

KEY LOAN STANDARD ELIGIBILITY CHECKLIST

Truist Loan Number:

Borrower/Co-Borrower Name:

Instructions: This checklist is **REQUIRED** to be completed and placed in the loan file on **ALL** delegated Key loan transactions.

**IF ANY RESPONSE TO THE PROVISIONS BELOW IS "NO",
THE LOAN IS NOT ELIGIBLE FOR ORIGATION UNDER THE KEY LOAN STANDARD.**

		Yes	No
Loan Amount	<p>Loan amount is less than or equal to \$3,000,000.</p> <p>Note: If loan amount is >\$1,000,000, the loan may need to be underwritten by Truist. Prior to underwriting loans >\$1,000,000, check the Truist delegated authority level for your company.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Occupancy/Property Types	<ul style="list-style-type: none"> • The subject property is a primary residence or second home. • The subject property does not exceed 15 acres. • If applicable, Declining Market standards have been met. • If the subject property is a condo, it is in a warrantable condo project. <p>Note: Second homes must be underwritten by Truist; Investment properties are ineligible.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Eligible Borrowers	<p>The borrower (and co-borrower, if applicable) is a US citizen or Permanent Resident Alien.</p> <p>Note: If the file contains any non-occupant co-borrowers, the loan must be underwritten by Truist.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Assets/Cash Reserve Requirements	<ul style="list-style-type: none"> • All large deposits defined in the Seller Guide have been documented per program standards. • All cash reserve requirements have been met as published in the Seller Guide. • If the borrower owns multiple financed properties, additional 2 months PITIA reserves are required for each additional financed property. 	<input type="checkbox"/>	<input type="checkbox"/>
Max Financed Properties	<p>If the transaction is for a second home, the borrower owns six (6) or less financed properties, including the subject property.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Refinance Standards	<p>If the transaction is a limited cash-out (rate/term) transaction:</p> <ul style="list-style-type: none"> • Maximum cash back to borrower standards have been met. • Secondary financing being paid off has been seasoned for at least 12 months (seasoning based on 12 months draw history for HELOCs). • Truist to Truist rate/term refinance in a declining market: the current loan is eligible for declining market reduction waiver and the file includes a validation email from Truist stating the loan qualifies for the declining markets LTV/TLTV reduction waiver as outlined in <i>Section 2.06: Key Loan Standard of the Correspondent Seller Guide</i>. 	<input type="checkbox"/>	<input type="checkbox"/>
Texas Refinance	<p>If the transaction is a Texas equity or non-equity refinance, it complies with the stricter of the Key Loan Standard or Texas state requirements.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Qualifying Rate	<p>Fixed Rate: The borrower was qualified fully amortizing payment (PITI) at the note rate.</p> <p>ARM: The borrower was qualified at the rate required for the ARM product in <i>Section 2.06: Key Loan Standard of the Correspondent Seller Guide</i>.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Qualifying Ratios	<p>Standard requirement: The borrower's DTI is 43% or less.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Requirements	<ul style="list-style-type: none"> • Minimum credit score requirements have been met. • The borrower's payment history reflects 0x30 on ALL housing debts for the last 24 months (including ALL mortgage and rental payments). • HELOC transactions are considered within the underwriting decision (refer to HELOC guidance within the Key Loan standard to gauge whether or not a payment is required as part of the borrower's recurring monthly debt obligations). • A letter of explanation has been provided for all derogatory credit. 	<input type="checkbox"/>	<input type="checkbox"/>
Income	<ul style="list-style-type: none"> • Salaried/Hourly Wage Earners: VVOE confirming the borrower is still employed within 10 business days of the note date. • Capital gains income was not used as a qualifying income source (capital gain income is ineligible). • If retirement income is paid in the form of a monthly distribution from a 401(k), IRA, or Keogh retirement account, a 10-year continuance has been verified. • If using rental income to qualify, all income stability requirements have been met and supporting documentation is in the loan file. • If using rental income from the conversion of a current primary residence with >= 25% equity to an investment property, all requirements have been met and supporting documentation is in the loan file. <p>Note: Must have 2 yr. landlord experience supported by tax returns. If the borrower does not have at least two (2) years' experience as a landlord as evidenced by two (2) years tax returns, rental income can only be used to offset (reduce) the debt service of the existing mortgage payment (meaning positive rental income cannot be utilized for qualifying).</p> <p>For Self-Employed Income</p> <ul style="list-style-type: none"> • All required documentation is included in the loan file. • Minimum self-employed documentation requirements are met: 2 years personal and business tax returns including all schedules and signed YTD P&L and balance sheets are mandatory for all business types. 	<input type="checkbox"/>	<input type="checkbox"/>
Borrower Contribution	<p>For purchase transactions, the borrower has contributed at least 5% from his or her own funds to the transaction (regardless of LTV/TLTV).</p>	<input type="checkbox"/>	<input type="checkbox"/>

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		Yes	No	
Seller Contributions	Primary Residences		<input type="checkbox"/>	<input type="checkbox"/>
	TLTV	Max Contribution %		
	80% and below	6%		
	Above 80%	3%		
Note: The limits are based on TLTV and not LTV.				
Minimum Tradelines Requirements	<ul style="list-style-type: none"> The borrower(s) credit report satisfies one of following options: <p>Note: At least one borrower on the loan has a non-disputed installment or mortgage debt tradeline for either Option 1 or Option 2 below.</p> <p>Option 1</p> <ul style="list-style-type: none"> The credit report contains a total of at least three (3) open non-disputed tradelines; one (1) of which is a non-disputed installment or mortgage tradeline, each of the three (3) tradelines has been open for at least 24 months, and each of the three (3) tradelines has been updated within the last six (6) months. <p>Option 2</p> <ul style="list-style-type: none"> The borrower(s) has a credit history of a least five (5) years, the credit report contains at least five (5) non-disputed tradelines (open, paid or closed); one (1) of which is a non-disputed installment or mortgage tradeline (open, paid or closed), individual tradelines may be established for less than a five (5) year period, and the tradelines evaluated in Option 2 have had activity within the most recent five (5) year period. <p>Notes:</p> <ul style="list-style-type: none"> Generally, a non-traditional credit history is not acceptable. Authorized user accounts were not used to meet the minimum tradeline requirements. <p>Borrowers Not Meeting the Minimum Tradelines Requirements</p> <p>If Borrower doesn't meet minimum tradeline requirements, all requirements below have been met and the file meets all other credit, income, and collateral standards:</p> <ul style="list-style-type: none"> borrower is not a First Time Homebuyer loan amount is \leq \$1,000,000, LTV/TLTV/HTLTV is \leq 70%, gross disposable income (GDI) is \geq \$6,000, borrower has at least 24 months reserves, no major derogatory credit in the last 24 months, there is not more than \$1,000 in aggregated balance(s) in judgments, collections, and/or charge-offs reflected on the credit report, any open judgment, collection, and/or charge-off is being paid at closing, and the housing history shows no late mortgage or rental payments in the last 24 months. <p>Borrower Meets Tradelines Requirements with Co-Borrower Who Does Not Meet Tradelines Requirements</p> <ul style="list-style-type: none"> The borrower meeting tradeline requirements must meet the credit score and all product/underwriting standards. If the co-borrower has a credit score, and if the co-borrower's income is required to qualify, the credit score must meet product requirements. Compensating Factor Code EN2 must be captured in the origination system for borrowers meeting tradeline requirements, but the co-borrower does not. No additional restrictions apply to these transactions. 	<input type="checkbox"/>	<input type="checkbox"/>	
Appraisal Requirements	<p>A full appraisal (i.e., Form 1004 or 1073) with an interior and exterior inspection has been obtained for loans with loan amount or combined total loan amounts $<$ \$1,500,000.</p> <p>Note: The combined total loan amount includes the outstanding balance on second mortgages and the total credit line amount on home equity lines of credit (HELOCs).</p>	<input type="checkbox"/>	<input type="checkbox"/>	
	<p>Two (2) full appraisals (i.e., Form 1004 or 1073) with an interior and exterior inspection, performed by a State Certified Appraiser, have been obtained for loans with loan amount or combined total loan amounts \geq \$1,500,000 and \leq \$3,000,000.</p> <p>Note: The total loan amount includes the outstanding balance on second mortgages and the total credit line amount on home equity lines of credit (HELOCs).</p>	<input type="checkbox"/>	<input type="checkbox"/>	
	<p>The appraisal is 120 days old or less at the time of closing (Applies for existing properties and new construction.)</p> <p>Note: If the appraisal is greater than 120 days, but less than 12 months old, an appraisal update is required.</p>	<input type="checkbox"/>	<input type="checkbox"/>	
Documentation Requirements (Income, Asset, Credit, etc.)	<p>The loan file has been documented in accordance with documentation requirements for Key Loan Program as outlined in the Section 2.06: Key Loan Standard of the <i>Correspondent Seller Guide</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	

Signature of Lender

Date