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Key Loan Construction-Permanent Transactions

Truist takes the opportunity to update and optimize the standards for Key Loan Construction Permanent single-closing and two-time closing loan transactions.

Effective Dates

Effective for new locks on or after March 07, 2025.

Background Information

Construction Permanent (CP) loans are eligible transaction types for the Key Loan program. These transactions are originated by Correspondent Lenders and purchased by Truist post modification (single-close) / permanent financing (two-close). Truist is committed to optimizing the Key Loan program to provide guidance for Correspondent lenders originating and selling these transactions to Truist.

Bulletin Details

Construction Lending Transactions

Truist takes the opportunity to update and expand guidance related to Construction to Permanent Loan Standards within Section 2.06 Key Loan Standard of the Correspondent Seller Guide. Correspondent Lenders are encouraged to review the before and after matrix for full details of the changes. The core net result of the changes are as follows:

- Expanded guidance for lenders to follow when selling these types of loans to Truist.
- Minimum FICO of 680 (from the previous requirement of 700 for these transaction types).
- Standard DTI rules for the program (removal of the 5% DTI reduction for Self-Employed borrowers for these transactions).
- Eligible loan purposes:
 - Purchase transaction eligibility for single-closing transactions.
 - Cash-out refinance transaction eligibility for two-closing transactions.
 - Limited cash-out refinance transaction eligibility for single and two-time closing transactions.
- Occupancy type restriction for second homes (ineligible for single-closing transactions).
- Construction loan period of up to 24-months.
- Cost overrun guidance.
- LTV ratio calculation for single-closing transactions with consideration for transaction type and duration of lot ownership.

Bulletin Details, continued

Delegated Authority and Appraisal Review for Single-Closing Construction Lending Transactions

Delegation and appraisal review of single-closing construction lending transactions are updated, as follows:

- Single-closing construction lending transactions are eligible for Correspondent Lenders with delegated Expanded Plus lending authority only.
- Single-closing construction lending transactions, are not eligible for:
 - Non-delegated underwriting
 - Full appraisal review
 - Pre-close High Level Appraisal Review
- Appraisal reviews by Truist for single-closing construction lending transactions will occur as follows:
 - High Level Appraisal Review will be performed when construction is complete and at loan delivery.
 - The full appraisal, Appraisal Update and Completion Report (Form 1004D) must be submitted in its entirety when the loan is delivered, including the appraisal update and certification of completion.

Before and After Matrix

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

Revised Materials

Click [Key Loan Standard](#), [Underwriting Standard](#) and the [Key Loan Eligibility Checklist \(COR 0650\)](#) to review the revised product materials.

Former Standards

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

Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator 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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