

## Section 1.22 – Maximum Number of Financed Properties and Borrower Exposure Standard

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**In This Section** This section contains the topics listed below.

Overview.....	2
Related Bulletins .....	2
Maximum Number of Financed Properties - Conventional.....	3
Agency Conventional Loans .....	3
Portfolio Conventional Loans.....	3
<b>Maximum Exposure</b> .....	5
General.....	5
Exposure Determination.....	5

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## Overview

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### General

The standards outlined in this section apply to ALL occupancy types and ALL Truist non-Agency loan programs. For Agency loan programs guidance, see “Multiple Financed Properties for the Same Borrower” in the “Loan Terms” topic outlined in [Section 2.01 Agency Loan Standard](#) of the *Correspondent Seller Guide* for standards.

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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](#)
- [2020](#)

**Note:** There were no bulletins issued in 2021.

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## Maximum Number of Financed Properties - Conventional

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### Agency Conventional Loans

Reference: See “Multiple Financed Properties for the Same Borrower” in the “Loan Terms” topic outlined in [Section 2.01 Agency Loan Standard](#) of the *Correspondent Seller Guide* for standards.

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### Portfolio Conventional Loans

- Maximum number of financed properties for primary residence transactions is unlimited, maximum number of financed properties for second home transactions is limited to six (6).
- For second homes, the number of financed properties is combined for all borrowers on the loan to determine the total number of financed properties, regardless of whether or not the borrowers are married. It is not acceptable to calculate the total number of financed properties by each individual borrower.
- Follow the loan product standards for LTVs, credit score, reserve, etc. requirements. If the borrower owns multiple financed properties, additional reserves of 2 months PITIA are required for each additional financed property owned regardless of occupancy type for the subject.
- Home equity lines/loans originated and serviced by Truist Bank must be included in the total dollar amount of exposure.
- For second homes, the financed property limit:
  - applies to the number of one- to four-unit residential properties where the borrower is personally obligated on the mortgage(s);
  - applies to the total number of properties financed, not to the number of mortgages on the property;
  - includes the borrower’s primary residence if it is financed;
  - is cumulative for all borrowers (though jointly financed properties are only counted once); and
  - applies to properties owned by a corporation, S-Corporation, partnership or LLC of which the borrower is a participant.
- The following property types are not subject to these limitations, even if the borrower is personally obligated on a mortgage on the property:
  - commercial real estate,
  - multifamily property consisting of more than four units,
  - ownership in a timeshare,
  - ownership of a vacant commercial lot, or
  - ownership of a manufactured home on a leasehold estate not titled as real property (chattel lien on the home).

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## Maximum Number of Financed Properties - Conventional, Continued

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### Portfolio Conventional Loans, (continued)

- **Property Types Included in the Maximum Number of Financed Properties for Second Home Transactions**

The following property types are ***included*** in the maximum number of financed properties:

- Residential properties including single-family, 2-4 unit properties, condominium, lot, land, PUD (attached and detached), cooperatives, manufactured housing, row house, and townhouse.
- Any obligation on a mortgage debt for residential property, regardless of whether the borrower has ownership interest in the property,

**Notes:**

- Manufactured housing is not eligible for purchase by Truist,
  - Joint ownership of residential real estate is considered the same as total ownership of an individual property. Other properties owned or financed jointly by the borrower and co-borrower are only counted once.
  - Residential properties that have a commercial lien against them,
  - Residential properties that the borrowers purchased for elderly parents or a disabled child,
  - Joint or total ownership of a property that is held in the name of a corporation or S-corporation, even if the borrower is the owner of the corporation; however the financing is in the name of the borrower;
  - Ownership of property that is held in the name of a limited liability company (LLC) or partnership where the borrower(s) have an individual or combined ownership in the LLC or partnership of 25% or more, regardless of the entity (or borrower) that is the obligor on the mortgage,
  - Ownership of a property that is held in the name of an LLC or partnership where the borrower(s) have an individual or combined ownership in the LLC or partnership of less than 25% and the financing is in the name of the borrower.
  - Ownership of a manufactured home and the land on which is situated that is situated on land that is titled as real property.
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## Maximum Exposure

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### General

#### Agency Loans

For Agency loans, Truist does not limit the total number of loans available to an individual borrower or the outstanding dollar total of loans held by Truist.

#### Non-Agency Loans

- To mitigate risk, Truist limits the total number of loans available to an individual borrower and the outstanding dollar total of loans held by Truist. Loans to one (1) borrower are restricted in order to limit exposure to Truist.
- The standards outlined below apply to Key loan program.
  - Maximum total exposure of \$5 million dollars on all Truist balance sheet (Portfolio) loans. (Portfolio is defined as any real estate secured loan in which the Note is owned by Truist).
  - Only two (2) loans on the Truist balance sheet can be for an investment property.
  - Home equity lines/loans originated and serviced by Truist Bank must be included in the \$5 million dollar total.
  - Exposure is calculated on the existing loan balance for closed end loans and the high credit limit for open end lines of credit (HELOCs).
  - In addition, all Truist loans in process must be included in the maximum total exposure.

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### Exposure Determination

- For non-Agency loan transactions, lenders must review the borrower's credit report and loan application to determine total exposure to Truist.
  - If it is determined, that the borrower exposure exceeds the allowable number of financed properties and/or total outstanding dollar exposure, the loan is not eligible for purchase by Truist.
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