

# Section 1.02 – Eligible Mortgage Loans Standard

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## Related Bulletins

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### General

Related bulletins are provided below in PDF format. To view the list of published bulletins, select the applicable year below.

- [2023](#)
  - [2022](#)
  - [2021](#)
  - [2020](#)
  - [2019](#)
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## Approved Products and Services

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### General

- All approved products and services in accordance with the Correspondent Seller Guide are eligible.
- The following products are eligible for Non-Delegated lenders to originate, close and sell to Truist:
  - Agency Loan Programs
  - Agency Plus Loan Program
  - Agency Plus Select Loan Program

**Note:** Non-Delegated lenders are not eligible to sell Truist the single-close construction-to-permanent purchase and rate/term transactions under any Agency program.

- Texas Section 50(a)(6) Mortgages
- The ARM Alternative
- The Bi-Weekly Mortgage Payment Plan<sup>SM</sup>
- Key Loan Program

**Note:** Non-Delegated lenders are not eligible to sell Truist the single-close construction-to-permanent purchase and rate/term transactions under the Key Loan Program.

- The following products are ineligible for Non-Delegated lenders to originate, close and sell to Truist:
    - FHA 203(b) Loan Program
    - Veterans Administration (VA) Loan Program
    - Rural Development
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## Eligible Property and Lien Status

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### General

- A mortgage loan must be secured by a first-priority lien mortgage on a one-to-four family residential dwelling located in a state or jurisdiction in the United States approved by Truist.
  - Truist relies upon the Correspondent lender's representations and warranties that the loans are enforceable in accordance with the terms of the Conventional Loan Purchase Agreement and comply with all applicable laws.
  - Correspondents are responsible for adhering to all state, federal and/or regulatory lending standards, as well as licensing requirements.
  - Correspondent Lenders must be a member of Mortgage Electronic Registration System (MERS) in good standing.
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## Truist Geographic Restrictions

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### Alaska, Hawaii, and Other States

- Loans on properties in the States of Alaska and Hawaii, or any U.S. territories, are not eligible for purchase or funding.
  - Mortgage loan transactions for participants in state implemented address confidentiality programs require special handling. Truist is able to purchase these loans if proper notice and evidence of a client's participation is provided. Contact Purchase Relations to ensure there are no client service failures.
  - Refer to the individual product descriptions for further product specific geographic lending restrictions.
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## Warehouse Line of Credit Extended By Others

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### General

- Correspondents may borrow money to fund the origination of mortgage loans from a warehouse lender of their choice.
- Loans funded by the correspondent lenders' corporate or personal funds and/or lines of credit not obtained through a warehouse lender are not eligible for sale to Truist.
- Truist requires bailee letters be submitted with the original Note from warehouse lenders for all closed loans.

**Note:** Correspondent lenders, who are financial institutions (banks, savings and loans, credit unions) or who are wholly owned subsidiaries of a financial institution, are NOT required to attach bailee letters to the original Note. However, these "exempt" lenders must provide correct wiring instructions using either the *Truist Wire Authorization* form ([COR 0004](#)) or a similar form, provided the same information is made available to Truist.

- Truist has the option to decline to purchase mortgage loans funded through any loan or line of credit which creates additional risk or unreasonable workload in connection with purchasing a mortgage loan
- Examples of line of credit requirements that would cause Truist to decline to purchase mortgage loans are:
  - The warehouse lender requires Truist to transmit the purchase proceeds before releasing the note.
  - The warehouse lender will not release its security interest in the mortgage loan or note upon transmittal of the purchase proceeds.
  - The warehouse lender requires Truist to enter into agreements other than a typical collateral bailee agreement.

**Reference:** See "Assignment of the Security Instrument" and "The Note" topics in [Section 1.08: Loan Delivery and Purchase Review Standard](#) of the *Correspondent Seller Guide* for additional information and requirements for warehouse lenders.

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## Warehouse Line of Credit Extended By Others, Continued

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### Warehouse Line Verification

- Prior to funding each loan, Truist will verify that the warehouse lender information matches the data previously provided by the correspondent lender during the initial application and/or recertification process.
- Truist will validate any new wire authorization with the correspondent lender for each loan purchased.

Reference: See “Wire Authorization” topic in [Section 1.08: Loan Delivery and Purchase Review Standard](#) of the *Correspondent Seller Guide* for additional information and requirements for wire authorizations and the requirement for all known warehouse lenders to be disclosed to Truist.

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## Third Party Mortgage Loans

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### General

- Only delegated Correspondent lenders with prior TPO approval may sell a third party originated loan to Truist for funding and purchase.
  - The Third Party Originated Purchase Agreement Component Advice specifies the types of third party Mortgage Loans that the Correspondent may sell to Truist. Each third party originated loan is treated in all respects as a loan originated by the Correspondent and is subject to all of the provisions and requirements of the Purchase Agreement and Third Party Originated Purchase Agreement Component Advice.
  - A third party originated loan is defined as any loan originated by a person or entity other than the Seller or if any of the following conditions, exist: (a) the loan application was taken by, or (b) documents evidencing the creditworthiness of the Borrower were collected by, or (c) the appraisal of the Secured Property was obtained by, or (d) the Mortgage Loan was closed by and/or in the name of a person or entity other than the Seller..
  - Seller shall provide Truist with such information regarding the originator of third party originated loans from time to time in Truist's sole discretion. Truist has the right to disapprove any such third party originator in Truist's sole discretion by notice to Seller at any time. In the event Truist issues a notice of disapproval of any third party originator to Seller, Truist shall have no obligation to purchase any Mortgage Loan originated by such third party originator from the time such notice is given, including any loans in process at the time such notice is given.
  - Contact your Account Manager for additional information and eligibility criteria.
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## Redemption Rights of the Delinquent Borrower

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### General

- A delinquent borrower who has had real property sold at a foreclosure sale has one year from and after the sale date to redeem the real property from the purchaser of the real property at the foreclosure sale.
- It is possible for the delinquent borrower to redeem the real property by paying the purchaser the amount paid for the real property at the foreclosure sale.
- Until the one year redemption period has expired, the title company for the new purchaser will include an exception on the final title policy for the redemption right of the delinquent borrower. This is reflected in the final title policy as an exception.
- Truist will not purchase loans where the final title policy has taken exception to a “Redemption Right of the Delinquent Borrower.”

Reference: See the topic, “Unacceptable Exceptions” in the General [Section 1.16: Title Insurance Standard](#) of the *Correspondent Seller Guide* for additional information.

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