

# Agency Guideline Revisions

*Note: Truist specific overlays are underlined.*

Topic	Impacted Document	Impacted Products	Current Guidelines	Revised Guidelines Effective for NEW Loan Applications ON OR AFTER July 29, 2022
Attorney's Opinion of Title	Correspondent Section 1.16 Title Insurance	<ul style="list-style-type: none"> <li>• Standard Agency (LPA)</li> <li>• Agency Plus (LPA)</li> <li>• Agency Plus Select (LPA)</li> <li>• Home Possible® Mortgage (LPA)</li> </ul>	<p><b>Acceptable Forms of Title Insurance / General</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• In those state where their use is permitted, the title insurance policy must be written on either:                             <ul style="list-style-type: none"> <li>• The American Land Title Association (ALTA) 2006 Loan Policy (adopted 6/17/06), or</li> <li>• The ALTA Short Form Residential Policy One-To-Four Family (adopted 6/17/06).</li> </ul> </li> <li>• <b>Opinions of title (certificates of title)</b> <ul style="list-style-type: none"> <li>• An attorney's opinion of title is acceptable to Freddie Mac in lieu of a title insurance policy if all of the following conditions are met without exception:                                     <ul style="list-style-type: none"> <li>• The opinion must be addressed to the lender and all successors in interest of the lender</li> <li>• The opinion must provide the following statement:   <ul style="list-style-type: none"> <li>• We [I] agree to indemnify you and your successors in interest in the [mortgage] [deed of trust] opined hereto, to the full extent of any loss attributable to a breach of our [my] duty to exercise reasonable care and skill in the examination of the title and the giving of this opinion.</li> </ul> </li> <li>• The opinion must be given by an attorney licensed to practice law in the jurisdiction where the mortgaged premises is located. The attorney must also be insured against malpractice in rendering opinions of title in an amount commonly prevailing in the jurisdiction, taking into account the volume of opinions rendered by the attorney.</li> <li>• The opinion must not take exception to survey matters. When the attorney's opinion takes exception to the survey matters, the lender must provide whatever information is required by the attorney to remove the exception. If the attorney will not issue the title opinion without a survey exception, Freddie Mac will not purchase the mortgage. In addition, the opinion must not be subject to any title exceptions other than those permitted under Freddie Mac's acceptable exceptions to the title insurance policy or to the attorney's opinion of title. See "Title/Binder Acceptable Exceptions" subsequently presented in this subtopic.</li> </ul> </li> <li>• The mortgage must not be:                                     <ul style="list-style-type: none"> <li>• Secured by a unit in a condominium project</li> <li>• Secured by a dwelling on a leasehold estate</li> <li>• Secured by a manufactured home</li> <li>• Secured by property subject to restrictive agreements or restrictive covenants</li> <li>• Executed using a power of attorney</li> <li>• A Texas Equity Section 50(a)(6) mortgage</li> </ul> </li> <li>• An attorney's opinion of title must be commonly acceptable in lieu of title insurance by private institutional mortgage investors in the area where the mortgaged premises are located</li> <li>• The following opinion relating to prior environmental protection liens must be given in lieu of the American Land Title Association (ALTA) Endorsement 8.1 in an attorney's opinion of title. Item (i) of the opinion refers to environmental liens at the time the opinion is issued; item (ii) refers to state lien statutes that could give rise to a priority lien. An attorney may include an exception in item (ii) for possible subsequent superliens that could take priority over the mortgage only if the mortgaged premises is located in a state whose state statutes provide for such a superlien:                                     <ul style="list-style-type: none"> <li>• "There is (i) no environmental protection lien recorded in those records established under State statutes for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, nor (ii) are there any environmental protection liens provided for by any State statute in effect on the date of this opinion, which could achieve priority over the Mortgage except those</li> </ul> </li> </ul> </li> </ul>	<p><b>Acceptable Forms of Title Insurance / General</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• In those state where their use is permitted, the title insurance policy must be written on either:                             <ul style="list-style-type: none"> <li>• The American Land Title Association (ALTA) 2006 Loan Policy (adopted 6/17/06), or</li> <li>• The ALTA Short Form Residential Policy One-To-Four Family (adopted 6/17/06).</li> </ul> </li> <li>• <b>Opinions of title (certificates of title)</b> <ul style="list-style-type: none"> <li>• An attorney's opinion of title is acceptable to Freddie Mac in lieu of a title insurance policy if all of the following conditions are met without exception:                                     <ul style="list-style-type: none"> <li>• The opinion must be addressed to the lender and all successors in interest of the lender</li> <li>• The opinion must provide the following statement:   <ul style="list-style-type: none"> <li>• We [I] agree to indemnify you and your successors in interest in the [mortgage] [deed of trust] opined hereto, to the full extent of any loss attributable to a breach of our [my] duty to exercise reasonable care and skill in the examination of the title and the giving of this opinion.</li> </ul> </li> <li>• The opinion must be given by an attorney licensed to practice law in the jurisdiction where the mortgaged premises is located. The attorney must also be insured against malpractice in rendering opinions of title in an amount commonly prevailing in the jurisdiction, taking into account the volume of opinions rendered by the attorney.</li> <li>• The opinion must not take exception to survey matters. When the attorney's opinion takes exception to the survey matters, the lender must provide whatever information is required by the attorney to remove the exception. If the attorney will not issue the title opinion without a survey exception, Freddie Mac will not purchase the mortgage. In addition, the opinion must not be subject to any title exceptions other than those permitted under Freddie Mac's acceptable exceptions to the title insurance policy or to the attorney's opinion of title. See "Title/Binder Acceptable Exceptions" subsequently presented in this subtopic.</li> </ul> </li> <li>• The mortgage must not be:                                     <ul style="list-style-type: none"> <li>• Secured by a unit in a condominium project</li> <li>• Secured by a dwelling on a leasehold estate</li> <li>• Secured by a manufactured home</li> <li>• Secured by property subject to restrictive agreements or restrictive covenants</li> <li>• Executed using a power of attorney</li> <li>• A Texas Equity Section 50(a)(6) mortgage</li> </ul> </li> <li>• An attorney's opinion of title must be commonly acceptable in lieu of title insurance by private institutional mortgage investors in the area where the mortgaged premises are located</li> <li>• The following opinion relating to prior environmental protection liens must be given in lieu of the American Land Title Association (ALTA) Endorsement 8.1 in an attorney's opinion of title. Item (i) of the opinion refers to environmental liens at the time the opinion is issued; item (ii) refers to state lien statutes that could give rise to a priority lien. An attorney may include an exception in item (ii) for possible subsequent superliens that could take priority over the mortgage only if the mortgaged premises is located in a state whose state statutes provide for such a superlien:                                     <ul style="list-style-type: none"> <li>• "There is (i) no environmental protection lien recorded in those records established under State statutes for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land</li> </ul> </li> </ul> </li> </ul>

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			<p>listed below (list any State statute that allows a lien for environmental protection that can attain priority over the lien of the insured Mortgage; if none, state 'none')."</p> <ul style="list-style-type: none"> <li>The following opinion must be given in lieu of the applicable ALTA form for ARMs, if applicable: <ul style="list-style-type: none"> <li>"The law of the State in which the property securing the Mortgage is located provides that (i) the lien of the Mortgage will not become invalid or unenforceable resulting from provisions in the Mortgage which provide for changes in the interest rate calculated pursuant to the formula provided in the Mortgage, and (ii) priority of the lien of the Mortgage for the UPB of the loan, together with interest as changed and other sums advanced by the Noteholder in accordance with the provisions of the Mortgage, will not be lost as a result of changes in the rate of interest calculated pursuant to the formula provided in the Mortgage."</li> </ul> </li> <li>Mortgages secured by units in planned unit developments (PUDs) for which an attorney's opinion of title was obtained in lieu of a title insurance policy shall be eligible for purchase, provided that: <ul style="list-style-type: none"> <li>The opinion of title meets the requirements of this section and, in addition, includes the following statements: <ul style="list-style-type: none"> <li>There is no violation of any restrictive covenants that are in the PUD constituent documents and restrict the use of the land</li> <li>All dues applicable to the mortgage premises are current and not delinquent</li> <li>No recorded right of first refusal to purchase the land was exercised or could have been exercised on or before the closing date of the mortgage and the undersigned is unaware of the existence or the exercise of any right of first refusal on or before the closing date of the mortgage, and</li> </ul> </li> <li>The lender maintains a copy of the attorney's opinion of title in the mortgage file.</li> </ul> </li> </ul>	<p>is located, nor (ii) are there any environmental protection liens provided for by any State statute in effect on the date of this opinion, which could achieve priority over the Mortgage except those listed below (list any State statute that allows a lien for environmental protection that can attain priority over the lien of the insured Mortgage; if none, state 'none')."</p> <ul style="list-style-type: none"> <li>The following opinion must be given in lieu of the applicable ALTA form for ARMs, if applicable: <ul style="list-style-type: none"> <li>"The law of the State in which the property securing the Mortgage is located provides that (i) the lien of the Mortgage will not become invalid or unenforceable resulting from provisions in the Mortgage which provide for changes in the interest rate calculated pursuant to the formula provided in the Mortgage, and (ii) priority of the lien of the Mortgage for the UPB of the loan, together with interest as changed and other sums advanced by the Noteholder in accordance with the provisions of the Mortgage, will not be lost as a result of changes in the rate of interest calculated pursuant to the formula provided in the Mortgage."</li> </ul> </li> <li>Mortgages secured by units in planned unit developments (PUDs) for which an attorney's opinion of title was obtained in lieu of a title insurance policy shall be eligible for purchase, provided that: <ul style="list-style-type: none"> <li>The opinion of title meets the requirements of this section and, in addition, includes the following statements: <ul style="list-style-type: none"> <li>There is no violation of any restrictive covenants that are in the PUD constituent documents and restrict the use of the land</li> <li>All dues applicable to the mortgage premises are current and not delinquent</li> <li>No recorded right of first refusal to purchase the land was exercised or could have been exercised on or before the closing date of the mortgage and the undersigned is unaware of the existence or the exercise of any right of first refusal on or before the closing date of the mortgage, and</li> </ul> </li> <li>The lender maintains a copy of the attorney's opinion of title in the mortgage file.</li> </ul> </li> <li><b>Special Feature Code Requirement</b> <ul style="list-style-type: none"> <li>Use SFC J18 to identify a mortgage utilizing an attorney's opinion of title letter in lieu of a title insurance policy.</li> </ul> </li> </ul>
Desktop Appraisals	Correspondent Section 2.01 Agency Loan Programs	<ul style="list-style-type: none"> <li>Standard Agency (LPA)</li> <li>Agency Plus (LPA)</li> <li>Agency Plus Select (LPA)</li> <li>Home Possible® Mortgage (LPA)</li> </ul>	<p><b>Appraisal Requirements / Desktop Appraisals</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li><b>Overview</b> <ul style="list-style-type: none"> <li>A desktop appraisal reported on Form 70D, <i>Uniform Residential Appraisal Report (Desktop)</i> is permitted in lieu of an interior and exterior inspection appraisal for certain purchase transactions.</li> </ul> </li> <li><b>Desktop Appraisal Requirements</b> <ul style="list-style-type: none"> <li>Mortgages that meet the following requirements may be delivered with a desktop appraisal in lieu of an interior and exterior appraisal: <ul style="list-style-type: none"> <li>Each mortgage must be an Accept mortgage</li> <li>The last Feedback Certificate must indicate that the mortgage is eligible for a desktop appraisal</li> <li>Each mortgage must be delivered with the required ULDD Data Points</li> <li>Each mortgage must be a purchase transaction mortgage secured by a 1-unit primary residence</li> <li>Each mortgage must have a loan-to-value (LTV) ratio less than or equal to 90%. For purposes of desktop appraisal eligibility, the LTV ratio is calculated using the sales price.</li> </ul> </li> </ul> </li> </ul>	<p><b>Appraisal Requirements / Desktop Appraisals</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li><b>Overview</b> <ul style="list-style-type: none"> <li>A desktop appraisal reported on Form 70D, <i>Uniform Residential Appraisal Report (Desktop)</i> is permitted in lieu of an interior and exterior inspection appraisal for certain purchase transactions.</li> </ul> </li> <li><b>Desktop Appraisal Requirements</b> <ul style="list-style-type: none"> <li>Mortgages that meet the following requirements may be delivered with a desktop appraisal in lieu of an interior and exterior appraisal: <ul style="list-style-type: none"> <li>Each mortgage must be an Accept mortgage</li> <li>The last Feedback Certificate must indicate that the mortgage is eligible for a desktop appraisal</li> <li>Each mortgage must be delivered with the required ULDD Data Points</li> <li>Each mortgage must be a purchase transaction mortgage secured by a 1-unit primary</li> </ul> </li> </ul> </li> </ul>

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			<p><b>Note:</b> Freddie Mac will accept mortgages originated with a desktop appraisal with an LTV ratio higher than 90% as calculated using the value obtained from the desktop appraisal if the loan amount does not increase and all other eligibility requirements continue to be met, including the requirement that the LTV ratio calculated using the sales price is less than or equal to 90%. LTV ratios greater than 90% that occur as a result of loan amount increases require an upgrade to an interior and exterior inspection appraisal (Form 70).</p> <ul style="list-style-type: none"> <li>• <b>Ineligible Mortgages</b> <ul style="list-style-type: none"> <li>• The following mortgages are not eligible for a desktop appraisal:                             <ul style="list-style-type: none"> <li>• Mortgages secured by a condominium unit</li> <li>• Mortgages secured by a manufactured home</li> <li>• Mortgages secured by a leasehold estate</li> <li>• Mortgages secured by a property that is undergoing renovation or rehabilitation</li> <li>• Mortgages secured by mortgaged premises subject to resale restrictions</li> <li>• Construction Conversion and Renovation Mortgages</li> <li>• Community land trust mortgages</li> <li>• GreenChoice Mortgages</li> <li>• ChoiceRenovation Mortgages</li> <li>• Co-ops</li> </ul> </li> </ul> </li> </ul>	<p>residence</p> <ul style="list-style-type: none"> <li>• Each mortgage must have a loan-to-value (LTV) ratio less than or equal to 90%. For purposes of desktop appraisal eligibility, the LTV ratio is calculated using the sales price.</li> </ul> <p><b>Note:</b> Freddie Mac will accept mortgages originated with a desktop appraisal with an LTV ratio higher than 90% as calculated using the value obtained from the desktop appraisal if the loan amount does not increase and all other eligibility requirements continue to be met, including the requirement that the LTV ratio calculated using the sales price is less than or equal to 90%. LTV ratios greater than 90% that occur as a result of loan amount increases require an upgrade to an interior and exterior inspection appraisal (Form 70).</p> <ul style="list-style-type: none"> <li>• <b>Ineligible Mortgages</b> <ul style="list-style-type: none"> <li>• The following mortgages are not eligible for a desktop appraisal:                             <ul style="list-style-type: none"> <li>• Mortgages secured by a condominium unit</li> <li>• Mortgages secured by a manufactured home</li> <li>• Mortgages secured by a leasehold estate</li> <li>• Mortgages secured by a property that is undergoing renovation or rehabilitation</li> <li>• <b>Mortgages secured by purchase transactions that are non-arm's length or when the property owner at the time of sale (i.e., the property seller) is a lender or a government entity</b></li> <li>• Mortgages secured by mortgaged premises subject to resale restrictions</li> <li>• Construction Conversion and Renovation Mortgages</li> <li>• Community land trust mortgages</li> <li>• GreenChoice Mortgages</li> <li>• ChoiceRenovation Mortgages</li> <li>• Co-ops</li> </ul> </li> </ul> </li> </ul>
Refinances / Continuity of Obligation	Correspondent Section 2.01 Agency Loan Programs	<ul style="list-style-type: none"> <li>• Standard Agency (LPA)</li> <li>• Agency Plus (LPA)</li> <li>• Agency Plus Select (LPA)</li> <li>• Home Possible® Mortgage (LPA)</li> <li>• Texas Section 50 (a)(6) Mortgages (LPA)</li> </ul>	<p><b>Refinances / Continuity of Obligation</b></p> <p><b>Freddie Mac LP</b> Follow LP requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• When an existing mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met:             <ul style="list-style-type: none"> <li>• At least one borrower on the refinance mortgage was a borrower on the mortgage being refinanced; or</li> <li>• At least one borrower on the refinance mortgage held title to and resided in the mortgaged premises as a primary residence for the most recent 12 month period and the mortgage file contains documentation evidencing that the borrower, either:                 <ul style="list-style-type: none"> <li>• Has been making timely mortgage payments, including the payments for any secondary financing, for the most recent 12-month period; or</li> <li>• Is a related person to a borrower on the mortgage being refinanced; or</li> </ul> </li> <li>• At least one borrower on the refinance mortgage inherited or was legally awarded the mortgaged premises (for example, in the case of divorce, separation or dissolution of a domestic partnership).</li> </ul> </li> <li>• Additional requirements apply for cash-out refinance transactions. See the "Cash-Out Refinance" subtopic for additional details.</li> </ul>	<p><b>Refinances / Continuity of Obligation</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• When an existing mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met:             <ul style="list-style-type: none"> <li>• At least one borrower on the refinance mortgage was a borrower on the mortgage being refinanced; or</li> <li>• At least one borrower on the refinance mortgage held title to and resided in the mortgaged premises as a primary residence for the most recent 12 month period and the mortgage file contains documentation evidencing that the <b>borrower has</b> been making timely mortgage payments, including the payments for any secondary financing, for the most recent 12-month period; or</li> <li>• <del>Is a related person to a borrower on the mortgage being refinanced; or</del></li> <li>• At least one borrower on the refinance mortgage inherited or was legally awarded the mortgaged premises (for example, in the case of divorce, separation or dissolution of a domestic partnership).</li> </ul> </li> <li>• Additional requirements apply for cash-out refinance transactions. See the "Cash-Out Refinance" subtopic for additional details.</li> </ul>