwritten by Truist.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4. Assets/ Cash Reserve Requirements</b>	<ul style="list-style-type: none"> <li>• All large deposits as defined in the guidelines have been documented per program guidelines.</li> <li>• All cash reserve requirements have been met as published in the program guidelines (i.e., business assets are not eligible to meet reserve requirements).</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>5. Maximum Number of Financed Properties</b>	<p>The borrower owns four (4) or less financed properties, including the subject property.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<b>6. Refinance Guidelines</b>	<p>If the transaction is a limited cash-out (rate/term) transaction:</p> <ul style="list-style-type: none"> <li>• Have the maximum cash back to borrower guidelines been met?</li> <li>• Secondary financing being paid off has been seasoned for at least 12 months (seasoning based on 12 month draw history for HELOCs).</li> <li>• Truist to Truist rate/term refinance: Portfolio Loan Lookup Tool printout provided reflecting the current loan is eligible for declining market reduction waiver.</li> </ul> <p>Note: Cash-out transactions are ineligible.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<b>7. Qualifying Rate</b>	<p>The borrower was qualified at the following rate:</p> <ul style="list-style-type: none"> <li>• Fully Amortizing Fixed Rate: fully amortizing payment (PITI) at the note rate.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>8. Qualifying Ratios</b>	<p>Standard Guidelines: The borrower's DTI is 43% or less.</p> <p>Note:</p> <ul style="list-style-type: none"> <li>• For C/P transactions, the DTI is reduced by 5% for self-employed borrowers.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. Credit Requirements</b>	<ul style="list-style-type: none"> <li>• Minimum credit score requirements have been met.</li> <li>• The borrower's payment history reflects 0x30 on ALL housing debts for the last 24 months (including ALL mortgage and rental payments).</li> <li>• If there is no payment on an open-ended or revolving account with or without a balance on the credit report, the minimum payment was calculated as the greater of \$10 or 5% of the outstanding balance.</li> <li>• All HELOC payments are based on the greater of 1% of the full line amount or the payment as reflected on the credit report or the borrower's monthly HELOC statement (applies to all properties owned by the borrower).</li> <li>• A letter of explanation has been provided for all derogatory credit.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

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<b>10. Income</b>	<ul style="list-style-type: none"> <li>Borrower-signed Employment and Income Continuity affidavit executed at closing for all loans.</li> <li>Salaried/Hourly Wage Earners: VVOE confirming the borrower is still employed within 10 business days of the note date.</li> <li>Capital gains income was not used as a qualifying income source (capital gain income is ineligible).</li> <li>If retirement income is paid in the form of a monthly distribution from a 401(k), IRA, or Keogh retirement account, a 10 year continuance has been verified.</li> <li>If using rental income to qualify, all income stability requirements have been met and supporting documentation is in the loan file.               <ul style="list-style-type: none"> <li>Documentation evidencing current receipt of monthly rental income for each rental unit and/or rental property for the most recent two (2) months prior to closing. Loans closing after the 15th of the month include verification of rental income for the current month.</li> </ul> </li> </ul> <p><b>Note:</b> Must have 2 yr. landlord experience supported by tax returns.</p> <p><u>For Self-Employed Income</u></p> <ul style="list-style-type: none"> <li>All required documentation is included in the loan file.</li> <li>Minimum self-employed documentation requirements are met: 2 years personal and business tax returns including all schedules and YTD P&amp;L and balance sheets are mandatory for all business types.</li> <li>The self-employed borrower VOE (Evidence of existing business) is required 10 days prior to the note date.</li> <li>COVID Business Impact and Continuity Attestation</li> <li>Profit and loss statement:               <ul style="list-style-type: none"> <li>Audited year-to-date (YTD) profit and loss statement reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date and be dated within 60 calendar days prior to the note date.</li> <li>OR</li> <li>Both of the following:                   <ul style="list-style-type: none"> <li>Borrower signed unaudited year-to-date (YTD) profit and loss statement reflecting business revenue (i.e. gross receipts or sales), expenses, and net income up to the and including the most recent month preceding the application date and be dated no more than 60 calendar days prior to the note date, AND</li> <li>Two months business account statements no older than the latest two months represented on the YTD profit and loss statement.</li> </ul> </li> </ul> </li> <li>When self-employed income reflects a decrease on the YTD P&amp;L, the tax returns for the business cannot be included in the income calculation due to the decline. In order to use the P&amp;L statement as the income source to qualify the self-employed borrower,               <ul style="list-style-type: none"> <li>the income must be determined stable, and</li> <li>the P&amp;L statements must be audited. An unaudited P&amp;L statement and supporting bank statements may not be used in this circumstance.</li> </ul> </li> <li>Commentary provided on the 1008, or memo to the loan file, documenting the rationale and justification of underwriting decision for all loans qualifying with self-employed income.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>						
<b>11. Minimum Borrower Contribution (Purchase Transactions ONLY)*</b>  * If transaction is a RATE/TERM REFINANCE, go to "Appraisal Requirements".	<p>The borrower has contributed at least 5% from his or her own funds to the transaction.</p> <p><b>Note:</b> This applies for all LTV/TLTVs.</p>	<input type="checkbox"/>	<input type="checkbox"/>						
<b>12. Seller Contributions*</b>  * If transaction is a RATE/TERM REFINANCE, go to "Appraisal Requirements".	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr style="background-color: #cccccc;"> <th colspan="2" style="text-align: center;">Primary Residences</th> </tr> <tr> <th style="text-align: center;">TLTV</th> <th style="text-align: center;">Max Contribution %</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">80% and below</td> <td style="text-align: center;">6%</td> </tr> </tbody> </table> <p><b>Note:</b> The limits are based on TLTV and not LTV.</p>	Primary Residences		TLTV	Max Contribution %	80% and below	6%	<input type="checkbox"/>	<input type="checkbox"/>
Primary Residences									
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<b>13. Appraisal Requirements</b>	a) A full appraisal (i.e., Form 1004 or 1073) with an interior and exterior inspection has been obtained for loans with loan amount or combined total loan amounts < \$1,500,000. <ul style="list-style-type: none"> <li>• A full appraisal, performed by a State Certified Appraiser, has been obtained for loan amounts or combined total loan amounts &lt; \$1,500,000.</li> <li>• Exterior only appraisals (Form 2055/Form 1075) obtained as follows:               <ul style="list-style-type: none"> <li>• Loan amounts up to \$750,000 (Max LTV/TLTV 75%)</li> <li>• Loan amounts \$750,000 - \$1,000,000 (Max LTV/TLTV 70%)</li> </ul> </li> </ul> <p><b>Note:</b> The combined total loan amount includes the outstanding balance on second mortgages and the total credit line amount on home equity lines of credit (HELOCs).</p>	<input type="checkbox"/>	<input type="checkbox"/>
	b) Two (2) full appraisals (i.e., Form 1004 or 1073) with an interior and exterior inspection, performed by a State Certified Appraiser, have been obtained for loans with loan amount or combined total loan amounts >= \$1,500,000 and <= \$2,000,000. <p><b>Note:</b> The total loan amount includes the outstanding balance on second mortgages and the total credit line amount on home equity lines of credit (HELOCs).</p>	<input type="checkbox"/>	<input type="checkbox"/>
	c) The appraisal is 120 days old or less at the time of closing (Applies for existing properties and new construction.) <p><b>Note:</b> If the appraisal is greater than 120 days, but less than 12 month old, an appraisal update is required.</p>	<input type="checkbox"/>	<input type="checkbox"/>

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<p><b>14. Minimum Tradeline Requirements</b></p>	<ul style="list-style-type: none"> <li>The borrower(s) credit report satisfies one of following options:</li> </ul> <p><b>Note:</b> At least one borrower on the loan has a non-disputed installment or mortgage debt tradeline for either Option 1 or Option 2 below.</p> <p><b>Option 1</b></p> <ul style="list-style-type: none"> <li>The credit report contains a total of at least three (3) open non-disputed tradelines; one (1) of which is a non-disputed installment or mortgage tradeline,</li> <li>each of the three (3) tradelines has been open for at least 24 months, and</li> <li>each of the three (3) tradelines has been updated within the last six (6) months.</li> </ul> <p><b>Option 2</b></p> <ul style="list-style-type: none"> <li>The borrower(s) has a credit history of a least five (5) years,</li> <li>the credit report contains at least five (5) non-disputed tradelines (open, paid or closed); one (1) of which is a non-disputed installment or mortgage tradeline (open, paid or closed),</li> <li>individual tradelines may be established for less than a five (5) year period, and</li> <li>the tradelines evaluated in Option 2 have had activity within the most recent five (5) year period.</li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>Generally, a non-traditional credit history is not acceptable.</li> <li>Authorized user accounts were not used to meet the minimum tradeline requirements.</li> </ul> <p><b>Borrowers Not Meeting the Minimum Tradeline Requirements</b></p> <ul style="list-style-type: none"> <li>Borrower does not meet the minimum tradeline requirements, but all requirements below have been met: <ul style="list-style-type: none"> <li>borrower is not a First Time Homebuyer</li> <li>loan amount is <math>\leq</math> \$1,000,000,</li> <li>LTV/TLTV/HTLTV is <math>\leq</math> 70%,</li> <li>gross disposable income (GDI) is <math>\geq</math> \$6,000,</li> <li>borrower has at least 24 months reserves,</li> <li>no major derogatory credit in the last 24 months,</li> <li>there is not more than \$1,000 in aggregated balance(s) in judgments, collections, and/or charge-offs reflected on the credit report,</li> <li>any open judgment, collection, and/or charge-off is being paid at closing, and</li> <li>the housing history shows no late mortgage or rental payments in the last 24 months.</li> </ul> </li> <li>The file meets all other credit, income, and collateral guidelines.</li> </ul> <p><b>Borrower Meets Tradeline Requirements with Co-Borrower Who Does Not Meet Tradeline Requirements</b></p> <ul style="list-style-type: none"> <li>The borrower meeting tradeline requirements must meet the credit score and all product/underwriting guidelines.</li> <li>If the co-borrower has a credit score, and if the co-borrower's income is required to qualify, the credit score must meet product requirements.</li> <li>Compensating Factor Code EN2 must be captured in the origination system for borrowers meeting tradeline requirements, but the co-borrower does not.</li> <li>No additional restrictions apply to these transactions.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>15. Documentation Requirements (Income, Asset, Credit, etc.)</b></p>	<ul style="list-style-type: none"> <li>The loan file has been documented in accordance with documentation requirements for Key Loan Program as outlined in the <a href="#">Section 2.06: Key Loan Program</a> of the <i>Correspondent Seller Guide</i></li> <li>Age of Documentation: Income and asset documentation is not older than 60 days as of the note date <ul style="list-style-type: none"> <li>If assets used for income, documentation reflects a current value within 30 days of closing.</li> </ul> </li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

Signature of Lender \_\_\_\_\_

Date \_\_\_\_\_