

Product Release

Information for Correspondent Lenders of Truist Bank
May 7, 2021 • COR21-024



Alert

Update

Reminder

Clarification

Training
Information

Preview

Agency Sale of Personal Assets and Other Guideline Revisions

Truist Bank (Truist) revises Agency non-AUS and Desktop Underwriter® (DU®) product guidelines as a result of recently announced Fannie Mae updates. With these updates, we align with Fannie Mae and revise guidelines related to the following:

- sale of personal assets
- pro-rated real estate tax credits

We also revise non-AUS, DU, and Loan Product Advisor® (LPASM) guidelines to incorporate Fannie Mae and Freddie Mac's minimum loan term for fixed rate mortgages.

Effective Dates

All updates are effective immediately for existing and new loan applications on or after May 7, 2021.

Background Information

Fannie Mae SEL-2020-07 announced updates related to sale of personal assets, pro-rated real estate tax credits, and minimum fixed rate loan term guideline requirements. In response to this publication, we reviewed impacted guidelines and identified the opportunity to implement revisions to align with Fannie Mae requirements. We also take the opportunity to incorporate the minimum loan term for LPA fixed rate transactions.

Bulletin Details

Sale of Personal Assets

For non-AUS and DU loans, we relax documentation requirements for proceeds from the sale of personal assets to:

- Limit the requirement to provide proof of asset ownership to only assets that have a title (for example, an automobile title)
- Require an independent valuation of the asset only in instances where the proceeds from the sale exceed 50% of the total monthly income used in qualifying. Lenders must use the lesser of the estimated value (as determined by the independent source) or actual sales price when determining the amount of funds for the transaction.

Pro-Rated Real Estate Tax Credits

For non-AUS and DU loans, we:

- clarify that pro-rated real estate tax credits provided at closing in places where real estate taxes are paid in arrears cannot be considered when determining if the borrower has sufficient funds for the transaction
- specify that a pro-rated real estate tax credit is not an interested party contribution (IPC)

Minimum Fixed Rate Loan Term

For non-AUS, DU, and LPA loans, we revise guidelines to incorporate a minimum loan term of 85 months for fixed rate mortgages.

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Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of these updates.

Revised Materials

Click [Agency Loan Programs](#), [Fannie Mae HomeReady®](#) and [Freddie Mac Home Possible® Mortgages](#), and [Texas Section \[50\(a\)6\] Mortgages](#) to review the revised product materials.

Former Guidelines

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former guidelines.

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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