

Agency Standards Revisions

Note: Truist specific overlays are underlined.

Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024
Age of Documentation Requirements	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none">Standard Agency (LPA)Agency Plus (LPA)Agency Plus Select (LPA)Home Possible® (LPA)Texas Section 50(a)(6) Mortgages (LPA)	<p>Income / General Income Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">General Documentation Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">Age of Documentation<ul style="list-style-type: none">Verifications of employment, income, and current receipt of income must be dated no more than 120 days before the note date, and must be used in evaluating the creditworthiness of the borrower. Any information verified more than 120 days before the note date, must be reverified. Verifications made after the note date do not satisfy the requirements of this section.Refer to the “Employed Income Documentation and Verification Requirements” section subsequently presented in this subtopic for additional requirements for year-to-date paystubs.Refer to the “Age of Tax Return Requirements” section subsequently presented in this subtopic for age of tax return requirements.For mortgages using automated income assessment with Loan Product Advisor using tax return data, see “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements.In addition, no more than 10 business days prior to the note date, the lender must confirm the borrower’s employment by obtaining a 10-day pre-closing verification of employment in accordance with the requirements outlined in the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic subsequently presented in this topic.For mortgages using automated employment assessment with Loan Product Advisor using account data, see “Automated Employment Assessment with Loan Product Advisor Using Account Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for verification report requirements.For a self-employed borrower, the lender must obtain a verification of the current existence of the borrower’s business no more than 120 calendar days prior to the note date in accordance with the requirements outlined in the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic subsequently presented in this topic.Alternatively, the lender may obtain the verification of employment or the existence of business, as applicable, after the note date but prior to the delivery date (to Truist). See the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV) subtopic subsequently presented in this topic for additional information regarding 10-day pre-closing verifications of employment and applicable documentation requirements.<p><i>All other currently published requirements in this section remain the same.</i></p>	<p>Income / General Income Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">General Documentation Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">Age of Documentation<ul style="list-style-type: none">Age of Verifications<ul style="list-style-type: none">Verifications of <u>information used to evaluate the borrower’s creditworthiness</u> must be dated no more than 120 <u>calendar</u> days before the note <u>date</u>. Verifications subject to this requirement include verification of:<ul style="list-style-type: none">EmploymentIncome, including current receipt of incomeRefer to the “Employed Income Documentation and Verification Requirements” section subsequently presented in this subtopic for additional requirements for year-to-date paystubs.Refer to the “Age of Tax Return Requirements” section subsequently presented in this subtopic for age of tax return requirements.For mortgages using automated income assessment with Loan Product Advisor using tax return data, see “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements.For an employed borrower, the lender must <u>also</u> confirm the borrower’s employment by obtaining a 10-day pre-closing <u>verification in</u> accordance with the requirements outlined in the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic subsequently presented in this topic.For mortgages using automated employment assessment with Loan Product Advisor using account data, see “Automated Employment Assessment with Loan Product Advisor Using Account Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for verification report requirements.For a self-employed borrower, the lender must <u>also</u> obtain a verification of the current existence of the borrower’s <u>business in</u> accordance with the requirements outlined in the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic subsequently presented in this topic.Alternatively, the lender may obtain the verification of employment or the existence of business, as applicable, after the note date but prior to the delivery date (to Truist). See the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV) subtopic subsequently presented in this topic for additional information regarding 10-day pre closing verifications of employment and applicable documentation requirements.For additional guidance related to verifications, refer to:<ul style="list-style-type: none">the “Employed Income Documentation and Verification Requirements” section subsequently presented in this subtopic for additional requirements for year-to-date paystubs, andthe “Age of Tax Return Requirements” section subsequently presented in this subtopic for age of tax return requirements.

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024
				<ul style="list-style-type: none">• Age of Documentation when Data Used for Loan Product Advisor Assessments<ul style="list-style-type: none">• For mortgages when data is used for the Loan Product Advisor assessment and a verification report is obtained, the expiration of the verification report reflected in feedback messaging on the Last Feedback Certificate complies with the “Age of Verifications” requirements above. Refer to the following section in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for additional guidance related to the verification report requirements for mortgages using automated assessment:• “Automated Income Assessment with Loan Product Advisor Using Employer Data”• For mortgages using automated income assessment with Loan Product Advisor using tax return data, see “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements. <p>All other currently published requirements in this section remain the same.</p>
			<p>Liabilities and Qualifying Ratios / Acceptable Documentation</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">• Age of Documentation. Verifications of payment history must be dated no more than 120 days before the note date, and must be used in evaluating the creditworthiness of the borrower. Any information verified more than 120 days before the note date must be reverified. Verifications made after the note date do not satisfy the requirements of this section.	<p>Liabilities and Qualifying Ratios / Acceptable Documentation</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">• Age of Documentation<ul style="list-style-type: none">• Age of Verifications<ul style="list-style-type: none">• Verifications of information used to evaluate the borrower's creditworthiness must be dated no more than 120 calendar days before the note date. Verifications subject to this requirement include verification of payment history.
			<p>Credit Requirements / General Credit Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></p> <ul style="list-style-type: none">• Age of Documentation<ul style="list-style-type: none">• Verifications of payment history must be dated no more than 120 days before the note date.	<p>Credit Requirements / General Credit Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></p> <ul style="list-style-type: none">• Age of Documentation<ul style="list-style-type: none">• Age of Verifications<ul style="list-style-type: none">• Verifications of information used to evaluate the borrower's creditworthiness must be dated no more than 120 calendar days before the note date. Verifications subject to this requirement include verification of payment history.

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024
			<p>Cash Requirements / General Asset Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></p> <ul style="list-style-type: none">• Age of Asset Documentation<ul style="list-style-type: none">• Verifications of source of funds must be dated no more than 120 days before the note date and must be used in evaluating the creditworthiness of the borrower. Any information verified more than 120 days before the note date must be reverified. Verifications made after the note date do not satisfy the requirements of this section.	<p>Cash Requirements / General Asset Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></p> <ul style="list-style-type: none">• Age of Documentation<ul style="list-style-type: none">• Age of Verifications<ul style="list-style-type: none">• Verifications of information used to evaluate the borrower's creditworthiness must be dated no more than 120 calendar days before the note date. Verifications subject to this requirement include verification of source of funds.• Age of Documentation when Data Used for Loan Product Advisor Assessments<ul style="list-style-type: none">• For mortgages when data is used for the Loan Product Advisor assessment and a verification report is obtained, the expiration of the verification report reflected in feedback messaging on the Last Feedback Certificate complies with the "Age of Verifications" requirements above. Refer to the following sections in the "Freddie Mac LPA Loans" subtopic subsequently presented in the "Underwriting the Borrower" topic for additional guidance related to the verification report requirements for mortgages using automated assessment:<ul style="list-style-type: none">• "Automated Asset Assessment with Loan Product Advisor Using Account Data"• "Automated Income Assessment with Loan Product Advisor Using Account Data"• "Automated Employment Assessment with Loan Product Advisor Using Account Data"• Rent Payment History Included in Loan Product Advisor's Assessment• Borrower Cash Flow Included in Loan Product Advisor's Assessment
Age of Tax Returns	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none">• Standard Agency (LPA)• Agency Plus (LPA)• Agency Plus Select (LPA)• Home Possible® (LPA)• Texas Section 50(a)(6) Mortgages (LPA)	<p>Income / General Income Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">• General Documentation Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">• Tax Returns and Tax Return Information: Documentation and Verification Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">• Age of Tax Return Requirements<ul style="list-style-type: none">• The most recent federal income tax return is the last tax return, individual and/or business, that was filed with the IRS by the borrower and, if applicable, the borrower's business. Lenders are encouraged to always confirm with the borrower that the tax returns provided are the tax returns most recently filed with the IRS.• At a minimum, the following date and documentation requirements must be met, based on the application received date and the note date for the mortgage:<ul style="list-style-type: none">• For mortgages with note dates on or after November 1, 2021	<p>Income / General Income Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">• General Documentation Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">• Tax Returns and Tax Return Information: Documentation and Verification Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">• Age of Tax Return Requirements<ul style="list-style-type: none">• The most recent federal income tax return is the last tax return, individual and/or business, that was filed with the IRS by the borrower and, if applicable, the borrower's business. Lenders are encouraged to always confirm with the borrower that the tax returns provided are the tax returns most recently filed with the IRS.• The lender must determine the stable monthly income which may require additional documentation and analysis. Refer to the "Business and Income Analysis" subsection in the "Self-Employment Income" subtopic, subsequently presented in this document, for

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Topic	Impacted Document	Impacted Products	Current Standards			Revised Standards		
						Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024		
						additional guidance about self-employed income when the tax returns for the most recent calendar year are not yet available.		
						<ul style="list-style-type: none">At a minimum, the following date and documentation requirements must be met, based on the application received date and the note date for the mortgage:<ul style="list-style-type: none">For Mortgages with Note Dates on or after November 1, 2023		

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Last Revision Date: 04/19/2024 (Correspondent)

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Topic	Impacted Document	Impacted Products	Current Standards				Revised Standards							
					<div>verifying tax transcripts are not yet available for the 2020 tax year; and</div> <ul style="list-style-type: none">2019, or 2019 and 2018, federal income tax returns, as applicable, in accordance with the applicable income subtopic subsequently presented in this topic		Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024							
					<div>¹ For mortgages in states with IRS filing extensions beyond May 17, 2021, the note date is the last day of the month following the IRS income tax filing due date.</div>		Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements.							
					<div>Reference: For mortgages using income assessment with LPA using tax return data, see “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements.</div>			<table><tr><th>Application Received Date</th><th>Note Date</th><th>Age-of-Tax-Return-and-Other Documentation Requirements</th></tr><tr><td>All</td><td><div>On or after: June 30, 2021¹</div><div>Before: November 1, 2021</div></td><td><div>If the borrower has filed the 2020 tax return(s) with the IRS:</div><ul style="list-style-type: none">2020, or 2020 and 2019, federal income tax return(s), as applicable, in accordance with the applicable income subtopic subsequently presented in this topic<div>If the borrower has not filed the 2020 tax return(s) with the IRS:</div><ul style="list-style-type: none">Evidence of completed IRS tax filing extension(s) for 2020 tax year (e.g., if using IRS tax extension forms to evidence tax filing extension, include IRS Form(s) 4868 and/or 7004, as applicable);IRS confirmation verifying tax transcripts are not yet available for the 2020 tax year; and2019, or 2019 and 2018, federal income tax returns, as applicable, in accordance with the applicable income subtopic subsequently presented in this topic</td></tr></table>	Application Received Date	Note Date	Age-of-Tax-Return-and-Other Documentation Requirements	All	<div>On or after: June 30, 2021¹</div> <div>Before: November 1, 2021</div>	<div>If the borrower has filed the 2020 tax return(s) with the IRS:</div> <ul style="list-style-type: none">2020, or 2020 and 2019, federal income tax return(s), as applicable, in accordance with the applicable income subtopic subsequently presented in this topic <div>If the borrower has not filed the 2020 tax return(s) with the IRS:</div> <ul style="list-style-type: none">Evidence of completed IRS tax filing extension(s) for 2020 tax year (e.g., if using IRS tax extension forms to evidence tax filing extension, include IRS Form(s) 4868 and/or 7004, as applicable);IRS confirmation verifying tax transcripts are not yet available for the 2020 tax year; and2019, or 2019 and 2018, federal income tax returns, as applicable, in accordance with the applicable income subtopic subsequently presented in this topic
Application Received Date	Note Date	Age-of-Tax-Return-and-Other Documentation Requirements												
All	<div>On or after: June 30, 2021¹</div> <div>Before: November 1, 2021</div>	<div>If the borrower has filed the 2020 tax return(s) with the IRS:</div> <ul style="list-style-type: none">2020, or 2020 and 2019, federal income tax return(s), as applicable, in accordance with the applicable income subtopic subsequently presented in this topic <div>If the borrower has not filed the 2020 tax return(s) with the IRS:</div> <ul style="list-style-type: none">Evidence of completed IRS tax filing extension(s) for 2020 tax year (e.g., if using IRS tax extension forms to evidence tax filing extension, include IRS Form(s) 4868 and/or 7004, as applicable);IRS confirmation verifying tax transcripts are not yet available for the 2020 tax year; and2019, or 2019 and 2018, federal income tax returns, as applicable, in accordance with the applicable income subtopic subsequently presented in this topic												
							<div>¹ For mortgages in states with IRS filing extensions beyond May 17, 2021, the note date is the last day of the month following the IRS income tax filing due date.</div>							
					<div>Reference: For mortgages using income assessment with LPA using tax return data, see “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements.</div>									
					<div>All other currently published requirements in this section remain the same.</div>									
							<div>¹ For mortgages in states with IRS filing extensions beyond May 17, 2021, the note date is the last day of the month following the IRS income tax filing due date.</div>							

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024										
			<div></div> <div>Income / Self-Employment Income Freddie Mac LPA Follow LPA requirements, which are as follows:<ul style="list-style-type: none">Self-Employed Borrower Definition and Verification of Ownership Interest Percentage<ul style="list-style-type: none">A borrower who has an ownership interest of 25% or more in a business is considered to be self-employed. The business may be a sole proprietorship, a partnership (general or limited), an S corporation or a corporation.The business structure determines the reporting method of the business and self-employment income to the Internal Revenue Service (IRS). The federal income tax returns for the business usually document the percentage of ownership interest in the business.The following chart contains requirements and guidance for determining self-employment and verifying the borrower's business ownership percentage:<table><tr><th>Business Structure</th><th>Self-employment verification of ownership interest percentage</th></tr><tr><td>Partnerships, S Corporations and Corporations</td><td>The ownership interest percentage must be verified by a review of the federal income tax returns for the business, including the IRS Schedule K-1(s) or IRS Form 1125-E, Compensation of Officers. If these documents do not provide this information, the ownership interest percentage must be verified with a letter from the accountant for the business or similar documents</td></tr><tr><td>Sole Proprietorships</td><td>Sole proprietorships are unincorporated businesses. A sole proprietor owns 100% of the business and reports the income and expenses from that business on Schedule C of the federal individual income tax return. There is no associated federal business tax return.</td></tr></table><ul style="list-style-type: none">Loan Product Advisor<ul style="list-style-type: none">The lender must indicate to Loan Product Advisor that a borrower is self-employed when the borrower meets Freddie Mac's definition of self-employed as stated above. This is required in all cases where the self-employment income and/or loss is used to determine the borrower's stable monthly income for qualifying.For borrowers with self-employed income evaluated using automated income assessment with Loan Product Advisor using tax return data, see “Automated Income Assessment with Loan Product</div>	Business Structure	Self-employment verification of ownership interest percentage	Partnerships, S Corporations and Corporations	The ownership interest percentage must be verified by a review of the federal income tax returns for the business, including the IRS Schedule K-1(s) or IRS Form 1125-E, Compensation of Officers. If these documents do not provide this information, the ownership interest percentage must be verified with a letter from the accountant for the business or similar documents	Sole Proprietorships	Sole proprietorships are unincorporated businesses. A sole proprietor owns 100% of the business and reports the income and expenses from that business on Schedule C of the federal individual income tax return. There is no associated federal business tax return.	<div>Reference: For mortgages using income assessment with LPA using tax return data, see “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements.</div> <div>All other currently published requirements in this section remain the same.</div> <div>Income / Self-Employment Income Freddie Mac LPA Follow LPA requirements, which are as follows:<ul style="list-style-type: none">Self-Employed Borrower Definition and Verification of Ownership Interest Percentage<ul style="list-style-type: none">A borrower who has an ownership interest of 25% or more in a business is considered to be self-employed. The business may be a sole proprietorship, a partnership (general or limited), an S corporation or a corporation.The business structure determines the reporting method of the business and self-employment income to the Internal Revenue Service (IRS). The federal income tax returns for the business usually document the percentage of ownership interest in the business.The following chart contains requirements and guidance for determining self-employment and verifying the borrower's business ownership percentage:<table><tr><th>Business Structure</th><th>Self-employment definition and verification of ownership interest percentage</th></tr><tr><td>Partnerships, S Corporations and Corporations</td><td><ul style="list-style-type: none">A borrower who has an ownership interest of 25% or more in a partnership (general or limited), S corporation, and/or corporation is considered to be self-employed.The ownership interest percentage must be verified by a review of the federal income tax returns for the business, including the IRS Schedule K-1(s) or IRS Form 1125-E, Compensation of Officers. If these documents do not provide this information, the ownership interest percentage must be verified with a letter from the accountant for the business or similar documents.If the borrower has ownership interest in one or more businesses, but the ownership interest is not 25% or more for any business, refer to the requirements and guidance in the “Schedule K-1 Income (For borrowers with Less than 25% Ownership in Business)” subtopic previously presented in this document for employment/income characteristics or</td></tr></table></div>	Business Structure	Self-employment definition and verification of ownership interest percentage	Partnerships, S Corporations and Corporations	<ul style="list-style-type: none">A borrower who has an ownership interest of 25% or more in a partnership (general or limited), S corporation, and/or corporation is considered to be self-employed.The ownership interest percentage must be verified by a review of the federal income tax returns for the business, including the IRS Schedule K-1(s) or IRS Form 1125-E, Compensation of Officers. If these documents do not provide this information, the ownership interest percentage must be verified with a letter from the accountant for the business or similar documents.If the borrower has ownership interest in one or more businesses, but the ownership interest is not 25% or more for any business, refer to the requirements and guidance in the “Schedule K-1 Income (For borrowers with Less than 25% Ownership in Business)” subtopic previously presented in this document for employment/income characteristics or
Business Structure	Self-employment verification of ownership interest percentage													
Partnerships, S Corporations and Corporations	The ownership interest percentage must be verified by a review of the federal income tax returns for the business, including the IRS Schedule K-1(s) or IRS Form 1125-E, Compensation of Officers. If these documents do not provide this information, the ownership interest percentage must be verified with a letter from the accountant for the business or similar documents													
Sole Proprietorships	Sole proprietorships are unincorporated businesses. A sole proprietor owns 100% of the business and reports the income and expenses from that business on Schedule C of the federal individual income tax return. There is no associated federal business tax return.													
Business Structure	Self-employment definition and verification of ownership interest percentage													
Partnerships, S Corporations and Corporations	<ul style="list-style-type: none">A borrower who has an ownership interest of 25% or more in a partnership (general or limited), S corporation, and/or corporation is considered to be self-employed.The ownership interest percentage must be verified by a review of the federal income tax returns for the business, including the IRS Schedule K-1(s) or IRS Form 1125-E, Compensation of Officers. If these documents do not provide this information, the ownership interest percentage must be verified with a letter from the accountant for the business or similar documents.If the borrower has ownership interest in one or more businesses, but the ownership interest is not 25% or more for any business, refer to the requirements and guidance in the “Schedule K-1 Income (For borrowers with Less than 25% Ownership in Business)” subtopic previously presented in this document for employment/income characteristics or													

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			<p>Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for details.</p> <ul style="list-style-type: none">Self-Employment History Requirements<ul style="list-style-type: none">The following chart contains requirements and guidance pertaining to self-employment history: <table><tr><th colspan="2">Self-Employment History</th></tr><tr><th>Subject</th><th>Requirements and Guidance</th></tr><tr><td>Length of history requirement</td><td>A two-year history of current self-employment is required in most instances to ensure that income is stable. The self-employment must be documented on Form 65, Uniform Residential Loan Application and verified in accordance with this subtopic.</td></tr><tr><td>Self-employment less than two years</td><td>In certain instances, a borrower may not have a current two-year history of self-employment; however, the income and employment may still be considered stable if the lender provides a written analysis justifying the determination of stability, and sufficient supporting documentation is obtained. When making this determination, the lender must take into consideration the overall layering of risk, including the borrower's demonstrated ability to repay obligations. When the borrower has been self-employed for less than two years, prior to considering the income for qualifying purposes, at a minimum the lender must:<ul style="list-style-type: none">Document that the borrower has a two-year history of receipt of income at the same or greater level in the same or similar occupationConsider and evaluate the borrower's experience in the businessConsider and evaluate the acceptance of the company's service or products in the marketplaceAnalysis of current business activity through a review of the year-to date (YTD) financial statement and/or the most recent three months of business bank statements may provide support to this evaluation.</td></tr><tr><td>Minimum history of receipt of income</td><td>The borrower's federal income tax returns must reflect at least one year of self-employment income</td></tr><tr><td>Geographical relocation</td><td>If the borrower is relocating to a different geographic area, prior to considering the income for qualifying purposes, at a minimum the lender must:<ul style="list-style-type: none">Consider and evaluate the acceptance of the company's service or products in the marketplace. Additional information, such as market studies or relevant industry research, may support this evaluation.</td></tr></table>	Self-Employment History		Subject	Requirements and Guidance	Length of history requirement	A two-year history of current self-employment is required in most instances to ensure that income is stable. The self-employment must be documented on Form 65, Uniform Residential Loan Application and verified in accordance with this subtopic.	Self-employment less than two years	In certain instances, a borrower may not have a current two-year history of self-employment; however, the income and employment may still be considered stable if the lender provides a written analysis justifying the determination of stability, and sufficient supporting documentation is obtained. When making this determination, the lender must take into consideration the overall layering of risk, including the borrower's demonstrated ability to repay obligations. When the borrower has been self-employed for less than two years, prior to considering the income for qualifying purposes, at a minimum the lender must: <ul style="list-style-type: none">Document that the borrower has a two-year history of receipt of income at the same or greater level in the same or similar occupationConsider and evaluate the borrower's experience in the businessConsider and evaluate the acceptance of the company's service or products in the marketplace Analysis of current business activity through a review of the year-to date (YTD) financial statement and/or the most recent three months of business bank statements may provide support to this evaluation.	Minimum history of receipt of income	The borrower's federal income tax returns must reflect at least one year of self-employment income	Geographical relocation	If the borrower is relocating to a different geographic area, prior to considering the income for qualifying purposes, at a minimum the lender must: <ul style="list-style-type: none">Consider and evaluate the acceptance of the company's service or products in the marketplace. Additional information, such as market studies or relevant industry research, may support this evaluation.	<p>Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024</p> <table><tr><td></td><td>use the requirements in this subtopic.</td><td></td></tr><tr><td>Sole Proprietorships and Schedule C</td><td>Sole proprietorships are unincorporated businesses. A sole proprietor owns 100% of the business and reports the income and expenses from that business on Schedule C of the federal individual income tax return. There is no associated federal business tax return. Note: For IRS Form 1099 income received for services performed and reported on Schedule C, lenders may refer to the “Income Reported on Internal Revenue Service (IRS) Form 1099 for Services Performed” requirements in the “Employment/Income Characteristics” subsection previously presented in the “General Income Information” subtopic in this document for additional information with respect to determining whether this income may be treated as non-self-employed income.</td><td></td></tr></table> <ul style="list-style-type: none">Loan Product Advisor<ul style="list-style-type: none">The lender must indicate to Loan Product Advisor that a borrower is self-employed when the borrower meets Freddie Mac's definition of self-employed as stated above. This is required in all cases where the self-employment income and/or loss is used to determine the borrower's stable monthly income for qualifying.For borrowers with self-employed income assessed using automated income assessment with Loan Product Advisor using tax return data, refer to “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for details.Self-Employment History Requirements<ul style="list-style-type: none">The following chart contains requirements and guidance pertaining to self-employment history:<table><tr><th colspan="2">Self-Employment History</th></tr><tr><th>Subject</th><th>Requirements and Guidance</th></tr><tr><td>Length of history requirement</td><td>A two-year history of current self-employment is required in most instances to ensure that income is stable. The self-employment must be documented on Form 65, Uniform Residential Loan Application and verified in accordance with this subtopic.</td></tr><tr><td>Self-employment less than two years</td><td>In certain instances, a borrower may not have a current two-year history of self-employment; however, the income and employment may still be considered stable if the lender provides a written analysis justifying the determination of stability, and sufficient supporting documentation is obtained. When making this determination, the lender must take into consideration the overall layering of risk, including the borrower's</td></tr></table>			use the requirements in this subtopic.		Sole Proprietorships and Schedule C	Sole proprietorships are unincorporated businesses. A sole proprietor owns 100% of the business and reports the income and expenses from that business on Schedule C of the federal individual income tax return. There is no associated federal business tax return. Note: For IRS Form 1099 income received for services performed and reported on Schedule C, lenders may refer to the “Income Reported on Internal Revenue Service (IRS) Form 1099 for Services Performed” requirements in the “Employment/Income Characteristics” subsection previously presented in the “General Income Information” subtopic in this document for additional information with respect to determining whether this income may be treated as non-self-employed income.		Self-Employment History		Subject	Requirements and Guidance	Length of history requirement	A two-year history of current self-employment is required in most instances to ensure that income is stable. The self-employment must be documented on Form 65, Uniform Residential Loan Application and verified in accordance with this subtopic.	Self-employment less than two years	In certain instances, a borrower may not have a current two-year history of self-employment; however, the income and employment may still be considered stable if the lender provides a written analysis justifying the determination of stability, and sufficient supporting documentation is obtained. When making this determination, the lender must take into consideration the overall layering of risk, including the borrower's
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Self-employment less than two years	In certain instances, a borrower may not have a current two-year history of self-employment; however, the income and employment may still be considered stable if the lender provides a written analysis justifying the determination of stability, and sufficient supporting documentation is obtained. When making this determination, the lender must take into consideration the overall layering of risk, including the borrower's demonstrated ability to repay obligations. When the borrower has been self-employed for less than two years, prior to considering the income for qualifying purposes, at a minimum the lender must: <ul style="list-style-type: none">Document that the borrower has a two-year history of receipt of income at the same or greater level in the same or similar occupationConsider and evaluate the borrower's experience in the businessConsider and evaluate the acceptance of the company's service or products in the marketplace Analysis of current business activity through a review of the year-to date (YTD) financial statement and/or the most recent three months of business bank statements may provide support to this evaluation.																														
Minimum history of receipt of income	The borrower's federal income tax returns must reflect at least one year of self-employment income																														
Geographical relocation	If the borrower is relocating to a different geographic area, prior to considering the income for qualifying purposes, at a minimum the lender must: <ul style="list-style-type: none">Consider and evaluate the acceptance of the company's service or products in the marketplace. Additional information, such as market studies or relevant industry research, may support this evaluation.																														
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Sole Proprietorships and Schedule C	Sole proprietorships are unincorporated businesses. A sole proprietor owns 100% of the business and reports the income and expenses from that business on Schedule C of the federal individual income tax return. There is no associated federal business tax return. Note: For IRS Form 1099 income received for services performed and reported on Schedule C, lenders may refer to the “Income Reported on Internal Revenue Service (IRS) Form 1099 for Services Performed” requirements in the “Employment/Income Characteristics” subsection previously presented in the “General Income Information” subtopic in this document for additional information with respect to determining whether this income may be treated as non-self-employed income.																														
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Topic	Impacted Document	Impacted Products	Current Standards				Revised Standards			
Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024										
					<p>they may be used to establish business liquidity and access to business funds, provided they are reasonably consistent with the ordinary income.</p> <ul style="list-style-type: none">For S corporations and corporations, stable monthly income may be based on the income reported on the borrower's W-2 from the business. The corporate tax returns and Form 1125-E if applicable, must be reviewed for confirmation of the borrower's W-2 income from the business. <p>Use of Business Income Not Reported on the Borrower's Federal Individual Income Tax Returns</p> <ul style="list-style-type: none">Income reported on the business tax returns but not on the personal tax returns may be considered as stable monthly income, provided the lender’s analysis confirms that based on the financial strength of the business, the use of these funds as personal income would not have a detrimental impact on the business <p>Access to Business Income</p> <ul style="list-style-type: none">Documentation is not required to verify access to business income for the following:<ul style="list-style-type: none">Sole proprietorshipsOrdinary income, net rental real estate income, other net rental income and guaranteed payments received from partnerships and S corporationsW-2 income received from S corporations and corporations,Corporations, if the borrower holds 100% ownership interestIf business income not reported on the borrower's federal individual income tax returns is being used to qualify and none of the categories above apply, then the lender must verify that the borrower's legal right to the business income that is used as stable monthly income is not encumbered, restricted or prevented by the corporate resolution, partnership agreement, or other comparable document. <p>Income Calculation</p> <ul style="list-style-type: none">The lender’s calculation of a self-employed borrower's average monthly income must be based on a review of the borrower's complete federal individual income tax returns (Form 1040) including W-2's and Schedule K-1's (if applicable) and the borrower's complete federal income tax returns for			<p>of business income. Business tenure should be considered.</p> <ul style="list-style-type: none">The lender may determine that review and analysis of the business financial statements, business asset statements, and in the case of Partnerships and S corporations, an analysis of the historical cash distributions, is necessary to establish the financial and liquidity standing of the business. In addition, the lender may calculate and consider the liquidity ratios of the business using generally accepted accounting practices when analyzing the liquidity of the business. <p>Use of Business Income Reported on the Borrower's Federal Individual Income Tax Returns</p> <ul style="list-style-type: none">For sole proprietorships, stable monthly income must be based on the income reported on Schedule C of the borrower's federal individual income tax returnsFor partnerships and S corporations, stable monthly income may be based on the borrower's proportionate share of income (e.g., ordinary income, guaranteed payments) carried from the Form 1065 or 1120 S, through the Schedule K-1 and onto the borrower's federal individual income tax returns. Although cash distributions reported on the Schedule K-1 may not be used as qualifying income, they may be used to establish business liquidity and access to business funds, provided they are reasonably consistent with the ordinary income.For S corporations and corporations, stable monthly income may be based on the income reported on the borrower's W-2 from the business. The corporate tax returns and Form 1125-E if applicable, must be reviewed for confirmation of the borrower's W-2 income from the business. <p>Use of Business Income Not Reported on the Borrower's Federal Individual Income Tax Returns</p> <ul style="list-style-type: none">Income reported on the business tax returns but not on the personal tax returns may be considered as stable monthly income, provided the lender’s analysis confirms that based on the financial strength of the business, the use of these funds as personal income would not have a detrimental impact on the business <p>Access to Business Income</p>		

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Topic	Impacted Document	Impacted Products	Current Standards			Revised Standards				
						Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024				
					<p>the business (Forms 1120, 1120 S and 1065), when applicable.</p> <ul style="list-style-type: none">The lender must analyze the tax returns and document the calculation of the borrower's self-employed income on Form 91, Income Calculations, or a similar alternative form. <p>Income Fluctuation</p> <ul style="list-style-type: none">As part of the analysis, the lender must consider whether the borrower's self-employed income has increased or decreased over the previous two years when the lender’s analysis includes a review of documentation covering a history greater than one yearIf the analysis reflects that the borrower's income has significantly increased or decreased, the lender must provide sufficient documentation and justification to support the determination that the income used to qualify the borrower is stable and likely to continue for the next three yearsIt may be necessary to obtain additional years' tax returns when the borrower's self-employment income fluctuates in order to determine the stability of the income				<ul style="list-style-type: none">Documentation is not required to verify access to business income for the following:<ul style="list-style-type: none">Sole proprietorshipsOrdinary income, net rental real estate income, other net rental income and guaranteed payments received from partnerships and S corporationsW-2 income received from S corporations and corporations,Corporations, if the borrower holds 100% ownership interestIf business income not reported on the borrower's federal individual income tax returns is being used to qualify and none of the categories above apply, then the lender must verify that the borrower's legal right to the business income that is used as stable monthly income is not encumbered, restricted or prevented by the corporate resolution, partnership agreement, or other comparable document. <p>Income Calculation</p> <ul style="list-style-type: none">The lender’s calculation of a self-employed borrower's average monthly income must be based on a review of the borrower's complete federal individual income tax returns (Form 1040) including W-2's and Schedule K-1's (if applicable) and the borrower's complete federal income tax returns for the business (Forms 1120, 1120 S and 1065), when applicable.The lender must analyze the tax returns and document the calculation of the borrower's self-employed income on Form 91, Income Calculations, or a similar alternative form. <p>Income Fluctuation</p> <ul style="list-style-type: none">As part of the analysis, the lender must consider whether the borrower's self-employed income has increased or decreased over the previous two years when the lender’s analysis includes a review of documentation covering a history greater than one yearIf the analysis reflects that the borrower's income has significantly increased or decreased, the lender must provide sufficient documentation and justification to support the determination that the income used to qualify the borrower is stable and likely to continue for the next three yearsIt may be necessary to obtain additional years' tax returns when the borrower's self-employment	
				Business financial statements	<p>Business financial statements typically consist of a profit and loss statement and a balance sheet for the business that cover a specified period of time (e.g., YTD, quarterly, annual).</p> <ul style="list-style-type: none">Financial statements for the business may be prepared by multiple parties, including but not limited to, the Certified Public Accountant (CPA), accountant or tax preparer that prepares the tax returns for the business, or the borrowerFinancial statements may not be used for the calculation of stable monthly income (unless audited); however, they may provide additional support for the lender’s business and income analysisFinancial statements for the business may be used to assist in evaluating and determining various components of self-employment analysis, including, but not limited to, business liquidity, income stability when tax returns are on extension, evaluating a newer business and the impact of business fund withdrawals					
				Business and/or individual tax return(s) - most recent calendar	<p>If the borrower's federal individual and/or business income tax returns for the most recent calendar year, or fiscal year as applicable, are not available (e.g., borrower and/or borrower's business filed an IRS extension, tax</p>					

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Topic	Impacted Document	Impacted Products	Current Standards				Revised Standards			
Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024										
				year not yet available	returns are not yet filed with the IRS), examples of factors and documentation to consider when using older tax returns to determine continued income stability include, but are not limited to, the following:				income fluctuates in order to determine the stability of the income	
					<ul style="list-style-type: none">Business review and analysis of current business activity through a review of the most recent financial statement(s) that cover the period since the last tax return filing(s)Business review and analysis of current business activity through a review of at least the most recent three months of business bank statementsSigned IRS Form 941, Employer's Quarterly Federal Tax Return, for the prior calendar year and current calendar year quarter(s) that supports wages and other compensation documented on the most recent business tax returnReview of tax liability reported with IRS tax filing extension(s) (e.g., IRS Form 4868, IRS Form 7004) to determine consistency with tax liability reported on prior year(s) tax return(s)Review of W-2s, 1099s and/or K-1s from the most recent calendar year, if available			Business financial statements	Business financial statements typically consist of a profit and loss statement and a balance sheet for the business that cover a specified period of time (e.g., YTD, quarterly, annual). <ul style="list-style-type: none">Financial statements for the business may be prepared by multiple parties, including but not limited to, the Certified Public Accountant (CPA), accountant or tax preparer that prepares the tax returns for the business, or the borrowerFinancial statements may not be used for the calculation of stable monthly income (unless audited); however, they may provide additional support for the lender’s business and income analysisFinancial statements for the business may be used to assist in evaluating and determining various components of self-employment analysis, including, but not limited to, business liquidity, income stability when tax returns are on extension, evaluating a newer business and the impact of business fund withdrawals	
					If the continued stability of the income cannot be determined, then the borrower's federal individual and/or business income tax returns from the most recent calendar year may need to be obtained to make the determination.			Business and/or individual tax return(s) - most recent calendar year not yet available	If the borrower's federal individual and/or business income tax returns for the most recent calendar year, or fiscal year as applicable, are not available (e.g., borrower and/or borrower's business filed an IRS extension, tax returns are not yet filed with the IRS), examples of factors and documentation to consider when using older tax returns to determine continued income stability include, but are not limited to, the following:	
				Refer to the “Age of Tax Return Requirements” section previously presented in the “General Income Documentation Requirements” subtopic for additional information about age of tax return requirements						
				Income analysis – adjustments (examples)	The following list includes common examples of items that may be considered for inclusion in income when performing the self-employed income calculations on Form 91, Income Calculations , or a similar alternative form.					
					Non-Cash Deductions <ul style="list-style-type: none">Non-cash items such as depreciation, depletion and amortization					
Non-Recurring Losses <ul style="list-style-type: none">Documented nonrecurring losses, such as casualty losses and loss carry-overs from previous tax years										
					Mortgages and Notes Payable in Less than One Year <ul style="list-style-type: none">The lender must analyze the terms of the mortgages and notes payable in less than one year and determine whether the income should be reduced by the debt when performing the income analysis					

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Last Revision Date: 04/19/2024 (Correspondent)

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Topic	Impacted Document	Impacted Products	Current Standards				Revised Standards								
					<p>income that is used in qualifying for the mortgage, the following requirements apply:</p> <ul style="list-style-type: none">The lender must obtain pages 1 and 2 of the borrower's federal individual income tax returns, and the applicable schedules (e.g., Schedule C, Schedule E), to determine if there is a business loss that may have an impact on the stable monthly income. See "IRS Tax Transcripts" in the "Tax Returns: Documentation and Verification Requirements" section in the "General Income Documentation Requirements" subtopic for information about using IRS tax transcripts to meet certain portions of this requirement.If a business loss is reported and the borrower qualifies with the loss, then the lender is not required to obtain any additional documentation relating to the business lossIf a business loss is reported and the borrower does not qualify with the loss, then the lender must perform a business and income analysis to determine whether depreciation adjustments or other factors such as business closure or evidence of a one-time non-recurring event justify a reduction of the reported loss when calculating the stable monthly income. The lender must obtain additional documentation needed in order to fully evaluate the loss and support the analysis (e.g., business tax returns (final or otherwise), evidence of a one-time non-recurring event).If the tax returns or other documentation in the mortgage file (e.g., IRS tax transcripts, additional Schedule K-1's) reflect positive income from self-employment but that income is not used to qualify, additional documentation (e.g., complete business or federal individual income tax return(s)) is not required.		Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024								
							<p>Partnership or an S Corporation</p>	<p>corporations are to be treated as self-employment income, regardless of whether or not the borrower is personally obligated on the note and regardless of the borrower's percentage of ownership interest in the partnership or S corporation. The requirements outlined in the "Business Debt in Borrower's Name / Self-Employed Borrower's Debt Paid by the Borrower's Business" subtopic, subsequently presented in this document, are not applicable.</p> <ul style="list-style-type: none">Refer to Form 91 for the appropriate treatment and calculation of the borrower's proportionate share of the net rental real estate income or loss.							
							<ul style="list-style-type: none">Self-Employment Income Not Used for Qualification<ul style="list-style-type: none">The following chart contains requirements and guidance pertaining to self-employment income not used for qualification:								
							<table><tr><th colspan="2">Self-employment income not used for qualification</th></tr><tr><th>Subject</th><th>Requirements and Guidance</th></tr><tr><td>Self-employment disclosed on Form 65, Uniform Residential Loan Application (or other documentation) but not used to qualify</td><td><ul style="list-style-type: none">The lender is not required to obtain any additional documentation or evaluate the income or loss from the self-employment for each borrower on the mortgage who:<ul style="list-style-type: none">Has a primary source of income, other than self-employment, used for qualifying for the mortgage (e.g., salaried income from primary employment), andIs self-employed and self-employment income is a secondary source of incomeFor each borrower on the mortgage who is self-employed and does not have another source of income that is used in qualifying for the mortgage, the following requirements apply:<ul style="list-style-type: none">The lender must obtain pages 1 and 2 of the borrower's federal individual income tax returns, and the applicable schedules (e.g., Schedule C, Schedule E), to determine if there is a business loss that may have an impact on the stable monthly income. See "IRS Tax Transcripts" in the "Tax Returns and Tax Returns Information: Documentation and Verification Requirements" section in the "General Income Documentation Requirements" subtopic for information about using IRS tax transcripts to meet certain portions of this requirement.<ul style="list-style-type: none">If a business loss is reported and the borrower qualifies with the loss,</td></tr></table>			Self-employment income not used for qualification		Subject	Requirements and Guidance	Self-employment disclosed on Form 65, Uniform Residential Loan Application (or other documentation) but not used to qualify	<ul style="list-style-type: none">The lender is not required to obtain any additional documentation or evaluate the income or loss from the self-employment for each borrower on the mortgage who:<ul style="list-style-type: none">Has a primary source of income, other than self-employment, used for qualifying for the mortgage (e.g., salaried income from primary employment), andIs self-employed and self-employment income is a secondary source of incomeFor each borrower on the mortgage who is self-employed and does not have another source of income that is used in qualifying for the mortgage, the following requirements apply:<ul style="list-style-type: none">The lender must obtain pages 1 and 2 of the borrower's federal individual income tax returns, and the applicable schedules (e.g., Schedule C, Schedule E), to determine if there is a business loss that may have an impact on the stable monthly income. See "IRS Tax Transcripts" in the "Tax Returns and Tax Returns Information: Documentation and Verification Requirements" section in the "General Income Documentation Requirements" subtopic for information about using IRS tax transcripts to meet certain portions of this requirement.<ul style="list-style-type: none">If a business loss is reported and the borrower qualifies with the loss,
Self-employment income not used for qualification															
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Self-employment disclosed on Form 65, Uniform Residential Loan Application (or other documentation) but not used to qualify	<ul style="list-style-type: none">The lender is not required to obtain any additional documentation or evaluate the income or loss from the self-employment for each borrower on the mortgage who:<ul style="list-style-type: none">Has a primary source of income, other than self-employment, used for qualifying for the mortgage (e.g., salaried income from primary employment), andIs self-employed and self-employment income is a secondary source of incomeFor each borrower on the mortgage who is self-employed and does not have another source of income that is used in qualifying for the mortgage, the following requirements apply:<ul style="list-style-type: none">The lender must obtain pages 1 and 2 of the borrower's federal individual income tax returns, and the applicable schedules (e.g., Schedule C, Schedule E), to determine if there is a business loss that may have an impact on the stable monthly income. See "IRS Tax Transcripts" in the "Tax Returns and Tax Returns Information: Documentation and Verification Requirements" section in the "General Income Documentation Requirements" subtopic for information about using IRS tax transcripts to meet certain portions of this requirement.<ul style="list-style-type: none">If a business loss is reported and the borrower qualifies with the loss,														

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			<ul style="list-style-type: none">See “Business Assets” in the “Cash Requirements” topic previously presented in this document for guidance.Verification of Current Existence of the Business<ul style="list-style-type: none">See the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic subsequently presented in this topic for specific requirements.Documentation Requirements<ul style="list-style-type: none">The lender must establish and calculate the stable monthly income using at least the following required documentation. Additional documentation may be needed to support income stability, as described within this subtopic.<ul style="list-style-type: none">Form 91, Income Calculations, or a similar alternative form (e.g., Income Calculation Report as described in the “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic.Verification of the current existence of the business as described in the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopicFederal income tax returns, as required in the chart below, including all applicable schedules and forms must reflect at least 12 months of self-employed incomeVerification of how long the business has been in existence:<ul style="list-style-type: none">For partnerships, S corporations and corporations, the federal income tax return(s) for the business must indicate the number of years that the business has been in existenceFor sole proprietorships, the federal individual income tax return(s) and any other documentation or information received must not contradict the number of years that the business has been in existence as documented on Form 65, Uniform Residential Loan Application			<p>then the lender is not required to obtain any additional documentation relating to the business loss</p> <ul style="list-style-type: none">If a business loss is reported and the borrower does not qualify with the loss, then the lender must perform a business and income analysis to determine whether depreciation adjustments or other factors such as business closure or evidence of a one-time non-recurring event justify a reduction of the reported loss when calculating the stable monthly income. The lender must obtain additional documentation needed in order to fully evaluate the loss and support the analysis (e.g., business tax returns (final or otherwise), evidence of a one-time non-recurring event).If the tax returns or other documentation in the mortgage file (e.g., IRS tax transcripts, additional Schedule K-1's) reflect positive income from self-employment but that income is not used to qualify, additional documentation (e.g., complete business or federal individual income tax return(s)) is not required.												
			<table><tr><th rowspan="2">Business structure</th><th colspan="2">Streamlined Accept and Standard Documentation Levels</th></tr><tr><th>Business in existence greater than or equal to five years¹</th><th>Business in existence less than five years</th></tr><tr><td>Sole Proprietorship</td><td>Complete signed federal individual (Form 1040) income tax return for the most recent year.</td><td>Complete signed federal individual (Form 1040) income tax returns for the most recent two years.</td></tr><tr><td>Partnership</td><td>Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.</td><td>Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.</td></tr><tr><td>S Corporation</td><td>Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent year.</td><td>Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent two years.</td></tr></table>	Business structure	Streamlined Accept and Standard Documentation Levels		Business in existence greater than or equal to five years ¹	Business in existence less than five years	Sole Proprietorship	Complete signed federal individual (Form 1040) income tax return for the most recent year.	Complete signed federal individual (Form 1040) income tax returns for the most recent two years.	Partnership	Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.	Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.	S Corporation	Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent year.	Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent two years.	<ul style="list-style-type: none">Business Assets Used for Closing<ul style="list-style-type: none">See “Business Assets” in the “Cash Requirements” topic subsequently presented in this document for guidance.Verification of Current Existence of the Business<ul style="list-style-type: none">See the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic subsequently presented in this topic for specific requirements.Documentation Requirements<ul style="list-style-type: none">The lender must establish and calculate the stable monthly income using at least the following required documentation. Additional documentation may be needed to support income stability, as described within this subtopic.<ul style="list-style-type: none">Form 91, Income Calculations, or a similar alternative form (e.g., Income Calculation Report as described in the “Automated Income Assessment with Loan Product Advisor Using Tax Return Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic.Verification of the current existence of the business as described in the “Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)” subtopic
Business structure	Streamlined Accept and Standard Documentation Levels																	
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Partnership	Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.	Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.																
S Corporation	Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent year.	Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent two years.																

Agency Standards Revisions

Note: Truist specific overlays are underlined.

Topic	Impacted Document	Impacted Products	Current Standards				Revised Standards																		
				Corporation	Complete signed federal individual and corporation (Form 1120) income tax returns, including Form 1125-E and W-2(s) as applicable, for the most recent year.	Complete signed federal individual and corporation (Form 1120) income tax returns, including Form 1125-E and W-2(s) as applicable, for the most recent two years.		<ul style="list-style-type: none">Federal income tax returns, as required in the chart below, including all applicable schedules and forms must reflect at least 12 months of self-employed incomeVerification of how long the business has been in existence:<ul style="list-style-type: none">For partnerships, S corporations and corporations, the federal income tax return(s) for the business must indicate the number of years that the business has been in existenceFor sole proprietorships, the federal individual income tax return(s) and any other documentation or information received must not contradict the number of years that the business has been in existence as documented on Form 65, Uniform Residential Loan Application																	
				¹ The borrower must be self-employed (i.e., have an ownership interest of 25% or more) in the same business for at least five years																					
				<table><tr><th rowspan="2">Business structure</th><th colspan="2">Streamlined Accept and Standard Documentation Levels</th></tr><tr><th>Business in existence greater than or equal to five years¹</th><th>Business in existence less than five years</th></tr><tr><td>Sole Proprietorship</td><td>Complete signed federal individual (Form 1040) income tax return for the most recent year.</td><td>Complete signed federal individual (Form 1040) income tax returns for the most recent two years.</td></tr><tr><td>Partnership</td><td>Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.</td><td>Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.</td></tr><tr><td>S Corporation</td><td>Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent year.</td><td>Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent two years.</td></tr><tr><td>Corporation</td><td>Complete signed federal individual and corporation (Form 1120) income tax returns, including Form 1125-E and W-2(s) as applicable, for the most recent year.</td><td>Complete signed federal individual and corporation (Form 1120) income tax returns, including Form 1125-E and W-2(s) as applicable, for the most recent two years.</td></tr></table>					Business structure	Streamlined Accept and Standard Documentation Levels		Business in existence greater than or equal to five years ¹	Business in existence less than five years	Sole Proprietorship	Complete signed federal individual (Form 1040) income tax return for the most recent year.	Complete signed federal individual (Form 1040) income tax returns for the most recent two years.	Partnership	Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.	Complete signed federal individual and partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.	S Corporation	Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent year.	Complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E and W-2(s) if applicable, for the most recent two years.	Corporation	Complete signed federal individual and corporation (Form 1120) income tax returns, including Form 1125-E and W-2(s) as applicable, for the most recent year.	Complete signed federal individual and corporation (Form 1120) income tax returns, including Form 1125-E and W-2(s) as applicable, for the most recent two years.
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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024																										
			<div><div>Underwriting the Borrower / Freddie Mac LPA Loans</div><div>Freddie Mac LPA</div><div>Follow LPA requirements, which are as follows:</div><div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></div><div><ul style="list-style-type: none">Automated Income and Asset Assessment with Loan Product Advisor<div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></div><div><ul style="list-style-type: none">Automated Income Assessment with Loan Product Advisor Using Tax Return Data<div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></div><div><ul style="list-style-type: none">Documentation Requirements<ul style="list-style-type: none">For mortgages underwritten with self-employed income that is eligible for representation and warranty relief described in the “Representation and Warranty Relief and Additional Requirements” subsection previously presented in this subtopic, the documentation requirements below must be met.<div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></div><div><ul style="list-style-type: none">Age of Tax Return Requirements<ul style="list-style-type: none">The following date and documentation requirements for 2020 and 2021 federal income tax return(s) must be met, based on the application received date and the note date for the mortgage:</div></div></div></div><table><tr><th>Application Received Date</th><th>Note Date</th><th>Age of Tax Return(s) and Other Documentation Requirements</th></tr><tr><td>Before: April 19, 2022</td><td>Before: May 31, 2022</td><td><ul style="list-style-type: none">Most recent federal income tax return(s) filed with the IRSThe most recent tax return(s) must be no older than 2020</td></tr><tr><td>On or after: April 19, 2022</td><td>Before: May 31, 2022</td><td>If borrower has not filed the 2021 tax return(s) with the IRS:<ul style="list-style-type: none">The most recent tax return must be no older than 2020</td></tr><tr><td>All</td><td>On or after: May 31, 2022</td><td><ul style="list-style-type: none">The lender must obtain:<ul style="list-style-type: none">IRS confirmation verifying transcript(s) are not yet available for the tax returns (individual and business as applicable) from the 2021 tax</td></tr><tr><td></td><td>Before:</td><td></td></tr></table></div> <div><div>Underwriting the Borrower / Freddie Mac LPA Loans</div><div>Freddie Mac LPA</div><div>Follow LPA requirements, which are as follows:</div><div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></div><div><ul style="list-style-type: none">Automated Income and Asset Assessment with Loan Product Advisor<div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></div><div><ul style="list-style-type: none">Automated Income Assessment with Loan Product Advisor Using Tax Return Data<div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></div><div><ul style="list-style-type: none">Documentation Requirements<ul style="list-style-type: none">For mortgages underwritten with self-employed income that is eligible for representation and warranty relief described in the “Representation and Warranty Relief and Additional Requirements” subsection previously presented in this subtopic, the documentation requirements below must be met.<div><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></div><div><ul style="list-style-type: none">Age of Tax Return Requirements<ul style="list-style-type: none">The following date and documentation requirements (as described in the “Federal Income Tax Return” subsection above) for 2022 and 2023 federal income tax return(s) must be met, based on the application received date and the note date for the mortgage:</div></div></div></div><table><tr><th>Application Received Date</th><th>Note Date</th><th>Age of Tax Return(s) and Other Documentation Requirements</th></tr><tr><td>Before: April 15, 2024</td><td>Before: May 31, 2024</td><td><ul style="list-style-type: none">Most recent federal income tax return(s) filed with the IRSThe most recent tax return(s) must be no older than 2022</td></tr><tr><td>On or after: April 15, 2024</td><td>Before: May 31, 2024</td><td>If borrower has not filed the 2023 tax return(s) with the IRS:<ul style="list-style-type: none">The most recent tax return(s) must be no older than 2022</td></tr><tr><td>All</td><td>On or after: May 31, 2024</td><td><ul style="list-style-type: none">The lender must obtain:<ul style="list-style-type: none">IRS confirmation verifying transcript(s)</td></tr></table></div>	Application Received Date	Note Date	Age of Tax Return(s) and Other Documentation Requirements	Before: April 19, 2022	Before: May 31, 2022	<ul style="list-style-type: none">Most recent federal income tax return(s) filed with the IRSThe most recent tax return(s) must be no older than 2020	On or after: April 19, 2022	Before: May 31, 2022	If borrower has not filed the 2021 tax return(s) with the IRS: <ul style="list-style-type: none">The most recent tax return must be no older than 2020	All	On or after: May 31, 2022	<ul style="list-style-type: none">The lender must obtain:<ul style="list-style-type: none">IRS confirmation verifying transcript(s) are not yet available for the tax returns (individual and business as applicable) from the 2021 tax		Before:		Application Received Date	Note Date	Age of Tax Return(s) and Other Documentation Requirements	Before: April 15, 2024	Before: May 31, 2024	<ul style="list-style-type: none">Most recent federal income tax return(s) filed with the IRSThe most recent tax return(s) must be no older than 2022	On or after: April 15, 2024	Before: May 31, 2024	If borrower has not filed the 2023 tax return(s) with the IRS: <ul style="list-style-type: none">The most recent tax return(s) must be no older than 2022	All	On or after: May 31, 2024	<ul style="list-style-type: none">The lender must obtain:<ul style="list-style-type: none">IRS confirmation verifying transcript(s)
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Topic	Impacted Document	Impacted Products	Current Standards				Revised Standards			
				November 1, 2022	<ul style="list-style-type: none">year¹, andEvidence of completed IRS tax filing extension(s) for 2021 tax year²;<ul style="list-style-type: none">IRS Form(s) 4868 for the individual tax return, andDocumented IRS tax filing extension for the business tax return, if applicable (e.g., IRS Form 7004)			Before: November 1, 2024	<ul style="list-style-type: none">are not yet available for the tax returns (individual and business as applicable) from the 2023 tax year^{1,2}, andEvidence of completed IRS tax filing extension(s) for 2023 tax year³;<ul style="list-style-type: none">IRS Form(s) 4868 for the individual tax return, andDocumented IRS tax filing extension for the business tax return, if applicable (e.g., IRS Form 7004)	
			All	On or after: November 1, 2022	<ul style="list-style-type: none">The most recent tax return(s) must be no older than 2021Use of a tax filing extension for the 2021 tax year is not permitted			On or after: November 1, 2024	<ul style="list-style-type: none">The most recent tax return(s) must be no older than 2023, regardless of other factors such as a tax filing extension status or IRS tax filing deadline relief status	
			<p>¹ If the IRS extends the tax filing due date, the IRS confirmation is required for mortgages with application received dates on or after the IRS income tax filing due date, or May 31, 2022, whichever occurs first; and note dates on or after the last day of the month following the IRS income tax filing due date, or June 30, 2022, whichever occurs first.</p> <p>² If the IRS extends the tax filing due date, evidence of the completed IRS tax filing extension is required for mortgages with application received dates on or after the IRS income tax filing due date and note dates on or after the last day of the month following the IRS income tax filing due date.</p>					<p>¹ If the IRS extends the tax filing due date, the IRS confirmation is required for mortgages with application received dates on or after the IRS income tax filing due date, or May 31, 2024, whichever occurs first; and note dates on or after the last day of the month following the IRS income tax filing due date, or June 30, 2024, whichever occurs first.</p> <p>² Alternative documentation is acceptable in lieu of the IRS confirmation that tax transcript(s) are not yet available for the business tax return(s), as follows:</p> <ul style="list-style-type: none">Confirmation business tax returns were filed after IRS filing due date for the prior year(s) (e.g., 2022 business tax return in file was signed later in the year (e.g., October)) or documentation from third-party tax return preparer confirming 2023 business return has not yet been filed; andDocumented evidence of continued income stability using at least one of the examples listed in the “Self-Employment Income/Business and Income Analysis” requirements, previously presented in this document, in the row labeled “Business and/or individual tax return(s) – most recent calendar year not yet available.” Note: If income		
			<ul style="list-style-type: none">Tax Transcript Obtained by the Service Provider<ul style="list-style-type: none">The lender must maintain in the mortgage file the tax transcript received from the IRS via the service provider.							

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024	
					<div>representation and warranty relief is granted, evidence of continued income stability has been met.</div> <div>3 If the IRS extends the tax filing due date, evidence of the completed IRS tax filing extension is required for mortgages with application received dates on or after the IRS income tax filing due date and note dates on or after the last day of the month following the IRS income tax filing due date.</div> <ul style="list-style-type: none">Tax Transcript Obtained by the Service Provider<ul style="list-style-type: none">The lender must maintain in the mortgage file the tax transcript received from the IRS via the service provider.
Asset Documentation / Direct Account Verifications	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none">Standard Agency (LPA)Agency Plus (LPA)Agency Plus Select (LPA)Home Possible® (LPA)Texas Section 50(a)(6) Mortgages (LPA)	<p>Cash Requirements / General Asset Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">Asset Documentation Requirements<ul style="list-style-type: none">This section describes documentation requirements for sources of funds used to qualify the borrower for the mortgage transaction (i.e., any funds required to be paid by the borrower and borrower reserves). Eligible sources of funds are listed in the “Eligible Asset Types for Borrower Personal Funds” and “Special Requirements for Other Eligible Sources of Funds” sections previously presented in the “General Asset Information” subtopic.General Documentation Requirements<ul style="list-style-type: none">The mortgage file must include evidence of verification of all eligible sources of funds used to qualify the borrower for the mortgage transaction.All documentation of funds used to qualify the borrower for the mortgage transaction must meet the requirements of this section, the “General Requirements for Verifying Documents” section outlined above, the “Age of Documentation” section outlined below, and the requirements outlined in the applicable asset subtopic, subsequently presented in this topic.Requirements for Direct Account Verifications and Asset Account Statements<ul style="list-style-type: none">Direct account verifications and asset account statements used to verify the borrower’s accounts held in financial institutions must meet the following additional requirements:<ul style="list-style-type: none">Direct account verifications (i.e., verification of deposit form (VOD)) must:<ul style="list-style-type: none">Identify the financial institutionIdentify the account owner(s)Identify the account number, which at a minimum must include the last four digitsIdentify the type of accountIdentify account open dateIdentify the current account balanceIdentify the average balance for the previous two monthsIdentify any outstanding loans secured by the assetInclude the title, signature and phone number of the depository representative who completed the verification	<p>Cash Requirements / General Asset Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">Asset Documentation Requirements<ul style="list-style-type: none">This section describes documentation requirements for sources of funds used to qualify the borrower for the mortgage transaction (i.e., any funds required to be paid by the borrower and borrower reserves). Eligible sources of funds are listed in the “Eligible Asset Types for Borrower Personal Funds” and “Special Requirements for Other Eligible Sources of Funds” sections previously presented in the “General Asset Information” subtopic.General Documentation Requirements<ul style="list-style-type: none">The mortgage file must include evidence of verification of all eligible sources of funds used to qualify the borrower for the mortgage transaction.All documentation of funds used to qualify the borrower for the mortgage transaction must meet the requirements of this section, the “General Requirements for Verifying Documents” section outlined above, the “Age of Documentation” section outlined below, and the requirements outlined in the applicable asset subtopic, subsequently presented in this topic.Requirements for Direct Account Verifications and Asset Account Statements<ul style="list-style-type: none">Direct account verifications and asset account statements used to verify the borrower’s accounts held in financial institutions must meet the following additional requirements:<ul style="list-style-type: none">Direct account verifications (i.e., verification of deposit form (VOD)) must:<ul style="list-style-type: none">Identify the financial institutionIdentify the account owner(s)Identify the account number, which at a minimum must include the last four digitsIdentify the type of accountIdentify account open dateIdentify the current account balanceIdentify the average balance for the previous two monthsIdentify any outstanding loans secured by the asset	

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			<p>For purchase transactions, when using a direct account verification, the lender must include documentation of the source of funds when an account is opened within 90 days of verification and/or when the current balance in an account exceeds the average balance by more than 50% of the sum of:</p> <ul style="list-style-type: none">The total monthly qualifying income for the mortgage, andThe amount derived for the asset calculation for establishing the debt payment-to-income ratio in accordance with the requirements of the “Assets as Qualifying Income / Assets as a Basis for Repayment of Obligations (LPA Terminology)” subtopic previously presented in the “Income” topic, if applicable. <ul style="list-style-type: none">Asset account statements must:<ul style="list-style-type: none">Identify the financial institutionIdentify the account owner(s)Identify the account number, which at a minimum must include the last four digitsShow all transactionsShow the period coveredShow the ending balanceShow any outstanding loans secured by the asset <p>A transaction history that is computer-generated and downloaded by the borrower from the internet or by a financial institution representative from the institution's system is acceptable. The transaction history must identify the name of the institution and the source, and include the information required above for asset account statements, unless:</p> <ul style="list-style-type: none">It is used in combination with other asset verifications containing the missing information, andIt can clearly establish that the transaction history pertains to the same account <p>All other currently published requirements in this section remain the same.</p>	<ul style="list-style-type: none">Include the title, signature and phone number of the depository representative who completed the verification, unless the direct account verification is generated electronically by the financial institution <p>For purchase transactions, when using a direct account verification, the lender must include documentation of the source of funds when an account is opened within 90 days of verification and/or when the current balance in an account exceeds the average balance by more than 50% of the sum of:</p> <ul style="list-style-type: none">The total monthly qualifying income for the mortgage, andThe amount derived from the asset calculation for establishing the debt payment-to-income ratio in accordance with the requirements of the “Assets as Qualifying Income / Assets as a Basis for Repayment of Obligations (LPA Terminology)” subtopic previously presented in the “Income” topic, if applicable. <ul style="list-style-type: none">Asset account statements must:<ul style="list-style-type: none">Identify the financial institutionIdentify the account owner(s)Identify the account number, which at a minimum must include the last four digitsShow all transactionsShow the period coveredShow the ending balanceShow any outstanding loans secured by the asset <p>A transaction history that is computer-generated and downloaded by the borrower from the internet or by a financial institution representative from the institution's system is acceptable. The transaction history must identify the name of the institution and the source, and include the information required above for asset account statements, unless:</p> <ul style="list-style-type: none">It is used in combination with other asset verifications containing the missing information, andIt can clearly establish that the transaction history pertains to the same account <p>All other currently published requirements in this section remain the same.</p>
Automated Collateral Evaluation (ACE)	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none">Standard Agency (LPA)Agency Plus (LPA)	<p>Appraisal Requirements / Freddie Mac’s LPA Automated Collateral Evaluation</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">Overview<ul style="list-style-type: none">For certain Loan Product Advisor mortgages, the automated collateral evaluation provides a lender with the option to accept an appraisal waiver and originate the mortgage without an appraisal.When the appraisal waiver option is accepted, Freddie Mac will accept the purchase price by the lender for purchase transactions or the estimated value submitted by the lender for refinance transactions for the purposes of underwriting the mortgage, and will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the lender’s selling representations and warranties related to value, condition, and marketability of the mortgaged premises.	<p>Appraisal Requirements / Freddie Mac’s LPA Automated Collateral Evaluation (ACE)</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">Overview<ul style="list-style-type: none">For certain Loan Product Advisor mortgages, the automated collateral evaluation provides the lender with the option to accept an appraisal waiver and originate the mortgage without an appraisal.If the lender accepts the appraisal waiver option, for purchase transactions, Freddie Mac will accept the purchase price as the value of the mortgaged premises, and for refinance transactions, Freddie Mac will accept the estimated value as the value of the mortgaged premises, and Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection

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			<div><ul style="list-style-type: none">Process for Qualifying for and Accepting the Appraisal Waiver Offer<ul style="list-style-type: none">For a mortgage to qualify for an appraisal waiver:<ul style="list-style-type: none">The lender must submit the mortgage to Loan Product Advisor and receive a Risk Class of AcceptUpon evaluation by Loan Product Advisor, the last Feedback Certificate must indicate that the mortgage is eligible for representation and warranty relief with an appraisal waiver (this represents the "offer").<p>Reference: See “ACE Messaging” below for additional information regarding the specific LPA messaging that indicates ACE eligibility.</p>Eligible Mortgages<ul style="list-style-type: none">The following requirements must be met for mortgages to be eligible to receive an appraisal waiver offer:<ul style="list-style-type: none">The mortgage must be secured by a 1-unit dwelling, including a condominium unitThe mortgage must be secured by a primary residence or second homeThe mortgage must comply with the following maximum LTV/TLTV ratio requirements:<table><tr><th>Mortgage Purpose</th><th>Property Type</th><th>Maximum LTV/TLTV Ratios</th></tr><tr><td>Purchase</td><td>Primary residence or second home</td><td>80%</td></tr><tr><td>No cash-out refinance</td><td>Primary residence or second home</td><td>90%</td></tr></table>Ineligible Mortgages<ul style="list-style-type: none">The following mortgages are not eligible for an appraisal waiver:<ul style="list-style-type: none">Mortgages for which an appraisal has been obtained in connection with the mortgageCash-out refinance transactionsTexas Equity Section 50(a)(6) mortgages<u>Agency Plus Select transactions</u>Mortgages secured by one of the following:<ul style="list-style-type: none">A 2-4 unit propertyAn investment propertyA leasehold estateMortgages secured by mortgaged premises subject to resale restrictions, excluding those subject to age-based resale restrictionsPurchases of mortgages secured by a property when the purchase transaction is non-arm's length or the property owner at the time of sale (i.e., the property seller) is a lender or a government entityMortgages with an estimate of value or purchase price greater than \$1,000,000GreenCHOICE Mortgages[®]CHOICERenovation[®] MortgagesIn addition, lenders may not accept the appraisal waiver offer if any of the following apply:<ul style="list-style-type: none">The lender is required by law or regulation to obtain an appraisalThe lender is using rental income from the subject 1-unit primary residence ADU for qualification purposes</div>	Mortgage Purpose	Property Type	Maximum LTV/TLTV Ratios	Purchase	Primary residence or second home	80%	No cash-out refinance	Primary residence or second home	90%	<div><p>with a breach of the lender’s selling representations and warranties related to the value, condition, and marketability of the mortgaged premises.</p></div> <div><ul style="list-style-type: none">Process for Qualifying for and Accepting the Appraisal Waiver Offer<ul style="list-style-type: none">For a mortgage to qualify for an appraisal waiver:<ul style="list-style-type: none">The mortgage must be an Accept mortgageUpon evaluation by Loan Product Advisor, the last Feedback Certificate must indicate that the mortgage is eligible for representation and warranty relief with an appraisal waiver (this represents the "offer").<p>Reference: See “ACE Messaging” below for additional information regarding the specific LPA messaging that indicates ACE eligibility.</p>Eligible Mortgages<ul style="list-style-type: none">To be eligible for an appraisal waiver offer, the mortgage must:<ul style="list-style-type: none">Be secured by a 1-unit dwelling, including a condominium unitBe secured by a primary residence or second homeComply with the following maximum LTV/TLTV ratio requirements:<table><tr><th>Mortgage Purpose</th><th>Occupancy Type</th><th>Maximum LTV/TLTV Ratios</th></tr><tr><td>Purchase</td><td>Primary residence or second home</td><td>80%</td></tr><tr><td>“No cash-out” refinance</td><td>Primary residence or second home</td><td>90%</td></tr><tr><td>Cash-out refinance</td><td>Primary residence</td><td>70%</td></tr><tr><td></td><td>Second home</td><td>60%</td></tr></table>Ineligible Mortgages<ul style="list-style-type: none">The following mortgages are not eligible for an appraisal waiver:<ul style="list-style-type: none">Mortgages for which an appraisal has been obtained in connection with the mortgage<ul style="list-style-type: none">Cash-out refinance transactionsTexas Equity Section 50(a)(6) mortgages<u>Agency Plus Select transactions</u>Mortgages secured by one of the following:<ul style="list-style-type: none">A 2-4 unit propertyAn investment propertyA leasehold estateMortgages secured by mortgaged premises subject to resale restrictions, excluding those subject to age-based resale restrictionsMortgages secured by a property acquired in a non-arm's length transactionMortgages secured by a property where the property owner at the time of sale (i.e., the property seller) is a lender or a government entityMortgages with an estimate of value or purchase price greater than \$1,000,000GreenCHOICE Mortgages[®]CHOICERenovation[®] MortgagesIn addition, lenders may not accept the appraisal waiver offer if any of the following apply:<ul style="list-style-type: none">The lender is required by law or regulation to obtain an appraisal</div>	Mortgage Purpose	Occupancy Type	Maximum LTV/TLTV Ratios	Purchase	Primary residence or second home	80%	“No cash-out” refinance	Primary residence or second home	90%	Cash-out refinance	Primary residence	70%		Second home	60%
Mortgage Purpose	Property Type	Maximum LTV/TLTV Ratios																										
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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024
			<ul style="list-style-type: none">The lender is aware of conditions that warrant an appraisal being obtained. Examples include, but are not limited to:<ul style="list-style-type: none">A contaminated site or hazardous substance exists affecting the property or the neighborhood in which the property is locatedAdverse physical property conditions that are apparent based on the review of the sales contract, property inspection, disclosure from the borrower, etc.Maintaining Appraisal Waiver Eligibility<ul style="list-style-type: none">The appraisal waiver offer is valid for 120 days. If the offer is more than 120 days old on the note date, a resubmission to Loan Product Advisor is required to determine ongoing appraisal waiver eligibility.<p>Note: If the lender changes key loan data (e.g., address of the property, loan amount, purchase price, estimate of value, loan type, property type, occupancy of the property) in a subsequent submission, the original offer will be invalidated and Loan Product Advisor may provide a different appraisal waiver eligibility determination.</p>Appraisal Waiver Eligibility in Disaster Areas<ul style="list-style-type: none">Lenders may continue to accept an appraisal waiver offer if the lender can represent and warrant the value and marketability of the mortgaged premises has not been adversely impacted. See the “Properties Affected by a Disaster” subtopic subsequently outlined in this document for property condition requirements.Lender Representation of Property Review or Valuation<ul style="list-style-type: none">A lender that has accepted the appraisal waiver offer in connection with a mortgage must not make any representation that Freddie Mac has performed a property review or obtained a valuation of the mortgaged premises.ACE Messaging<ul style="list-style-type: none">If eligible for the automated collateral evaluation, the Feedback Certificate will include the following messages in the “Property & Appraisal” section:<ul style="list-style-type: none">Message HA “<i>Loan is eligible for collateral representation and warranty relief with an appraisal waiver until [expiration date]. Freddie Mac accepts the submitted value estimate or purchase price as the value of the subject property; therefore, an appraisal is not required and Seller is relieved of representation and warranties related to value, condition and marketability. If an appraisal is obtained, it must be submitted to the UCDP, and the associated loan will not be eligible for an appraisal waiver.</i>”Message B1 “<i>This loan is eligible for an appraisal waiver. If the waiver is not accepted an appraisal is required.</i>”	<ul style="list-style-type: none">The lender is using rental income from <u>an ADU on a</u> subject 1-unit primary residence <u>to qualify the borrower</u>The lender is aware of conditions that warrant an appraisal being obtained. Examples include, but are not limited to:<ul style="list-style-type: none">A contaminated site or hazardous substance <u>affects</u> the property or the neighborhood in which the property is locatedAdverse physical property conditions that are apparent based on <u>a</u> review of the sales contract, property inspection, disclosure from the borrower, etc.Acceptable Age of the Appraisal Waiver Offer<ul style="list-style-type: none">The appraisal waiver offer provided through the Loan Product Advisor Feedback Certificate message is valid for 120 days. If the offer is more than 120 days old on the note date, <u>a resubmission to Loan Product Advisor is required to determine ongoing appraisal waiver eligibility.</u>Maintaining Appraisal Waiver Eligibility<ul style="list-style-type: none">The appraisal waiver offer is valid for 120 days. If the offer is more than 120 days old on the note date, a resubmission to Loan Product Advisor is required to determine ongoing appraisal waiver eligibility.If the lender <u>changes loan</u> data (e.g., address of the property, loan amount, purchase price, estimate of value, loan type, property type, occupancy of the property, etc.) in a subsequent submission, the original offer will <u>become invalid</u>, and Loan Product Advisor may provide a different appraisal waiver eligibility determination.Appraisal Waiver Eligibility in Disaster Areas<ul style="list-style-type: none"><u>If the mortgaged premises are located in a disaster area, the lender may accept</u> an appraisal waiver offer if the lender can represent and warrant <u>that</u> the value and marketability of the mortgaged premises has not been adversely impacted. See the “Properties Affected by a Disaster” subtopic subsequently outlined in this document for property condition requirements.Lender Representation of Property Review or Valuation<ul style="list-style-type: none">A lender that has accepted <u>an</u> appraisal waiver <u>offer must</u> not make any representation that Freddie Mac has performed a property review or obtained a valuation of the mortgaged premises.ACE Messaging<ul style="list-style-type: none">If eligible for the automated collateral evaluation, the Feedback Certificate will include the following messages in the “Property & Appraisal” section:<ul style="list-style-type: none">Message HA “<i>Loan is eligible for collateral representation and warranty relief with an appraisal waiver <u>through [Appraisal Alternative Eligibility Expiration Date]</u>. The submitted value estimate or purchase price <u>is accepted</u> as the value of the subject <u>property</u>; <u>an</u> appraisal is not required and Seller <u>will be</u> relieved of <u>representations</u> and warranties related to value, condition and marketability. If an appraisal is obtained, it must be submitted to the UCDP, and the associated loan will not be eligible for an appraisal waiver.</i>”Message B1 “<i>This loan is eligible for an appraisal waiver. If the waiver is not accepted an appraisal is required.</i>”

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024																
Homeownership Education	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none">Standard Agency (LPA)Home Possible® (LPA)	<p>Eligible Borrowers / Homeownership Education and Housing Counseling</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></p> <ul style="list-style-type: none">Documentation<ul style="list-style-type: none">A copy of Freddie Mac’s Exhibit 20, <i>Homeownership Education Certification</i> (see below), or another document (such as the CreditSmart® Homebuyer U certificate of completion) containing comparable information must be retained in the mortgage file. <p><i>Exhibit 20: Homeownership Education Certification</i></p> <p><i>Borrower's Name:</i> _____ <i>Property Address:</i> _____ _____ <i>Mortgage Lender:</i> _____ <i>Counseling Provider:</i> _____ <i>Trainer's Name:</i> _____ <i>(typed)</i> _____ <i>(signature)</i></p> <p><i>Date:</i> _____</p> <p><i>The Trainer certifies that the Borrower named above has completed the following Homeownership Education Program:</i></p> <p><i>[Insert Name of Program]</i></p> <ul style="list-style-type: none">Completion of Form 1103<ul style="list-style-type: none">Lenders are required to present the <i>Supplemental Consumer Information Form</i> (Form 1103) to the borrower. The lender or borrower should complete the Homeownership Education and Housing Counseling section of the form for those transactions where homeownership education or housing counseling is required. A copy of this form must be maintained in the loan file.	<p>Eligible Borrowers / Homeownership Education and Housing Counseling</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section. All other currently published requirements in this section remain the same.</i></p> <ul style="list-style-type: none">Documentation<ul style="list-style-type: none">To document completion of a homeownership education program, if required, a copy of Freddie Mac’s Exhibit 20, <i>Homeownership Education Certification</i> (see below), or another document (such as the CreditSmart® Homebuyer U certificate of completion) containing comparable information must be retained in the mortgage file. <p><i>Exhibit 20: Homeownership Education Certification</i></p> <table><tr><th colspan="2">HOMEOWNERSHIP EDUCATION CERTIFICATION</th></tr><tr><td><i>Borrower’s Name:</i></td><td>_____</td></tr><tr><td><i>Property Address:</i></td><td>_____ _____</td></tr><tr><td><i>Mortgage Lender:</i></td><td>_____</td></tr><tr><td><i>Trainer’s Name:</i></td><td>_____ <i>(typed)</i> _____ <i>(signature)</i></td></tr><tr><td colspan="2"><i>Date:</i> _____</td></tr><tr><td colspan="2"><i>The Trainer certifies that the Borrower named above has completed the following Homeownership Education Program:</i></td></tr><tr><td colspan="2"><i>[Insert Name of Program]</i></td></tr></table> <p><i>Borrower's Name:</i> _____ <i>Property Address:</i> _____ _____ <i>Mortgage Lender:</i> _____ <i>Counseling Provider:</i> _____ <i>Trainer's Name:</i> _____ <i>(typed)</i> _____ <i>(signature)</i></p> <p><i>Date:</i> _____</p>	HOMEOWNERSHIP EDUCATION CERTIFICATION		<i>Borrower’s Name:</i>	_____	<i>Property Address:</i>	_____ _____	<i>Mortgage Lender:</i>	_____	<i>Trainer’s Name:</i>	_____ <i>(typed)</i> _____ <i>(signature)</i>	<i>Date:</i> _____		<i>The Trainer certifies that the Borrower named above has completed the following Homeownership Education Program:</i>		<i>[Insert Name of Program]</i>	
HOMEOWNERSHIP EDUCATION CERTIFICATION																				
<i>Borrower’s Name:</i>	_____																			
<i>Property Address:</i>	_____ _____																			
<i>Mortgage Lender:</i>	_____																			
<i>Trainer’s Name:</i>	_____ <i>(typed)</i> _____ <i>(signature)</i>																			
<i>Date:</i> _____																				
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<i>[Insert Name of Program]</i>																				

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024
				<p><i>The Trainer certifies that the Borrower named above has completed the following Homeownership Education Program:</i></p> <p><i>[Insert Name of Program]</i></p> <ul style="list-style-type: none">Form 1103, Supplemental Consumer Information Form<ul style="list-style-type: none">Additionally, as part of the mortgage application process, Form 1103, <i>Supplemental Consumer Information Form</i>, must be presented to at least one borrower on the loan application. The "Homeownership Education and Housing Counseling" section of the form must be completed for any transaction where homeownership education is required. A copy of this form must be maintained in the loan file.
IRS Form 4506-C	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none">Standard Agency (LPA)Agency Plus (LPA)Agency Plus Select (LPA)Home Possible® (LPA)Texas Section 50(a)(6) Mortgages (LPA)	<p>Income / General Income Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">General Documentation Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">IRS Form 4506-C Requirements for all Income and Asset Qualification Sources<ul style="list-style-type: none">All borrowers, whose income is used to qualify or whose assets are used as a basis for repayment of obligations, are required to sign Internal Revenue Service (IRS) Form 4506-C (or an alternate form acceptable to the IRS that authorizes the release of comparable tax information). The Form 4506-C must be signed no later than the note date. <p>Reference: See the “Assets as Qualifying Income / Assets as a Basis for Repayment of Obligations (LPA Terminology)” subtopic subsequently presented in this topic for additional guidance regarding assets used as a basis for repayment of obligations.</p> <ul style="list-style-type: none">If submitting the Form 4506-C to the IRS, the lender must ensure that the IRS receives the form prior to the form's expiration date. The lender must retain the tax documentation received back from the IRS in the mortgage file.For borrowers with income that is derived from sources in Puerto Rico, Guam or the U.S. Virgin Islands that are exempt from federal income taxation under the Internal Revenue Code, the above requirements apply, except as follows:<ul style="list-style-type: none">In lieu of a Form 4506-C, borrowers with income that is derived from sources in Puerto Rico must sign the most recent version of Commonwealth of Puerto Rico Form 2907 titled "Request For Copy of the Return, Estate or Gift Certificate of Release" (Modelo SC 2907 "Solicitud De Copia De Planilla, Relevo De Herencia Y De Donacion") for submission to the Puerto Rico Department of the Treasury, Internal Revenue Area.Borrowers with income that is derived from sources in Guam or the U.S. Virgin Islands must sign the Form 4506-C (or an alternate form that authorizes the release of comparable tax information) for submission to the Guam Department of Taxation and Revenue or Virgin Islands Bureau of Internal Revenue, as applicable.For mortgages using automated income assessment with Loan Product Advisor using employer data that receive a Risk Class of Accept and are underwritten using income types that are eligible for representation and warranty relief as described in the “Automated	<p>Income / General Income Documentation Requirements</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none">General Documentation Requirements <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">IRS Form 4506-C Requirements for all Income and Asset Qualification Sources<ul style="list-style-type: none">All borrowers, whose income is used to qualify or whose assets are used as a basis for repayment of obligations, are required to sign Internal Revenue Service (IRS) Form 4506-C (or an alternate form acceptable to the IRS that authorizes the release of comparable tax information to a third party). The Form 4506-C must be signed no later than the note date and must be retained in the mortgage file. <p>Reference: See the “Assets as Qualifying Income / Assets as a Basis for Repayment of Obligations (LPA Terminology)” subtopic subsequently presented in this topic for additional guidance regarding assets used as a basis for repayment of obligations.</p> <ul style="list-style-type: none">If submitting the Form 4506-C to the IRS, the lender must ensure that the IRS receives the form prior to the form's expiration date. The lender must retain the tax documentation received back from the IRS in the mortgage file.For borrowers with income that is derived from sources in Puerto Rico, Guam or the U.S. Virgin Islands that are exempt from federal income taxation under the Internal Revenue Code, the above requirements apply, except as follows:<ul style="list-style-type: none">In lieu of a Form 4506-C, borrowers with income that is derived from sources in Puerto Rico must sign the most recent version of Commonwealth of Puerto Rico Form 2907 titled "Request For Copy of the Return, Estate or Gift Certificate of Release" (Modelo SC 2907 "Solicitud De Copia De Planilla, Relevo De Herencia Y De Donacion") for submission to the Puerto Rico Department of the Treasury, Internal Revenue Area.Borrowers with income that is derived from sources in Guam or the U.S. Virgin Islands must sign the Form 4506-C (or an alternate form that authorizes the release of comparable tax information to a third party) for submission to the Guam Department of Taxation and Revenue or Virgin Islands Bureau of Internal Revenue, as applicable.For mortgages using automated income assessment with Loan Product Advisor using employer data that receive a Risk Class of Accept and are underwritten using income types

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			<p>Income Assessment with Loan Product Advisor Using Employer Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic.</p> <ul style="list-style-type: none">See “Representation and Warranty Relief and Additional Requirements” in the “Automated Income Assessment with Loan Product Advisor Using Employer Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for requirements pertaining to IRS Form 4506-C.For mortgages using automated income assessment with Loan Product Advisor using account data that receive a Risk Class of Accept and are underwritten using income types that are eligible for representation and warranty relief as described in “Automated Income Assessment with Loan Product Advisor Using Account Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic:<ul style="list-style-type: none">See “Representation and Warranty Relief and Additional Requirements” in the “Automated Income Assessment with Loan Product Advisor Using Account Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for requirements pertaining to IRS Form 4506-C.See the section below on how to address “Rejected IRS Form 1040 Transcripts.” <p>All other currently published requirements in this section remain the same.</p>	<p>that are eligible for representation and warranty relief as described in the “Automated Income Assessment with Loan Product Advisor Using Employer Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic.</p> <ul style="list-style-type: none">See “Representation and Warranty Relief and Additional Requirements” in the “Automated Income Assessment with Loan Product Advisor Using Employer Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for requirements pertaining to IRS Form 4506-C.For mortgages using automated income assessment with Loan Product Advisor using account data that receive a Risk Class of Accept and are underwritten using income types that are eligible for representation and warranty relief as described in “Automated Income Assessment with Loan Product Advisor Using Account Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic:<ul style="list-style-type: none">See “Representation and Warranty Relief and Additional Requirements” in the “Automated Income Assessment with Loan Product Advisor Using Account Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for requirements pertaining to IRS Form 4506-C.See the section below on how to address “Rejected IRS Form 1040 Transcripts.” <p>All other currently published requirements in this section remain the same.</p>
Underwriting the Borrower	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none">Standard Agency (LPA)Agency Plus (LPA)Agency Plus Select (LPA)Home Possible® (LPA)Texas Section 50(a)(6) Mortgages (LPA)	<p>Underwriting the Borrower / Freddie Mac LPA Loans</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p>Note: Below is an EXCERPT only of the requirements from the above referenced section.</p> <ul style="list-style-type: none">Rent Payment History Included in Loan Product Advisor's Assessment <p>Note: Below is an EXCERPT only of the requirements from the above referenced section.</p> <ul style="list-style-type: none">Verification Reports<ul style="list-style-type: none">The verification report obtained by the lender must either be produced by a third-party service provider designated by Freddie Mac (the "third party verification report") or produced by Freddie Mac using the approved financial institution's data transmitted to Loan Product Advisor through an application programming interface (API) (the "Freddie Mac financial institution verification report"). In order for the lender to transmit data through the API, the lender must obtain Freddie Mac's approval. References in this section to the verification report refer to either the third-party verification report or the Freddie Mac financial institution verification report, as applicable.For each verification report obtained, the lender must:<ul style="list-style-type: none">Confirm that each depository account is owned by the borrower and that the account(s) is the one from which the borrower pays rent.Confirm that the age of the verification report complies with the “Age of Documentation” requirements, as described in the “General Income Documentation Requirements” subtopic previously presented in this document.Ensure that the most current version of the verification report is used by Loan Product Advisor. If the lender obtains an updated report, the mortgage must be resubmitted to	<p>Underwriting the Borrower / Freddie Mac LPA Loans</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p>Note: Below is an EXCERPT only of the requirements from the above referenced section.</p> <ul style="list-style-type: none">Rent Payment History Included in Loan Product Advisor's Assessment <p>Note: Below is an EXCERPT only of the requirements from the above referenced section.</p> <ul style="list-style-type: none">Verification Reports<ul style="list-style-type: none">The verification report obtained by the lender must be produced by a third-party service provider designated by Freddie Mac or produced through a Freddie Mac-supplied application programming interface (API) using data transmitted by the lender. The lender must obtain Freddie Mac's written approval to transmit data through the API.For each verification report obtained, the lender must:<ul style="list-style-type: none">Confirm that each depository account is owned by the borrower and that the account(s) is the one from which the borrower pays rent.Confirm that the age of the verification report complies with the “Age of Documentation” requirements, as described in the “General Income Documentation Requirements” subtopic previously presented in this document.Ensure that the most current version of the verification report is used by Loan Product Advisor. If the lender obtains an updated report, the mortgage must be resubmitted to Loan Product Advisor to ensure assessment of the most current information.Maintain the verification report in the mortgage file for transactions where the Feedback Certificate includes a feedback message that the rent payment history was successfully identified in Loan Product Advisor, resulting in a Risk Class of Accept.

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			<p>Loan Product Advisor to ensure assessment of the most current information.</p> <ul style="list-style-type: none">Maintain the verification report in the mortgage file for transactions where the Feedback Certificate includes a feedback message that the rent payment history positively impacted Loan Product Advisor 's credit assessment. <p>All other currently published requirements in this section remain the same.</p> <hr/> <p>Underwriting the Borrower / Freddie Mac LPA Loans</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">Borrower cash flow included in Loan Product Advisor's assessment<ul style="list-style-type: none">Overview<ul style="list-style-type: none">For certain mortgages, a borrower's monthly cash flow may positively impact Loan Product Advisor's credit assessment. Loan Product Advisor will assess the transaction patterns present in the borrower's checking, savings, investment and retirement accounts and changes in account balances using data transmitted by a third-party service provider designated by Freddie Mac or transmitted by the lender through an API. The lender must obtain Freddie Mac's written approval to transmit data through an API.Eligibility Requirements<ul style="list-style-type: none">The following requirements must be met for Loan Product Advisor to consider cash flow in the credit assessment:<ul style="list-style-type: none">At least one borrower on the transaction must have a usable credit score as determined by Loan Product AdvisorAt least 12 months of account data must be transmitted to Loan Product AdvisorVerification Reports<ul style="list-style-type: none">The verification report obtained by the lender must be produced by a third-party service provider designated by Freddie Mac or through a Freddie Mac-supplied API using data transmitted by the lender. The lender must obtain Freddie Mac's written approval to transmit data through the API.For each verification report obtained, the lender must:<ul style="list-style-type: none">Confirm that each asset in the verification report is owned by at least one borrower and such borrower has access to the fundsConfirm that the age of the verification report complies with the “Age of Documentation” requirements, as described in the “General Income Documentation Requirements” subtopic subsequently presented in this document.Ensure that the most current version of the verification report is used by Loan Product Advisor. If the lender obtains an updated report, the mortgage must be resubmitted to Loan Product Advisor to ensure assessment of the most current information.Maintain the verification report in the mortgage file if the Feedback Certificate includes a feedback message that positive borrower cash flow was identified and resulted in a Risk Class of Accept	<ul style="list-style-type: none">The expiration date of the verification report reflected in feedback messaging complies with the age of documentation requirements. <p>All other currently published requirements in this section remain the same.</p> <hr/> <p>Underwriting the Borrower / Freddie Mac LPA Loans</p> <p>Freddie Mac LPA Follow LPA requirements, which are as follows:</p> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none">Borrower Cash Flow Included in Loan Product Advisor's Assessment<ul style="list-style-type: none">Overview<ul style="list-style-type: none">For certain mortgages, a borrower's monthly cash flow may positively impact Loan Product Advisor's credit assessment. Loan Product Advisor will assess the transaction patterns present in the borrower's checking, savings, investment and retirement accounts and changes in account balances using data transmitted by a third-party service provider designated by Freddie Mac or transmitted by the lender through an API. The lender must obtain Freddie Mac's written approval to transmit data through an API.Eligibility Requirements<ul style="list-style-type: none">The following requirements must be met for Loan Product Advisor to consider cash flow in the credit assessment:<ul style="list-style-type: none">At least one borrower on the transaction must have a usable credit score as determined by Loan Product AdvisorAt least 12 months of account data must be transmitted to Loan Product AdvisorVerification Reports<ul style="list-style-type: none">The verification report obtained by the lender must be produced by a third-party service provider designated by Freddie Mac or through a Freddie Mac-supplied API using data transmitted by the lender. The lender must obtain Freddie Mac's written approval to transmit data through the API.For each verification report obtained, the lender must:<ul style="list-style-type: none">Confirm that each asset in the verification report is owned by at least one borrower and such borrower has access to the fundsConfirm that the age of the verification report complies with the “Age of Documentation” requirements, as described in the “General Income Documentation Requirements” subtopic subsequently presented in this document.Ensure that the most current version of the verification report is used by Loan Product Advisor. If the lender obtains an updated report, the mortgage must be resubmitted to Loan Product Advisor to ensure assessment of the most current information.Maintain the verification report in the mortgage file if the Feedback Certificate includes a feedback message that positive borrower cash flow was identified and resulted in a Risk Class of Accept <ul style="list-style-type: none">The expiration date of the verification report reflected in feedback messaging complies with

Agency Standards Revisions

Note: Truist specific overlays are underlined.

Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards
			<i>All other currently published requirements in this section remain the same.</i>	Effective for EXISTING AND NEW Loan Applications ON OR AFTER April 19, 2024 <u>the age of documentation requirements.</u> <i>All other currently published requirements in this section remain the same.</i>