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## Agency Trust Income and Nontaxable Section 8 Payments Income Revisions

Truist Bank (Truist) revises Agency non-AUS and Desktop Underwriter® (DU®) trust income and nontaxable Section 8 payments income requirements to align with recently announced Fannie Mae updates.

### Effective Dates

All updates are effective immediately for existing and new loan applications on or after June 28, 2024.

### Background Information

Fannie Mae SEL-2024-03 announced updates impacting trust income and nontaxable Section 8 payments income requirements. In response to this publication, we reviewed impacted standard documents and identified the opportunity to implement revisions to align with Fannie Mae requirements.

### Bulletin Details

#### Trust Income

For non-AUS and DU loans, we revised trust income requirements to reflect the following:

- Trust verification documentation must clearly identify the date the trust was created.
- Trust verification documentation may include a letter from an accountant or attorney who has reviewed the trust's documentation, when the trustee's statement or other documents are not available or when the borrower is the trustee.
- Trusts created within 12 months of the loan application date and funded by the borrower's eligible employment-related assets may still be used as stable income but must meet the income calculation and all other "Employment-Related Assets as Qualifying Income" requirements.
- For variable trust income, lenders may rely upon copies of the trust's federal income tax returns, as an alternative to the borrower's personal tax returns.
- When variable trust income has been received for less than 24 months, but not less than 12 months, lenders may consider it as stable income when other positive factors are present that reasonably offset the shorter income history in alignment with Agency variable income requirements.

#### Nontaxable Section 8 Payments Income

For non-AUS and DU loans, we clarified that the full amount of income from Housing Choice Voucher Homeownership Program payments (more commonly known as Section 8 payments) is nontaxable. Lenders should develop an adjusted gross income for the borrower using the monthly payment from the public agency. Documentation of the nontaxable nature of this income is not required.

**Note:** DU messaging will be updated the weekend of July 20, 2024, to reflect these clarifications.

## Bulletin Details, continued

### Before and After Matrix

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

### Revised Material

Click [Agency Loan Standard](#) to review the revised product material.

## 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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