

Alert

Update

Reminder

Clarification

Training Information

Preview

FHA Reduction in FICO for CRA Loans Delivered Through Mandatory

Truist Bank (Truist) is pleased to announce they will accept FHA CRA loans through the mandatory process with a minimum FICO of 600 or higher.

Effective Dates

Effective for loans committed on or after September 9, 2022.

Background Information

Truist encourages home financing in certain low-to-moderate income areas and for low-to-moderate income individuals and families. The FHA loan program has historically been leveraged to provide financing for those clients. In order to further expand CRA lending, Truist will target FHA CRA purchase, rate and term refinance and cash-out refinance loans delivered through the Mandatory process by reducing the minimum credit score for those loans. All other loan types remain unchanged.

Bulletin Details

Minimum Credit Score Requirement for All Borrowers

The following credit scores apply

Transaction Type	Occupancy	Minimum Credit Score
Purchase	Owner Occupied	<u>600</u>
No cash-out/Rate-Term	Owner Occupied	<u>600</u>
Cash-out Refinance	Owner Occupied	<u>600</u>

Qualifying Ratios

Fannie Mae DU/TOTAL

- Loans receiving AUS approval the following maximum DTI requirements apply:
 - 50% for borrowers with credit scores 600-659
 - 55% for borrowers with credit scores \geq 660

Revised Material

Click [FHA 203\(b\) Loan Program](#) and [Government Overlay Matrix](#) to review the revised material.

Former Guidelines

Previously, the minimum FICO for FHA purchase, no cash-out and cash-out transactions was 640.

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.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. Truist Bank does not guarantee or assume liability for any third-party products or services. Truist Bank is an Equal Housing Lender. ©2020 Truist Financial Corporation. All rights reserved.