

# Product Release

Information for Correspondent Lenders of Truist Bank  
August 14, 2020 • COR20-034



Alert

**Update**

Reminder

Clarification

Training  
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Preview

## Truist Welcomes CorrAdvantage

Truist Bank (Truist) releases CorrAdvantage as a delivery execution option for certain lenders.

### Effective Dates

Effective for deliveries on or after August 14, 2020.

### Background Information

CorrAdvantage is a partnership between Freddie Mac and Truist to provide a competitive alternative to correspondent outlets. Unlike a regular Correspondent relationship, under our CorrAdvantage execution the originating company remains directly responsible to Freddie Mac (through the Tri-Party Agreement) for all credit quality, underwriting and property representations and warranties.

Freddie Mac has advised that no new Tri-Party Agreements will be approved.

### Bulletin Details

#### Loan Terms

CorrAdvantage is eligible for fully amortizing 15, 20, and 30 year fixed rate Agency, Agency Plus, HomeReady, HomeReady Plus, Home Possible, Home Possible Plus, and Texas 50(a)(6) transactions. CorrAdvantage Lenders may not sell *non*-CorrAdvantage Agency fixed rate loans to Truist.

#### CorrAdvantage Loan Delivery

When delivering CorrAdvantage loans:

- Ensure loans are delivered at least 24 hours in advance of the lock expiration.
- Utilize Third-party Transaction Services (TPTS) functionality in the Freddie Mac Loan Selling Advisor<sup>SM</sup> (LSA):
  - Any loan data submitted via LSA that does not match the loan data provided for registration and lock will be rejected. Should any loan data change on a loan after it is registered, email a Renegotiation Request Change Form ([COR 0002](#)) to Truist's Lock Desk ([Correspondentlockdesk@suntrust.com](mailto:Correspondentlockdesk@suntrust.com)) prior to uploading the loan via the LSA to avoid the loan data being rejected.
- Register CorrAdvantage loans under Seller Servicer number **307705**.
- Enter Uniform Loan Delivery Data (ULDD) into LSA. See [Freddie Mac ULDD Webpage](#) for additional information.
- Include evidence of a successful submission of the Uniform Closing Dataset (UCD) to Freddie Mac with each loan file. The Borrower Closing Disclosure PDF must be embedded in the UCD XML file. Information on UCD can be found at [Freddie UCD Webpage](#).
- Ensure each loan file delivered for funding contains documentation according to the Correspondent Closing Checklist ([COR 0013](#)) and CorrAdvantage Final Document Checklist ([COR 0022](#)).

#### Automated Underwriting System (AUS) Assessment

All loans delivered through CorrAdvantage must be assessed "Accept" by Freddie Mac's Loan Product Advisor<sup>®</sup> (LPA) or Risk Assessment "Green" by Loan Quality Advisor<sup>®</sup> (LQA). For LQA, it is acceptable for the other evaluation areas to reflect "Yellow" or "Red" in certain scenarios.

The use of LPA is encouraged; however, CorrAdvantage eligible loans may also be submitted to Fannie Mae's Desktop Underwriter<sup>®</sup> (DU), if also assessed "Accept" by LPA or "Green" (High Likelihood of Accept) by LQA.

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## Bulletin Details, continued

### Loans Submitted through LPA

When LPA is the AUS used to make the underwriting decision, the following applies:

- Loans must receive an “Accept” LPA assessment. A further assessment thru LQA is not required.
- LPA must not contain any purchase restriction(s).
- Loans must be eligible for sale to Freddie Mac under the terms of the Freddie Mac Seller/Servicer Guide.

### Loans Submitted Through DU

When DU is the AUS used to make the underwriting decision, the following applies:

- Loans must receive an “Approve/Eligible” DU assessment.
- All loans must also receive an “Accept” assessment by LPA or “Green” by LQA.
- The first submission to LPA or LQA may be after the note date, but no later than 120 days after the note date or effective date of permanent financing.
- Loans must be processed, underwritten and documented in accordance with Fannie Mae DU requirements relating to credit and collateral underwriting. For all other matters, follow Freddie Mac guidelines where more restrictive. A less restrictive Freddie Mac term may be utilized on a DU loan.
- A full interior and exterior appraisal is required unless DU provides an appraisal waiver and the last submission to LPA (ACE) or LQA (CY1010 message) also indicates that the loan file is eligible for an appraisal waiver.
- Each Mortgage secured by a condominium unit that is in a condominium project that complies with the Fannie Mae Project Standards is eligible for purchase, provided the Lender performs a full project review for projects where the total number of units owned by one individual or single entity is greater than 20% but less than 49%.

### Enhancements and Highlights

- With the migration of CorrAdvantage to Truist’s LendingSpace origination system:
  - The following items are eligible to follow Fannie Mae terms under Flex Waiver versus the more restrictive of Fannie Mae or Freddie Mac guidelines:
    - Multiple Financed Properties,
    - Leasehold estates,
    - Resale Restricted units,
    - PUDs,
    - DU Non-Traditional Credit (not allowing no score at this time), and
    - Escrow Holdback.
  - New York transactions are eligible with pay history.
  - New process for CRA pricing.

**Note:** Truist will no longer notify Correspondents quarterly of all paid in full loans.

### Community Reinvestment Act (CRA) Incentive

- Loan eligibility for CRA Incentive is limited to Truist Bank’s Community Reinvestment Act (CRA) assessment areas. It is also based on the subject property being located in a low-or-moderate income census tract or the borrower’s income being equal to or lower than Truist’s maximum allowable income level for the property county.
- Truist’s assessment areas are not located in all areas of the states.
- To determine if your loan qualifies for the incentive(s), take the following steps:

Step	Action
1.	Go to <a href="http://www.suntrustgeocoder.com">www.suntrustgeocoder.com</a>
2.	Enter Password: CORRES
3.	Input your borrower’s annual income and property address
4.	You will receive either a “Qualified” or “not-Qualified” value
5.	Complete the CRA Census Tract Verification Form ( <a href="#">COR 0560A</a> ), if required. Email completed form to <a href="mailto:SunTrust.Corr.CRA@suntrust.com">SunTrust.Corr.CRA@suntrust.com</a> within 48 hours of loan being locked.

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## Bulletin Details, continued

### CorrAdvantage Restrictions

The chart below outlines CorrAdvantage restrictions.

Restrictions for LPA Transactions	Restrictions for DU Transactions
<p>The following Freddie Mac terms are ineligible:</p> <ul style="list-style-type: none"> <li>• Freddie Mac CHOICERenovation<sup>SM</sup> Mortgages,</li> <li>• Freddie GreenCHOICE Mortgages<sup>SM</sup></li> <li>• Freddie Mac Enhanced Relief Refinance<sup>®</sup> Mortgages,</li> <li>• Seller Owned Converted or Modified Mortgages,</li> <li>• Freddie Mac HomeOne Mortgage<sup>SM</sup> Refinance,</li> <li>• Affordable Seconds:               <ul style="list-style-type: none"> <li>○ When an Affordable Second is treated as a gift in LPA, rather than as secondary financing, the following applies for properties subject to Income-Based Resale restrictions:                   <ul style="list-style-type: none"> <li>▪ The source of the Affordable Second may not be a non-profit entity that is also the property seller but is not affiliated with a government agency.</li> </ul> </li> </ul> </li> <li>• Rural Housing Service (RHS) Leveraged Seconds,</li> <li>• Home Possible under Texas(50)(a)(6), and</li> <li>• <b>New</b> Freddie Special Purpose Cash-out.</li> </ul>	<p>The following Fannie Mae terms are ineligible:</p> <ul style="list-style-type: none"> <li>• Mortgages secured by Condominium Units that receive a classification of "Guide Ineligible" from Fannie Mae's Condominium Project Manager("CPM"), with an approved Fannie Mae "Project Eligibility Waiver ("PEW") from Fannie Mae's Credit Variance Administration System<sup>M</sup> ("CVAS"),</li> <li>• Mortgages originated under Fannie Mae's Waiver titled "Waiver of Project Eligibility Review" for Fannie Mae to Fannie Mae Limited Cash-out Refinances,</li> <li>• Mortgages secured by properties owned by a community land trust,</li> <li>• Mortgages with shared equity plans,</li> <li>• Mortgages using Fannie Mae HomeStyle Energy,</li> <li>• Mortgages using Fannie Mae HomeStyle Renovation,</li> <li>• Mortgages using Fannie Disaster Related Refinance Flexibilities,</li> <li>• Fannie Student Loan Cash-out,</li> <li>• Mortgages secured by properties with an overall condition rating of C5 or C6,</li> <li>• Mortgages using Fannie 97% option for FTHB or refinance of a Fannie owned loan,</li> <li>• Fannie High LTV Refinance,</li> <li>• Fannie Mae HomePath flexibilities,</li> <li>• HomeReady in combination of Texas 50(a)(6).</li> <li>• Subsidizing the sales price on a Community Seconds mortgage,</li> <li>• Resale Restrictions that Terminate Automatically: LTV/TLTV/HTLTV ratios that are not based on the lesser of the sale price or appraised value, and</li> <li>• Mortgages with Community Seconds made by Native American tribes or instrumentalities are not eligible unless:               <ul style="list-style-type: none"> <li>○ the Native American Tribe or instrumentality is federally recognized, and</li> <li>○ is authorized to operate on the tribal land where the property is located, or the borrower is an enrolled member of the Native American Tribe.</li> </ul> </li> </ul>
<b>Ineligible Items for All Transactions</b>	
<ul style="list-style-type: none"> <li>• Regardless of underwriting Method, the following items are ineligible for CorrAdvantage:           <ul style="list-style-type: none"> <li>○ Properties located in Alaska, Hawaii, and US Virgin Islands</li> <li>○ Manufactured housing</li> <li>○ Land Trusts</li> <li>○ Co-ops</li> <li>○ Borrowers with no credit score</li> <li>○ ITIN</li> <li>○ Private Mortgage Insurance (PMI): Declining Renewals</li> <li>○ <b>New</b> PMI: Fannie Mae Reduced PMI or Freddie Mac Custom PMI Coverage, including with HomeOne</li> <li>○ Properties subject to Property Assessed Clean Energy (PACE) unless paid off with new loan</li> <li>○ Temporary Buydowns</li> <li>○ Lending on Native American Tribal Land that is not held fee simple</li> <li>○ Single Close/Construction Conversion</li> <li>○ The use of electronic signatures for the following: Security Agreement and Addendums, Right to Cancel, IRS Form W-9, and any notarized documents.</li> <li>○ Non-Perm Resident Aliens that do not align with eligible Visa Types. Click <a href="#">here</a> to view list of eligible Visa types.</li> </ul> </li> <li>• Click <a href="#">here</a> to view Truist overlays resulting from temporary COVID-19 related restrictions that also apply.</li> </ul>	

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### CorrAdvantage Support Contacts

Department	Contact
Funding:	Bridgett Tedder <a href="mailto:BTedder@BBandT.com">BTedder@BBandT.com</a> (252) 296-0942
Delivery:	Julie Wood <a href="mailto:Julie.Wood@BBandT.com">Julie.Wood@BBandT.com</a> (252) 296-0274
Final Documents:	<a href="mailto:CorrAdvantage@BBandT.com">CorrAdvantage@BBandT.com</a>

### Revised Material

Click [CorrAdvantage](#), [The Correspondent Division](#), and CorrAdvantage Final Document Checklist ([COR0022](#)) to review the revised material.

## 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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