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Preview

FHA Offers New Flexibilities for Borrowers Previously Affected by COVID-19

Truist Bank (Truist) announces alignment with recently announced FHA updates regarding COVID-19 related economic events.

Effective Dates

Effective for existing and new applications on or after August 26, 2022.

Background Information

FHA Mortgagee Letter 2022-09 announced new flexibilities in calculating income for borrowers who experienced a gap in employment and/or a reduction of loss of income due to a COVID-19 related economic event, where the borrower's effective income is now stable. Truist reviewed impacted guidelines and aligns with FHA requirements.

Bulletin Details

Truist aligns with FHA ML 2022-09, subject to Truist existing overlays. Lenders should consult with their Direct Endorsement (DE) underwriters with any questions.

FHA defines COVID related event as temporary loss of employment, temporary reduction of income, or temporary reduction of hours worked during the Presidentially-Declared COVID-19 National Emergency.

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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