

Government Overlays Matrix



SunTrust FHA Overlays – as of August 3, 2018

In order to mitigate the risk on the loans we originate, SunTrust has overlays in our guidelines in addition to the Federal Housing Administration (FHA) requirements. This summary of overlays is being provided as a reference tool; it is not intended to replace our detailed product guideline documents. An "X" under a product column indicates that the overlay applies for that product. For complete product guidelines, please refer to the FHA product description and general guideline sections in the Correspondent Selling Guide.

This document is a summary of most SunTrust credit overlays for both FHA and VA products and is being provided as a reference tool to aid in identifying these overlays. For complete product guidelines refer to the applicable product description in the Correspondent Selling Guide.		FHA Conforming	SunTrust FHA Jumbo
Topic	Overlay Description		
Cash To Close	SunTrust requires a borrower to liquidate stocks and/or bonds when using as cash to close and provide evidence.	X	X
Credit Requirements	<u>Streamline Refinance Mortgage History:</u> <ul style="list-style-type: none"> 0 x 30 12 month Mortgage payment history on all mortgages on the subject property reporting since the 1st payment due date of the mortgage that is being refinanced 	X	X
Credit Score Minimum	<ul style="list-style-type: none"> 640 for all borrowers with a credit score on Purchase, RT, Simple, and Credit Qualifying Streamline (ST to ST). 720 for all borrowers with a credit score on Credit Qualifying Streamline when ST is not the current servicer. 	X	X
Eligible Secondary Financing	Secondary financing subject to negative amortization is not acceptable.	X	X
Exclusionary List	Must review the SunTrust Ineligible Lists.	X	X
Geographic Restrictions/ Leaseholds	<u>Alaska: SunTrust does not lend in the state of Alaska.</u> <u>Georgia Power Company Leaseholds are not allowed.</u> <u>Hawaii: SunTrust does not lend in the state of Hawaii.</u> <u>Texas: Cash-out refinances are not eligible.</u> <u>U.S. Territories-SunTrust does not lend in U.S. Territories</u>	X	X
HOI-6	Name of insured must include one title holder	X	X
Ineligible Borrowers	<ul style="list-style-type: none"> Non-occupant co-borrowers/co-signers are not permitted on 203(b) with repair escrow transactions unless parent. Non-Profit Organizations. Non-Permanent Resident Aliens that do not have a valid E, G, H,L, NATO, O or TN Visa. Borrowers with Diplomatic Immunity. 	X	X
Ineligible Property Type	<ul style="list-style-type: none"> Sinkhole Homes (even if repaired) Manufactured homes Methamphetamine homes (even if certified habitable) Cooperatives Properties with individual water purification systems required to make the water safe and potable 	X	X
Ineligible Transactions	<ul style="list-style-type: none"> Any Non-Credit Qualifying streamline refinance of an existing FHA loan serviced by a lender other than SunTrust. Investment Properties including HUD REO (except for ST to ST streamline refinance) Disasters and 203(h) Mortgage Insurance for Disaster Victims. FHA Section 203(k). FHA Section 247 Single Family Mortgage Insurance on Hawaiian Home Lands. FHA Section 248 Indian Reservations and other Restricted Lands. Home Equity Conversion Mortgages (HECMs). FHA Refinance Program for borrowers in negative equity positions (also known as "Short Refinance.") SunTrust Construction/Permanent financing. Transactions where the FHA Back-to-Work Guidelines are utilized. 1, 3, 5 7 and 10-year ARMs Ease-in Payment Reduction Feature 	X	X
Loan Terms	Annual amortization terms limited to 20 to 30 years	N/A	X
Private Roads/ Streets	Evidence of recorded road maintenance agreement required when private road is not maintained by a homeowners association.	X	X
Properties Recently Listed for Sale	<ul style="list-style-type: none"> If a property is listed for sale the following applies: <ul style="list-style-type: none"> for Rate-Term, Simple and Streamline Refinance transactions, <ul style="list-style-type: none"> the property must be taken off the market prior to the application (i.e., 1003) date, for cash-out refinances: <ul style="list-style-type: none"> the property must have been taken off the market for at least 60 days prior to loan application. 	X	X
Qualifying Ratios	<ul style="list-style-type: none"> Loans receiving AUS approval the following maximum DTI requirements apply: <ul style="list-style-type: none"> 50% for borrowers with credit scores 640-659 55% for borrowers with credit scores ≥ 660 	X	X
Maximum TLTV	105% All transactions including streamline refinance transactions, unless HUD is more restrictive.	X	X

END OF FHA OVERLAYS

Government Overlays Matrix



SunTrust VA Overlays – as of April 5, 2019

This document is a summary of most SunTrust credit overlays for the VA product and is being provided as a reference tool to aid in identifying these overlays. For complete product guidelines refer to the applicable product description in the Correspondent Seller Guide.

Topic	Overlay Description	VA Conforming	SunTrust VA Jumbo
Cash Out Refinance	<ul style="list-style-type: none"> <u>LTV 90.01% to 100%</u> <ul style="list-style-type: none"> <u>all existing liens (to be paid off or remain subordinate to the new first mortgage) require a satisfactory (0x30) six (6) month payment history</u> <u>proceeds may not be used for the following:</u> <ul style="list-style-type: none"> <u>non-SunTrust non-purchase money seconds</u> <u>payoff other non-mortgage debt</u> <u>max. \$500. cash back to borrower at closing</u> 	X	X
Condominiums	<u>HO-6 insurance coverage required if master hazard policy is a bare walls policy</u>	X	X
Credit Score Minimum	<u>640 for all borrowers with a credit score except IRRRL</u>	X	X
Credit Requirements	<ul style="list-style-type: none"> <u>Chapter 7 or 13 bankruptcy, Foreclosure, Deed In Lieu of Foreclosure or Short Sale in the last 3 years disqualifies the borrower</u> <u>No late housing payments (0 x 30) reporting in prior 12 months</u> 	N/A	X
	<ul style="list-style-type: none"> <u>Individual or multiple collection accounts that have a singular or cumulative balance greater than \$2000 must meet one of the following requirements:</u> <ul style="list-style-type: none"> <u>be paid in full using an acceptable source of funds.</u> <u>have documented payment arrangements with the creditor(s) and include the payment in the borrower's debt to income ratio</u> <u>a satisfactory letter of explanation and appropriate supporting documentation if account(s) are disputed.</u> 	X	X
	<ul style="list-style-type: none"> <u>IRRRL Mortgage payment history:</u> <ul style="list-style-type: none"> <u>12 month seasoning with no Mortgage (s) late payments (0 x 30) reporting</u> 	X	X
Escrow Holdback for Work Completion	<u>An escrow holdback to complete improvements or repairs must be prior approved by SunTrust</u>	X	X
Exclusionary Lists	<u>Must review the SunTrust Ineligible Lists</u>	X	X
Forms	<u>VA Entitlement worksheet (COR 0341) required</u>	N/A	X
Geographic Restrictions	<ul style="list-style-type: none"> <u>Georgia Power Company Leaseholds not allowed</u> <u>Loans in Hawaii and Alaska not allowed</u> <u>Texas: Cash-out refinances are not eligible</u> 	X	X
HOI-6	<u>Name of insured must include one title holder</u>	X	X
Income Documentation	<ul style="list-style-type: none"> <u>Signed 4506-T required at closing</u> <u>Verbal VOE completed within 10 business days, prior to closing (i.e. Note date), for salaried borrowers, excluding Active Duty Military.</u> 	X	X
Ineligible Income	<u>Income derived from an activity that is deemed illegal by federal or state law (for example, income derived from a business that is legal by state law but illegal by federal law cannot be considered)</u>	X	X
Ineligible Programs	<ul style="list-style-type: none"> <u>Buyer-paid temporary buydowns are ineligible</u> <u>VA IRRRL serviced by another lender</u> <u>Any ARM Programs</u> 	X	X
	<u>Ease-In Payment Reduction Feature</u>	N/A	X
Ineligible Property Types	<ul style="list-style-type: none"> <u>Sinkhole Homes (even if repaired)</u> <u>Manufactured homes</u> <u>Methamphetamine homes (even if certified habitable)</u> <u>Cooperatives</u> 	X	X
Loan Terms	<u>Annual amortization terms limited to 20 to 30 years</u>	N/A	X
Maximum Loan Amount	<u>\$1,033,000 - excluding FF</u>	N/A	X
Maximum Number of Financed Properties	<u>Maximum number of financed properties with any lender is (4)</u>	X	X
Properties Recently Listed for Sale	<u>Cash Out Refinance – property must be taken off the market at least 60 days prior to loan application AND if listed for sale within the 6 months preceding loan application date the maximum LTV/TLTV-85%.</u>	X	X
Qualifying Ratios	<u>Maximum 50% DTI regardless of AUS findings.</u>	X	X
Rental Income from Conversion of existing Primary Residence	<u>Evidence of security deposit and/or 1 month's rent paid to the homeowner/borrower</u>	X	X
TLTV	<u>Max 105% on purchase and regular/cash-out refinances</u>	X	X

END OF VA OVERLAYS