# Agency Validation of Parties to the Mortgage Transaction Updates

**Note:** SunTrust Mortgage specific overlays are underlined.

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<tbody>
<tr>
<td><strong>Validation of Parties to the Mortgage Transaction</strong></td>
<td>Correspondent Section 1.19 Fraud Prevention-Guideline</td>
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<tr>
<td><strong>&amp; Correspondent Section 2.01 Agency Loan Programs-Guideline</strong></td>
<td><strong>Section 1.19 Fraud Prevention-Guideline Exclusionary Lists</strong></td>
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<td>For all transactions, it must be confirmed that certain parties to the mortgage transaction are not found on the HUD (U.S. Department of Housing and Urban Development) Limited Denial of Participation List (LDP) and the General Services Administration (GSA) Excluded Party List by accessing the websites reflected below:</td>
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<td></td>
<td>- General Services Administration (GSA) Excluded Party List: <a href="https://www.sam.gov">https://www.sam.gov</a></td>
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<td></td>
<td>Correspondent lenders must either manually check the LDP/GSA lists or utilize a service to check the lists on the applicable website for each of the following parties to the mortgage transaction:</td>
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<tr>
<td></td>
<td>- Borrower,</td>
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<td></td>
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<tr>
<td></td>
<td>- Seller,</td>
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<tr>
<td></td>
<td>- Listing/Selling Agents,</td>
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<td></td>
<td>- Listing/Selling Agent Companies,</td>
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<tr>
<td></td>
<td>- Builder,</td>
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<td></td>
<td>- Loan Officer,</td>
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<td>- Correspondent company, in addition to the following individuals:</td>
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<td></td>
<td>- Loan Officer,</td>
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<td></td>
<td>- Processor,</td>
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<td></td>
<td></td>
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<td></td>
<td>- Underwriter,</td>
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<td></td>
<td>- Closer,</td>
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<td>- Title agent/title company,</td>
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<td></td>
<td>- Closing attorney/settlement agent/settlement company, and</td>
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<td>- Appraiser/appraisal company</td>
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<td></td>
<td>SunTrust requires that the LDP/GSA lists be checked for all name variations (AKSs) including maiden names, etc., shown on the credit report, in addition to the borrower’s name shown on the application. This requirement applies for all borrowers on the loan.</td>
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<td>Notes:</td>
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<td></td>
<td>- It is acceptable to check multiple name variations per search. For example, the GSA search allows a user to search up to six (6) different name variations per search request.</td>
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<td>- Correspondent lenders are required to include a printout in the loan file that documents that all parties to the transaction listed above have been checked against the LDP and GSA lists.</td>
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<td>- Regardless of the reason, if any of the applicable parties are found to be suspended or debarred on the lists, the loan is not eligible to be approved or purchased by SunTrust Mortgage.</td>
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</tbody>
</table>

## Section 1.19 Fraud Prevention-Guideline
### SunTrust Ineligible List Certification

- The List contains confidential information and is only for use by SunTrust Mortgage employees and/or lenders of SunTrust Mortgage, Inc. **The SunTrust Ineligible List contains confidential information and is only for use by Correspondent lenders of SunTrust Mortgage, Inc. in connection with transactions with SunTrust Mortgage, Inc.**
- Due to the confidential nature of the information contained therein, the SunTrust Ineligible List is password protected and distribution of the SunTrust Ineligible List is strictly prohibited.
- By accessing or using the SunTrust Ineligible List, the user agrees to indemnify SunTrust Mortgage, Inc. for any loss, damage, or expense resulting from the user’s failure to maintain the confidentiality of the

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Last Revision Date: 04/29/2016 (Correspondent)
Agency Validation of Parties to the Mortgage Transaction Updates

Note: SunTrust Mortgage specific overlays are underlined.

## Section 2.01 Agency Loan Programs-Guideline

### Eligible Transactions / Validation of Parties to the Mortgage Transaction

#### Non-AUS

- For all transactions, it must be confirmed that certain parties to the mortgage transaction are not found on the HUD Limited Denial of Participation List (LDP) and the General Services Administration (GSA) Excluded Party List by accessing the websites reflected below:
  - General Services Administration (GSA) Excluded Party List: [https://www.sam.gov](https://www.sam.gov)

- Correspondent clients must either manually check the LDP/GSA lists or utilize a service to check the lists on the applicable website for each of the following parties to the mortgage transaction:
  - Borrower,
  - Seller,
  - Listing/Selling Agents,
  - Listing/Selling Agents' Companies,
  - Builder,
  - Loan Officer,
  - Correspondent Company, in addition to the following individuals,
    - Loan Officer,
    - Processor,
    - Underwriter, and
    - Closer
  - Title Agent/Title Company,
  - Closing Attorney/Settlement Agent/Settlement Company, and
  - Appraiser/Appraisal company

- SunTrust requires that the LDP/GSA lists be checked for all name variations (AKAs) including maiden names, etc. shown on the credit report, in addition to the borrower’s name shown on the application. This requirement applies for all borrowers on the loan.

- Note: It is acceptable to check multiple name variations per search. For example, the GSA search allows a user to search up to six (6) different name variations per search request.

- Regardless of the reason, if any of the applicable parties are found to be suspended or debarred on the information it contains.

- Correspondent lenders will be required to check the SunTrust Ineligible List for appraisers and/or appraisal companies that are not eligible to perform appraisals.

- Any Appraiser or Appraisal Companies identified on the SunTrust Ineligible List are not eligible to perform appraisal assignments, either directly or indirectly, on properties that secure loans to be funded or purchased by SunTrust.

- Correspondent lenders will also be required to check the SunTrust Ineligible List for settlement agents and/or companies that are not eligible to perform loan closings or provide title services, either directly or indirectly, on real properties that secure loans to be funded or purchased by SunTrust Mortgage, Inc.


### Section 2.01 Agency Loan Programs-Guideline

#### Eligible Transactions / Validation of Parties to the Mortgage Transaction

#### Note: Procedural related guidance (including the listing of parties to the mortgage transaction process) has been removed from this section. Updates are being incorporated to align with GSE requirements, except where denoted as an overlay. The Correspondent lender is responsible for identifying all applicable employees, borrowers, and parties that played a role in the origination of the mortgage or the underlying real estate transaction, to comply with the guidance outlined below.

#### Non-AUS

- The lender is required to document and implement as part of its hiring process a procedure for checking all employees, including management, involved in the origination of mortgage loans (including application through closing) against the U.S. General Services Administration (GSA) Excluded Parties List (EPL), the HUD Limited Denial of Participation List (LDP List), and the Federal Housing Finance Agency's FHFA's Suspended Counterparty Program (SCP) list.

- Allowing individuals on these lists to manage or perform origination functions may increase the lender's and Fannie Mae's exposure to fraud. Therefore, Fannie Mae requires that if, at the time of hire, the lender has determined that an individual is on the GSA, LDP, or SCP list, the lender may not permit that employee to manage or perform origination functions on loans sold to Fannie Mae.

#### Note:

An individual confirmed to be on one of these lists for any reason may not be permitted to manage or perform origination functions on any loans funded or purchased by SunTrust Mortgage. For example, an individual who is excluded from participating in HUD multifamily programs should be excluded from involvement in the origination of any Fannie Mae loans.

- Furthermore, if the lender obtains third-party originated loans, the lender must confirm that the third-party originator has a documented procedure for checking their potential employees against the lists.

- Lenders can access the GSA, LDP, and SCP lists via the links provided below:
  - GSA EPL – available through GSA’s System for Award Management website. The review of GSA EPL must include a search for actions taken across all federal agencies.
  - HUD’s LDP List – available through HUD’s website.
  - FHFA’s SCP List – available through FHFA’s website.
  - The GSA and LDP lists are also available via AllRegs.

- In addition to the requirements listed above, for all transactions, it must be confirmed, as of the note

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## Agency Validation of Parties to the Mortgage Transaction Updates

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### Current Guidelines

<table>
<thead>
<tr>
<th>Topic</th>
<th>Impacted Document</th>
<th>Impacted Products</th>
<th>Current Guidelines</th>
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<td></td>
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<td>list, the loan is not eligible to be approved or purchased by SunTrust.</td>
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</table>

**Fannie Mae DU**  
Non-AUS guidelines apply.

**Freddie Mac LP**  
Non-AUS guidelines apply.

### Revised Guidelines  
Effective for NEW Loan Applications ON OR AFTER April 29, 2016

- If a party whose name is on the GSA EPL, HUD LDP, or SunTrust Ineligible Lists is the borrower on the mortgage or played a role in the origination of a mortgage or the underlying real estate transaction, the mortgage is not eligible to be funded or purchased by SunTrust Mortgage.

**Reference:** See the “SunTrust Ineligible List Certification” topic in Section 1.19: Fraud Prevention Guidelines of the Correspondent Seller Guide for additional information.

**Fannie Mae DU**  
Non-AUS guidelines apply.

**Freddie Mac LP**  
- The GSA EPL, HUD LDP, and SunTrust Ineligible Lists must be reviewed to determine whether, as of the note date, a person or entity whose name is on any of these lists, was the borrower on the mortgage or has played a role in the origination of the mortgage or in the underlying real estate transaction.
- If a party whose name is on the GSA EPL, HUD LDP, or SunTrust Ineligible List is the borrower on the mortgage or played a role in the origination of a mortgage or the underlying real estate transaction, the mortgage is not eligible to be funded or purchased by SunTrust Mortgage.

**Reference:** See the “SunTrust Ineligible List Certification” topic in Section 1.19: Fraud Prevention Guidelines of the Correspondent Seller Guide for additional information.