

# Agency Standards Revisions

*Note: Truist specific overlays are underlined.*

Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See <u>COR24-044</u> for the Applicable Effective Dates of These Revisions)
Acceptable Sources of Large Deposits	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none"> <li>Standard Agency (LPA)</li> <li>Agency Plus (LPA)</li> <li>Agency Plus Select (LPA)</li> <li>Home Possible® (LPA)</li> <li>Texas Section 50(a)(6) Mortgages (LPA)</li> </ul>	<p><b>Cash Requirements / General Asset Documentation Requirements</b></p> <p><b>Freddie Mac LPA</b> 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"> <li><b>Asset Documentation Requirements</b></li> </ul> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> <li><b>General Documentation Requirements</b></li> </ul> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> <li><b>Evaluation of Deposits in the Borrower's Accounts</b> <ul style="list-style-type: none"> <li><b>Deposits Requiring Verification</b> <ul style="list-style-type: none"> <li>Except as stated below, the lender is not required to document the sources of unverified deposits for purchase or refinance transactions. However, when qualifying the borrower, the lender must consider any liabilities resulting from all borrowed funds.</li> <li>For all transactions, when an unverified deposit is used to pay off or pay down an existing debt in order to qualify for the mortgage, the source of funds must be documented.</li> <li>For purchase transactions, when evaluating deposits in the borrower's accounts, the lender must document the source of funds for any "large deposit" if the deposit is needed to qualify the borrower for the mortgage transaction (i.e., any funds required to be paid by the borrower and borrower reserves). See the "Large Deposits" subtopic subsequently presented in this topic for requirements that apply when evaluating large deposits in the borrower's accounts.</li> </ul> </li> <li><b>Acceptable Sources of Deposit</b> <ul style="list-style-type: none"> <li>When a deposit requires verification as stated above, the lender must determine:                             <ul style="list-style-type: none"> <li>Whether the source of the deposit is acceptable</li> <li>That the funds belong to the borrower, and</li> <li>That the funds are eligible for the transaction</li> </ul> </li> <li>Acceptable sources include, but are not limited to:                             <ul style="list-style-type: none"> <li>The borrower's income</li> <li>Funds awarded to the borrower (e.g., disaster relief funds, lottery winnings, court-awarded settlement) provided the source is not an interested party to the real estate or mortgage transaction</li> <li>Funds derived from eligible asset types stated in the "Special Requirements for Borrower Personal Funds" and "Special Requirements for Other Eligible Sources of Funds" sections outlined in the "General Asset Information" subtopic previously presented in this topic.</li> </ul> </li> </ul> </li> </ul> </li> </ul> <p><i>All other currently published requirements in this section remain the same.</i></p>	<p><b>Cash Requirements / General Asset Documentation Requirements</b></p> <p><b>Freddie Mac LPA</b> 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"> <li><b>Asset Documentation Requirements</b></li> </ul> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> <li><b>General Documentation Requirements</b></li> </ul> <p><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> <li><b>Evaluation of Deposits in the Borrower's Accounts</b> <ul style="list-style-type: none"> <li><b>Deposits Requiring Verification</b> <ul style="list-style-type: none"> <li>Except as stated below, the lender is not required to document the sources of unverified deposits for purchase or refinance transactions. However, when qualifying the borrower, the lender must consider any liabilities resulting from all borrowed funds.</li> <li>For all transactions, when an unverified deposit is used to pay off or pay down an existing debt in order to qualify for the mortgage, the source of funds must be documented.</li> <li>For purchase transactions, when evaluating deposits in the borrower's accounts, the lender must document the source of funds for any "large deposit" if the deposit is needed to qualify the borrower for the mortgage transaction (i.e., any funds required to be paid by the borrower and borrower reserves). <u>See</u> the "Large Deposits" subtopic subsequently presented in this topic for requirements that apply when evaluating large deposits in the borrower's <u>accounts</u>.</li> </ul> </li> <li><b>Acceptable Sources of Deposit</b> <ul style="list-style-type: none"> <li>When a deposit requires verification as stated above, the lender must determine:                             <ul style="list-style-type: none"> <li>Whether the source of the deposit is acceptable, <u>as described below</u>,</li> <li>That the funds belong to the borrower, and</li> <li>That the funds are eligible for the transaction</li> </ul> </li> <li><u>The only acceptable sources of deposit are the following:</u> <ul style="list-style-type: none"> <li>The borrower's income</li> <li>Funds awarded to the borrower (e.g., disaster relief funds, lottery winnings, court-awarded settlement) provided the source is not an interested party to the real estate or mortgage transaction</li> <li>Funds derived from eligible asset types stated in the "Special Requirements for Borrower Personal Funds" and "Special Requirements for Other Eligible Sources of Funds" sections outlined in the "General Asset Information" subtopic previously presented in this topic.</li> </ul> </li> </ul> </li> </ul> </li> </ul> <p><i>All other currently published requirements in this section remain the same.</i></p>

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See <u>COR24-044</u> for the Applicable Effective Dates of These Revisions)
			<p><b>Cash Requirements / Large Deposits</b></p> <p><b>Freddie Mac LPA</b> 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"> <li>• <b>Acceptable Sources of Deposit</b> <ul style="list-style-type: none"> <li>• When a deposit requires verification as stated above, the lender must determine:                             <ul style="list-style-type: none"> <li>• Whether the source of the deposit is acceptable</li> <li>• That the funds belong to the borrower, and</li> <li>• That the funds are eligible for the transaction</li> </ul> </li> <li>• Acceptable sources include, but are not limited to:                             <ul style="list-style-type: none"> <li>• The borrower's income</li> <li>• Funds awarded to the borrower (e.g., disaster relief funds, lottery winnings, court-awarded settlement) provided the source is not an interested party to the real estate or mortgage transaction</li> <li>• Funds derived from eligible asset types stated in the "Special Requirements for Borrower Personal Funds" and "Special Requirements for Other Eligible Sources of Funds" sections outlined in the "General Asset Information" subtopic previously presented in this topic.</li> </ul> </li> </ul> </li> </ul>	<p><b>Cash Requirements / Large Deposits</b></p> <p><b>Freddie Mac LPA</b> 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"> <li>• <b>Acceptable Sources of Deposit</b> <ul style="list-style-type: none"> <li>• When a deposit requires verification as stated above, the lender must determine:                             <ul style="list-style-type: none"> <li>• Whether the source of the deposit is acceptable, <u>as described below,</u></li> <li>• That the funds belong to the borrower, and</li> <li>• That the funds are eligible for the transaction</li> </ul> </li> <li>• <u>The only acceptable sources of deposit are the following:</u> <ul style="list-style-type: none"> <li>• The borrower's income</li> <li>• Funds awarded to the borrower (e.g., disaster relief funds, lottery winnings, court-awarded settlement) provided the source is not an interested party to the real estate or mortgage transaction</li> <li>• Funds derived from eligible asset types stated in the "Special Requirements for Borrower Personal Funds" and "Special Requirements for Other Eligible Sources of Funds" sections outlined in the "General Asset Information" subtopic previously presented in this topic.</li> </ul> </li> </ul> </li> </ul>
Attorney Opinion of Title Letters	Correspondent Section 1.16 Title Insurance Standard	<ul style="list-style-type: none"> <li>• Standard Agency (LPA)</li> <li>• Agency Plus (LPA)</li> <li>• Agency Plus Select (LPA)</li> <li>• Home Possible® (LPA)</li> </ul>	<p><b>Acceptable Forms of Title Insurance / General / Agency Loans</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• In those state where their use is permitted, the title insurance policy must be written on:             <ul style="list-style-type: none"> <li>• Effective for Mortgages with Note Dates up to December 31, 2023, Freddie Mac will accept either the 2006 (adopted 6/17/06) or 2021 (adopted 7/1/2021) versions of the following policy forms:                 <ul style="list-style-type: none"> <li>• The American Land Title Association Loan Policy, or</li> <li>• The ALTA Short Form Residential Policy One-To-Four Family.</li> </ul> </li> <li>• Effective for Mortgages with Note Dates on or after January 1, 2024, only the 2021 versions of the above policy forms will be accepted.</li> </ul> </li> <li>• <b>Opinions of title (certificates of title)</b> <ul style="list-style-type: none"> <li>• An attorney's opinion of title is acceptable to Freddie Mac in lieu of a title insurance policy if all of the following conditions are met without exception:                 <ul style="list-style-type: none"> <li>• The opinion must be addressed to the lender and all successors in interest of the lender</li> <li>• The opinion must provide the following statement:                     <ul style="list-style-type: none"> <li>• We [I] agree to indemnify you and your successors in interest in the [mortgage] [deed of trust] opined hereto, to the full extent of any loss attributable to a breach of our [my] duty to exercise reasonable care and skill in the examination of the title and the giving of this opinion.</li> </ul> </li> <li>• The opinion must be given by an attorney licensed to practice law in the jurisdiction where the mortgaged premises is located. The attorney must also be insured against malpractice in rendering opinions of title in an amount commonly prevailing in the jurisdiction, taking into account the volume of opinions rendered by the attorney.</li> </ul> </li> <li>• The opinion must not take exception to survey matters. When the</li> </ul> </li> </ul>	<p><b>Acceptable Forms of Title Insurance / General / Agency Loans</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• <u>A title insurance policy is mandatory for each mortgage delivered to Truist unless specifically excepted by "Attorney Opinion of Title Letter" requirements or acceptable exceptions requirements.</u></li> </ul> <p><u>Reference: See "Long Form Residential Loan Policy" / "Schedule B – Part I" in the "Title Policy Review" subtopic subsequently presented in this document for a listing of acceptable exceptions.</u></p> <ul style="list-style-type: none"> <li>• <u>Each mortgage must be covered by one of the following:</u> <ul style="list-style-type: none"> <li>• A paid-up mortgage title insurance policy meeting all title insurance policy requirements,</li> <li>• An attorney opinion of title letter meeting the requirements in the "Attorney Opinion of Title Letter" section outlined below, or</li> <li>• A certificate of title issued by Iowa Title Guaranty.</li> </ul> </li> <li>• In those state where their use is permitted, the title insurance policy must be written on:             <ul style="list-style-type: none"> <li>• Effective for Mortgages with Note Dates up to December 31, 2023, Freddie Mac will accept either the 2006 (adopted 6/17/06) or 2021 (adopted 7/1/2021) versions of the following policy forms:                 <ul style="list-style-type: none"> <li>• The American Land Title Association Loan Policy, or</li> <li>• The ALTA Short Form Residential Policy One-To-Four Family.</li> </ul> </li> <li>• Effective for Mortgages with Note Dates on or after January 1, 2024, only the 2021 versions of the above policy forms will be accepted.</li> </ul> </li> <li>• <b>Attorney Opinion of Title Letter <del>(certificates of title)</del></b> <ul style="list-style-type: none"> <li>• <b>Issuer Requirements</b></li> </ul> </li> </ul>

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			<p>attorney's opinion takes exception to the survey matters, the lender must provide whatever information is required by the attorney to remove the exception. If the attorney will not issue the title opinion without a survey exception, Freddie Mac will not purchase the mortgage. In addition, the opinion must not be subject to any title exceptions other than those permitted under Freddie Mac's acceptable exceptions to the title insurance policy or to the attorney's opinion of title. See "Title/Binder Acceptable Exceptions" subsequently presented in this subtopic.</p> <ul style="list-style-type: none"> <li>• The mortgage must not be: <ul style="list-style-type: none"> <li>• Secured by a unit in a condominium project</li> <li>• Secured by a dwelling on a leasehold estate</li> <li>• Secured by a manufactured home</li> <li>• Secured by property subject to restrictive agreements or restrictive covenants</li> <li>• Executed using a power of attorney</li> <li>• A Texas Equity Section 50(a)(6) mortgage</li> </ul> </li> <li>• An attorney's opinion of title must be commonly acceptable in lieu of title insurance by private institutional mortgage investors in the area where the mortgaged premises are located</li> <li>• The following opinion relating to prior environmental protection liens must be given in lieu of the American Land Title Association (ALTA) Endorsement 8.1 in an attorney's opinion of title. Item (i) of the opinion refers to environmental liens at the time the opinion is issued; item (ii) refers to state lien statutes that could give rise to a priority lien. An attorney may include an exception in item (ii) for possible subsequent superliens that could take priority over the mortgage only if the mortgaged premises is located in a state whose state statutes provide for such a superlien: <ul style="list-style-type: none"> <li>• "There is (i) no environmental protection lien recorded in those records established under State statutes for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, nor (ii) are there any environmental protection liens provided for by any State statute in effect on the date of this opinion, which could achieve priority over the Mortgage except those listed below (list any State statute that allows a lien for environmental protection that can attain priority over the lien of the insured Mortgage; if none, state 'none')."</li> </ul> </li> <li>• The following opinion must be given in lieu of the applicable ALTA form for ARMs, if applicable: <ul style="list-style-type: none"> <li>• "The law of the State in which the property securing the Mortgage is located provides that (i) the lien of the Mortgage will not become invalid or unenforceable resulting from provisions in the Mortgage which provide for changes in the interest rate calculated pursuant to the formula provided in the Mortgage, and (ii) priority of the lien of the Mortgage for the UPB of the loan, together with interest as changed and other sums advanced by the Noteholder in accordance with the provisions of the Mortgage, will not be lost as a result of changes in the rate of interest calculated pursuant to the formula provided in the Mortgage."</li> </ul> </li> <li>• Mortgages secured by units in planned unit developments (PUDs) for which an attorney's opinion of title was obtained in lieu of a title insurance policy shall be eligible for purchase, provided that: <ul style="list-style-type: none"> <li>• The opinion of title meets the requirements of this section and, in addition, includes the following statements:</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Attorney must meet the following requirements to be an acceptable issuer of attorney opinion of title letters: <ul style="list-style-type: none"> <li>• Be licensed and in good standing to practice law in the jurisdiction where the mortgaged premises is located</li> <li>• Provide coverage for the "gap" period between closing of the mortgage and recordation of the loan documents</li> <li>• Maintain professional liability insurance that meets the following requirements: <ul style="list-style-type: none"> <li>• Extends coverage against malpractice or errors and omissions in rendering opinions of title</li> <li>• Maintains coverage amount that adequately accounts for the quantity and size of opinions rendered by the attorney and organization or law firm, without limits of liability for a single claim lower than the UPB of the mortgaged premises</li> <li>• Extends coverage to all assignees and successors</li> <li>• Extends coverage to the organization or law firm under which the attorney opinion of title letter is issued, in the event the attorney is no longer a member of the firm or organization</li> </ul> </li> <li>• Provide current proof of acceptable professional liability coverage</li> </ul> </li> <li>• <b>Attorney Opinion of Title Letter Requirements</b> <ul style="list-style-type: none"> <li>• An attorney opinion of title letter is acceptable in lieu of a title insurance policy if all the following conditions are satisfied. The attorney opinion of title letter must: <ul style="list-style-type: none"> <li>• Be addressed to the lender and all successors in interest of the lender</li> <li>• Provide the following statement: <ul style="list-style-type: none"> <li>• "We [I] agree to indemnify you and your successors in interest in the [mortgage] [deed of trust] opined hereto, to the full extent of any loss attributable to a breach of our [my] duty to exercise reasonable care and skill in the examination of the title and the giving of this opinion."</li> </ul> </li> <li>• Be issued by an eligible attorney and organization as defined above</li> <li>• State that the condition of title to the mortgaged premises is acceptable and the mortgage constitutes a lien of the required priority on a fee simple estate in the property</li> <li>• List all other liens as subordinate</li> <li>• Include the following if the mortgage is secured by a unit in a condominium project or planned unit development (PUD): <ul style="list-style-type: none"> <li>• There is no violation of any restrictive covenants that are in the condominium project or PUD constituent documents and restrict the use of the land</li> <li>• All dues applicable to the mortgaged premises are current and not delinquent</li> <li>• No recorded right of first refusal to purchase the land was exercised or could have been exercised on or before the closing date of the mortgage and the undersigned is unaware of the existence or the exercise of any right of first refusal on or before the closing date of the mortgage</li> </ul> </li> <li>• For ARMs, if applicable, include the following: <ul style="list-style-type: none"> <li>• "The law of [the state in which the property securing the mortgage is located] provides that (i) the lien of the mortgage will not become invalid or unenforceable resulting from provisions in the mortgage which provide for changes in the interest rate calculated pursuant to the formula provided in the mortgage, and (ii) priority of the lien of the mortgage for the UPB of the loan, together with interest as changed and other sums advanced by the noteholder in accordance with the provisions of the mortgage, will not be lost as a result of changes in the rate of interest calculated pursuant to the formula provided in the mortgage."</li> </ul> </li> </ul> </li> </ul> </li> </ul>

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			<ul style="list-style-type: none"> <li>• There is no violation of any restrictive covenants that are in the PUD constituent documents and restrict the use of the land</li> <li>• All dues applicable to the mortgage premises are current and not delinquent</li> <li>• No recorded right of first refusal to purchase the land was exercised or could have been exercised on or before the closing date of the mortgage and the undersigned is unaware of the existence or the exercise of any right of first refusal on or before the closing date of the mortgage, and                             <ul style="list-style-type: none"> <li>• The lender maintains a copy of the attorney's opinion of title in the mortgage file.</li> </ul> </li> <li>• <b>Special Feature Code Requirement</b> <ul style="list-style-type: none"> <li>• Use SFC J18 to identify a mortgage utilizing an attorney's opinion of title letter in lieu of a title insurance policy.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Include an opinion on environmental protection liens that addresses the following:                             <ul style="list-style-type: none"> <li>• That there are no environmental protection liens filed in the public records that have priority over the lien of the insured mortgage</li> <li>• That there are no applicable state laws that provide that environmental liens filed after the date of the policy would have priority over the lien of the insured mortgage. If there are such laws, the letter must expressly identify them as an exception.</li> <li>• May include an exception for possible subsequent superliens that could take priority over the mortgage only if mortgaged premises is located in a state whose state statutes provide for such a superlien</li> </ul> </li> <li>• Not take exception to survey matters; when the attorney's opinion takes exception to survey matters, the lender must provide whatever information is required by the attorney to remove the exception</li> <li>• Not be subject to any title exceptions other than those permitted under acceptable exceptions requirements.</li> </ul> <p>Reference: See "Long Form Residential Loan Policy" / "Schedule B – Part I" in the "Title Policy Review" subtopic subsequently presented in this document for a listing of acceptable exceptions.</p> <ul style="list-style-type: none"> <li>• <del>The opinion must be given by an attorney licensed to practice law in the jurisdiction where the mortgaged premises is located. The attorney must also be insured against malpractice in rendering opinions of title in an amount commonly prevailing in the jurisdiction, taking into account the volume of opinions rendered by the attorney.</del></li> <li>• <del>The opinion must not take exception to survey matters. When the attorney's opinion takes exception to the survey matters, the lender must provide whatever information is required by the attorney to remove the exception. If the attorney will not issue the title opinion without a survey exception, Freddie Mac will not purchase the mortgage. In addition, the opinion must not be subject to any title exceptions other than those permitted under Freddie Mac's acceptable exceptions to the title insurance policy or to the attorney's opinion of title. See "Title/Binder Acceptable Exceptions" subsequently presented in this subtopic.</del></li> <li>• <del>The mortgage must not be:                             <ul style="list-style-type: none"> <li>• Secured by a unit in a condominium project</li> <li>• Secured by a dwelling on a leasehold estate</li> <li>• Secured by a manufactured home</li> <li>• Secured by property subject to restrictive agreements or restrictive covenants</li> <li>• Executed using a power of attorney</li> <li>• A Texas Equity Section 50(a)(6) mortgage</li> </ul> </del></li> <li>• <del>An attorney's opinion of title must be commonly acceptable in lieu of title insurance by private institutional mortgage investors in the area where the mortgaged premises are located</del></li> <li>• <del>The following opinion relating to prior environmental protection liens must be given in lieu of the American Land Title Association (ALTA) Endorsement 8.1 in an attorney's opinion of title. Item (i) of the opinion refers to environmental liens at the time the opinion is issued; item (ii) refers to state lien statutes that could give rise to a priority lien. An attorney may include an exception in item (ii) for possible subsequent superliens that could take priority over the mortgage only if the mortgaged premises is located in a state whose state statutes provide for such a superlien:</del></li> </ul>

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				<ul style="list-style-type: none"> <li>• <del>"There is (i) no environmental protection lien recorded in those records established under State statutes for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, nor (ii) are there any environmental protection liens provided for by any State statute in effect on the date of this opinion, which could achieve priority over the Mortgage except those listed below (list any State statute that allows a lien for environmental protection that can attain priority over the lien of the insured Mortgage; if none, state 'none')."</del></li> <li>• <del>The following opinion must be given in lieu of the applicable ALTA form for ARMs, if applicable:</del> <ul style="list-style-type: none"> <li>• <del>"The law of the State in which the property securing the Mortgage is located provides that (i) the lien of the Mortgage will not become invalid or unenforceable resulting from provisions in the Mortgage which provide for changes in the interest rate calculated pursuant to the formula provided in the Mortgage, and (ii) priority of the lien of the Mortgage for the UPB of the loan, together with interest as changed and other sums advanced by the Noteholder in accordance with the provisions of the Mortgage, will not be lost as a result of changes in the rate of interest calculated pursuant to the formula provided in the Mortgage."</del></li> </ul> </li> <li>• <del>Mortgages secured by units in planned unit developments (PUDs) for which an attorney's opinion of title was obtained in lieu of a title insurance policy shall be eligible for purchase, provided that:</del> <ul style="list-style-type: none"> <li>• <del>The opinion of title meets the requirements of this section and, in addition, includes the following statements:</del> <ul style="list-style-type: none"> <li>• <del>There is no violation of any restrictive covenants that are in the PUD constituent documents and restrict the use of the land</del></li> <li>• <del>All dues applicable to the mortgage premises are current and not delinquent</del></li> <li>• <del>No recorded right of first refusal to purchase the land was exercised or could have been exercised on or before the closing date of the mortgage and the undersigned is unaware of the existence or the exercise of any right of first refusal on or before the closing date of the mortgage, and</del></li> </ul> </li> <li>• <del>The lender maintains a copy of the attorney's opinion of title in the mortgage file.</del></li> </ul> </li> <li>• <b>Ineligible Mortgages</b> <ul style="list-style-type: none"> <li>• An attorney opinion of title letter may not be delivered for mortgages with the following transactions: <ul style="list-style-type: none"> <li>• Mortgaged premises located in a tribal area</li> <li>• Mortgaged premises is located in jurisdictions where an attorney opinion of title letter is prohibited by law</li> <li>• Mortgages secured by a dwelling on a leasehold estate, including leasehold estates on a property subject to a sublease(s) that survive(s) the extinguishment of the primary ground lease</li> <li>• Mortgages executed using a power of attorney</li> <li>• Texas Equity Section 50(a)(6) Mortgages</li> <li>• GreenCHOICE Mortgages®</li> <li>• CHOICERenovation® Mortgages</li> </ul> </li> </ul> </li> <li>• <b>Additional Requirements</b></li> </ul>

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				<ul style="list-style-type: none"> <li>• <b>Special Feature Code Requirement:</b> Use SFC J18 to identify a mortgage utilizing an attorney opinion of title letter in lieu of a title insurance policy or Iowa certificate of title.</li> <li>• The lender must include and maintain the following in the mortgage file:               <ul style="list-style-type: none"> <li>• A copy of the attorney opinion of title letter</li> <li>• Proof of acceptable professional liability coverage</li> <li>• Current claim filing instructions</li> </ul> </li> </ul>
Borrower Cash Flow Included in LPA Assessment	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none"> <li>• Standard Agency (LPA)</li> <li>• Agency Plus (LPA)</li> <li>• Agency Plus Select (LPA)</li> <li>• Home Possible® (LPA)</li> <li>• Texas Section 50(a)(6) Mortgages (LPA)</li> </ul>	<p><b>Underwriting the Borrower / Freddie Mac LPA Loans</b></p> <p><b>Freddie Mac LPA</b> 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"> <li>• <b>Borrower Cash Flow Included in Loan Product Advisor's Assessment</b> <ul style="list-style-type: none"> <li>• <b>Overview</b> <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> <li>• <b>Eligibility Requirements</b> <ul style="list-style-type: none"> <li>• The following requirements must be met for Loan Product Advisor to consider cash flow in the credit assessment:                   <ul style="list-style-type: none"> <li>• At least one borrower on the transaction must have a usable credit score as determined by Loan Product Advisor</li> <li>• At least 12 months of account data must be transmitted to Loan Product Advisor</li> </ul> </li> </ul> </li> <li>• <b>Verification Reports</b> <ul style="list-style-type: none"> <li>• 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.</li> <li>• For each verification report obtained, the lender must:                   <ul style="list-style-type: none"> <li>• Confirm that each asset in the verification report is owned by at least one borrower and such borrower has access to the funds</li> <li>• 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.</li> <li>• 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</li> </ul> </li> <li>• The expiration date of the verification report reflected in feedback messaging complies with the age of documentation requirements.</li> </ul> </li> </ul> <p><i>All other currently published requirements in this section remain the same.</i></p> </li></ul>	<p><b>Underwriting the Borrower / Freddie Mac LPA Loans</b></p> <p><b>Freddie Mac LPA</b> 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"> <li>• <b>Borrower Cash Flow Included in Loan Product Advisor's Assessment</b> <ul style="list-style-type: none"> <li>• <b>Overview</b> <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> <li>• <b>Eligibility Requirements</b> <ul style="list-style-type: none"> <li>• For Loan Product Advisor to consider borrower cash flow in the credit assessment, at least 12 months of account data must be transmitted to Loan Product Advisor.</li> <li>• <u>At least one borrower on the transaction must have a usable credit score.</u></li> </ul> </li> <li>• <b>Verification Reports</b> <ul style="list-style-type: none"> <li>• 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. 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If the lender obtains an updated report, the mortgage must be resubmitted to Loan Product Advisor to ensure assessment of the most current information.</li> <li>• Maintain the verification report in the mortgage file if the <u>last</u> Feedback Certificate includes a feedback message that positive borrower cash flow was identified <del>and resulted in a Risk Class of Accept</del></li> </ul> </li> <li>• The expiration date of the verification report reflected in feedback messaging complies with the age of documentation requirements.</li> </ul> </li> </ul> <p><i>All other currently published requirements in this section remain the same.</i></p> </li></ul>

# Agency Standards Revisions

*Note: Truist specific overlays are underlined.*

Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards <small>(See <a href="#">COR24-044</a> for the Applicable Effective Dates of These Revisions)</small>																																																								
Credit Report Inquiries	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none"> <li>Standard Agency (LPA)</li> <li>Agency Plus (LPA)</li> <li>Agency Plus Select (LPA)</li> <li>Home Possible® (LPA)</li> <li>Texas Section 50(a)(6) Mortgages (LPA)</li> </ul>	<p><b>Credit Requirements / Credit Reports</b></p> <p><b>Freddie Mac LPA</b> 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"> <li><b>Credit report standards</b> <ul style="list-style-type: none"> <li>All credit reports must meet the applicable standards from the following table:</li> </ul> </li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th>Standard</th> <th>In-file credit report</th> <th>Merged credit report</th> <th>RMCR</th> </tr> </thead> <tbody> <tr> <td>Must have no erasures, alterations, correction fluid or correction tape and must be filed in the mortgage file</td> <td style="text-align: center;">X</td> <td style="text-align: center;">X</td> <td style="text-align: center;">X</td> </tr> <tr> <td>Show the names of the national credit repositories from which the information was obtained. The report must contain information from at least two national credit repositories for each area in which the borrower has resided during the most recent two-year period. Separate credit repository inquiries are necessary when multiple borrowers have maintained credit individually.</td> <td style="text-align: center;">X</td> <td style="text-align: center;">X</td> <td style="text-align: center;">X</td> </tr> <tr> <td>Be issued by a consumer reporting agency that obtains or verifies all information from sources other than the applicant</td> <td style="text-align: center;">X</td> <td style="text-align: center;">X</td> <td style="text-align: center;">X</td> </tr> <tr> <td>Present all credit data in a format that is easy to read and free of excessive coding. 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			corporate relationship with the lender who ordered the report				corporate relationship with the lender who ordered the report			
			Be delivered to the office of the requestor	X	X	X	Be delivered to the office of the requestor	X	X	X
			Show responsive statements concerning items on the report. For example, the consumer reporting agency must report "unable to verify" or "employer refused to verify." The same responsive reporting applies to trade and credit history.			X	Show responsive statements concerning items on the report. For example, the consumer reporting agency must report "unable to verify" or "employer refused to verify." The same responsive reporting applies to trade and credit history.			X
			List all inquiries made within the previous 90 days	X	X	X	Generate an inquiry that will be identified on subsequent credit reports (i.e., hard credit pull)	X	X	X
			Show a positive statement that the consumer reporting agency attempted to verify the borrower's current employment and, if obtainable, income. The report must show the date of verification. Verification may be made by telephone. If there has been a change in employment in the past two years, the report must also state the borrower's previous employment and income. In cases in which employment was not verified, the report must indicate why it was not.			X	List all inquiries made within the previous 90 days	X	X	X
			Include all available public records information. The legal search must disclose whether any judgments, foreclosures, tax liens or bankruptcies were discovered in the public records. Adverse items must be reported as provided under the Fair Credit Reporting Act.	X	X	X	Show a positive statement that the consumer reporting agency attempted to verify the borrower's current employment and, if obtainable, income. The report must show the date of verification. Verification may be made by telephone. If there has been a change in employment in the past two years, the report must also state the borrower's previous employment and income. In cases in which employment was not verified, the report must indicate why it was not.			X
			List, in all cases, the historical status of each account. This status must be in a "number of times past due" format. Freddie Mac prefers the format of "0 x 30, 0 x 60, 0 x 90 days" late. However, the format of R1, R2, etc., is acceptable if the meaning of the ratings is given and the credit report also gives historical negative ratings, such as "was R3 in 6/84." As long as its	X	X	X	Include all available public records information. The legal search must disclose whether any judgments, foreclosures, tax liens or bankruptcies were discovered in the public records. Adverse items must be reported as provided under the Fair Credit Reporting Act.	X	X	X
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			<p>meaning is clear from the credit report, a consecutive numbering sequence for payment history — such as "00010000..." is also acceptable. Statements such as "current," "as agreed," or "satisfactory" are not acceptable by themselves because they are too vague.</p>				<p>ratings is given and the credit report also gives historical negative ratings, such as "was R3 in 6/84." As long as its meaning is clear from the credit report, a consecutive numbering sequence for payment history — such as "00010000..." is also acceptable. Statements such as "current," "as agreed," or "satisfactory" are not acceptable by themselves because they are too vague.</p>			
			<p>The consumer reporting agency must interview the subjects of the credit report when the agency has incomplete information or when it discovers information that indicates the possible existence of undisclosed credit information or public records. The interview may be conducted by telephone and should obtain any information necessary to provide a credit report that is factually correct and complete.</p>			X	<p>The consumer reporting agency must interview the subjects of the credit report when the agency has incomplete information or when it discovers information that indicates the possible existence of undisclosed credit information or public records. The interview may be conducted by telephone and should obtain any information necessary to provide a credit report that is factually correct and complete.</p>			X
			<p>Indicate the dates the accounts were last updated with the creditors. Each account with a balance must have been checked with the creditor within 90 days of the date of the credit report.</p>			X	<p>Indicate the dates the accounts were last updated with the creditors. Each account with a balance must have been checked with the creditor within 90 days of the date of the credit report.</p>			X
			<p>Indicate the dates the accounts were last updated with the creditors</p>	X	X		<p>Indicate the dates the accounts were last updated with the creditors</p>			
			<p>Contain all credit and legal activity that has occurred within a minimum of the last seven years</p>	X	X	X	<p>Indicate the dates the accounts were last updated with the creditors</p>	X	X	
			<p><b>Note:</b> In addition to reviewing the files delivered by the lender, Freddie Mac will spot-check credit reports and make other checks to ensure the quality of credit reports used in the underwriting process. If Freddie Mac, in its discretion, determines that a credit report is inadequate, Freddie Mac reserves the right to declare as unacceptable the consumer reporting agency originating the report and the lender may not use that consumer reporting agency for mortgages sold to Freddie Mac.</p>				<p>Contain all credit and legal activity that has occurred within a minimum of the last seven years</p>	X	X	X
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IRS Form 8821 in lieu of IRS Form 4506-C	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none"> <li>• Standard Agency (LPA)</li> <li>• Agency Plus (LPA)</li> <li>• Agency Plus Select (LPA)</li> <li>• Home Possible® (LPA)</li> <li>• Texas Section 50(a)(6) Mortgages (LPA)</li> </ul>	<p><b>Income / General Income Documentation Requirements</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• <b>General Documentation Requirements</b></li> </ul> <p style="color: red; font-style: italic;"><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> <li>• <b>IRS Form 4506-C Requirements for all Income and Asset Qualification Sources</b> <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul> <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"> <li>• 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.</li> <li>• 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"> <li>• 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.</li> <li>• 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.</li> </ul> </li> <li>• For mortgages using automated income assessment with Loan Product Advisor using employed income 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 Income Assessment with Loan Product Advisor Using Employed Income Data” subsection in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic.           <ul style="list-style-type: none"> <li>• See “Representation and Warranty Relief and Additional Requirements” in the “Automated Income Assessment with Loan Product Advisor Using Employed Income 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.</li> </ul> </li> <li>• 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:</li> </ul>	<p><b>Income / General Income Documentation Requirements</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>• <b>General Documentation Requirements</b></li> </ul> <p style="color: red; font-style: italic;"><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> <li>• <b>IRS Form 4506-C Requirements for all Income and Asset Qualification Sources</b> <ul style="list-style-type: none"> <li>• 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 (e.g., <a href="#">IRS Form 8821</a>)). The Form 4506-C must be signed no later than the note date and must be retained in the mortgage file.</li> </ul> </li> </ul> <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"> <li>• 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. 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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See <a href="#">COR24-044</a> for the Applicable Effective Dates of These Revisions)
			<ul style="list-style-type: none"> <li>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.</li> <li>See the section below on how to address “Rejected IRS Form 1040 Transcripts.”</li> </ul> <p><i>All other currently published requirements in this section remain the same.</i></p> <hr/> <p><b>Underwriting the Borrower / Freddie Mac LPA Loans</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li><b>Automated Income and Asset Assessment with Loan Product Advisor</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Automated Income Assessment with Loan Product Advisor Using Tax Data</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Representation and Warranty Relief and Additional Requirements</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Internal Revenue Service (IRS) IVES Form 4506-C</b> <ul style="list-style-type: none"> <li>The requirements outlined in “IRS Form 4506-C Requirements for all Income and Asset Qualification Sources” in the “General Income Documentation Requirements” subtopic must be met for all mortgages.</li> </ul> </li> </ul> <p><i>All other currently published requirements in this section remain the same.</i></p>	<ul style="list-style-type: none"> <li>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.</li> <li>See the section below on how to address “Rejected IRS Form 1040 Transcripts.”</li> </ul> <p><i>All other currently published requirements in this section remain the same.</i></p> <hr/> <p><b>Underwriting the Borrower / Freddie Mac LPA Loans</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li><b>Automated Income and Asset Assessment with Loan Product Advisor</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Automated Income Assessment with Loan Product Advisor Using Tax Data</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Representation and Warranty Relief and Additional Requirements</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Internal Revenue Service (IRS) IVES Form 4506-C</b> <ul style="list-style-type: none"> <li>The requirements outlined in “IRS Form 4506-C Requirements for all Income and Asset Qualification Sources” in the “General Income Documentation Requirements” subtopic must be met for all mortgages.</li> </ul> </li> </ul> <p><b>Note: IRS Form 8821 is an acceptable alternative form in lieu of IRS Form 4506-C for mortgages using automated income assessment with Loan Product Advisor using tax data.</b></p> <p><i>All other currently published requirements in this section remain the same.</i></p>
Rent Payment History Included in Loan Product Advisor's Assessment	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none"> <li>Standard Agency (LPA)</li> <li>Agency Plus (LPA)</li> <li>Agency Plus Select (LPA)</li> <li>Home Possible® (LPA)</li> </ul>	<p><b>Underwriting the Borrower / Freddie Mac LPA Loans</b></p> <p><b>Freddie Mac LPA</b> 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"> <li><b>Rent Payment History Included in Loan Product Advisor's Assessment</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Verification Reports</b> <ul style="list-style-type: none"> <li>The verification report obtained by the lender must be produced by a third-party service</li> </ul> </li> </ul>	<p><b>Underwriting the Borrower / Freddie Mac LPA Loans</b></p> <p><b>Freddie Mac LPA</b> 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"> <li><b>Rent Payment History Included in Loan Product Advisor's Assessment</b> <i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></li> <li><b>Verification Reports</b> <ul style="list-style-type: none"> <li>The verification report obtained by the lender must be produced by a third-party service</li> </ul> </li> </ul>

# Agency Standards Revisions

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See <u>COR24-044</u> for the Applicable Effective Dates of These Revisions)		
			<p>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.</p> <ul style="list-style-type: none"> <li>For each verification report obtained, the lender must: <ul style="list-style-type: none"> <li>Confirm that each depository account is owned by the borrower and that the account(s) is the one from which the borrower pays rent.</li> <li>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.</li> <li>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.</li> </ul> </li> <li>The expiration date of the verification report reflected in feedback messaging complies with the age of documentation requirements.</li> </ul> <p style="color: red; text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p>	<p>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.</p> <ul style="list-style-type: none"> <li>For each verification report obtained, the lender must: <ul style="list-style-type: none"> <li>Confirm that each depository account is owned by the borrower and that the account(s) is the one from which the borrower pays rent.</li> <li>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.</li> <li>Maintain the verification report in the mortgage file for transactions where the <u>last</u> 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.</li> </ul> </li> <li>The expiration date of the verification report reflected in feedback messaging complies with the age of documentation requirements.</li> </ul> <p style="color: red; text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p>		
Reserves Requirement for Concurrent Mortgage Applications	Correspondent Section 2.01 Agency Loan Standard	<ul style="list-style-type: none"> <li>Standard Agency (LPA)</li> <li>Agency Plus (LPA)</li> <li>Agency Plus Select (LPA)</li> <li>Home Possible® (LPA)</li> <li>Texas Section 50(a)(6) Mortgages (LPA)</li> </ul>	<p><b>Cash Requirements / Cash Reserve Requirements</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li>Reserves are borrower's assets remaining after the mortgage closing. The source of funds used for reserves, when needed to qualify the borrower for the mortgage transaction, must meet the eligibility and documentation requirements outlined in the "General Asset Information," "General Asset Documentation Requirements," and specific asset type subtopics outlined in this topic. Reserves are measured by the number of months of the monthly payment amount for the property. The monthly payment amount is the sum of the following monthly charges: <ul style="list-style-type: none"> <li>Principal and interest payments on the mortgage</li> <li>Property hazard insurance premiums</li> <li>Real estate taxes</li> <li>When applicable: <ul style="list-style-type: none"> <li>Mortgage insurance premiums</li> <li>Leasehold payments</li> <li>Homeowners association dues (excluding unit utility charges)</li> <li>Payments on secondary financing</li> </ul> </li> </ul> </li> <li>When calculating reserves for the subject property, the principal and interest payment of the monthly payment amount must be based, at a minimum, on the note rate. When calculating reserves for other properties, the monthly payment amount for the property must be no less than the current monthly payment amount.</li> <li>The lender must verify all reserves required by Loan Product Advisor, as stated on the Feedback Certificate.</li> <li>Mortgages secured by second homes and investment properties require the following additional reserves: <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="background-color: #1a2b4d; color: white; text-align: center;">Number of financed properties</td> <td style="background-color: #1a2b4d; color: white; text-align: center;">Additional required reserves for second home or investment property mortgages</td> </tr> </table> </li> </ul>	Number of financed properties	Additional required reserves for second home or investment property mortgages	<p><b>Cash Requirements / Cash Reserve Requirements</b></p> <p><b>Freddie Mac LPA</b> Follow LPA requirements, which are as follows:</p> <ul style="list-style-type: none"> <li><b>Calculation of Reserves</b> <ul style="list-style-type: none"> <li><u>Reserves</u> are borrower's assets remaining after the mortgage closing. The source of funds used for reserves, when needed to qualify the borrower for the mortgage transaction, must meet the eligibility and documentation requirements outlined in the "General Asset Information," "General Asset Documentation Requirements," and specific asset type subtopics outlined in this topic. Reserves are measured by the number of months of the monthly payment amount for the property. The monthly payment amount is the sum of the following monthly charges: <ul style="list-style-type: none"> <li><u>Principal</u> and interest payments on the mortgage</li> <li><u>Property</u> hazard insurance premiums</li> <li><u>Real</u> estate taxes</li> <li><u>When</u> applicable: <ul style="list-style-type: none"> <li><u>Mortgage</u> insurance premiums</li> <li><u>Leasehold</u> payments</li> <li><u>Homeowners</u> association dues (excluding unit utility charges)</li> <li><u>Payments</u> on secondary financing</li> </ul> </li> </ul> </li> <li><u>When</u> calculating reserves for the subject property, the principal and interest payment of the monthly payment amount must be based, at a minimum, on the note rate. When calculating reserves for other properties, the monthly payment amount for the property must be no less than the current monthly payment amount.</li> </ul> </li> <li><b>Minimum Required Reserves</b> <ul style="list-style-type: none"> <li><u>The</u> lender must verify all reserves required by Loan Product Advisor, as stated on the Feedback Certificate.</li> <li><u>The amount of reserves stated on the Feedback Certificate and required to be verified for LPA mortgages</u> secured by second homes and investment properties <u>includes</u> the following additional reserves:</li> </ul> </li> </ul>
Number of financed properties	Additional required reserves for second home or investment property mortgages					

## Agency Standards Revisions

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			<p>When each borrower individually, and all borrowers collectively, are obligated on one to six financed properties, including the subject property and the borrower's primary residence</p>	<p>Two months of the monthly payment amount (as described above) on each additional second home and/or 1- to 4-unit investment property that is financed and on which the borrower is obligated.</p>	<p><b>Number of financed properties</b></p>	<p><b>Additional required reserves for second home or investment property mortgages</b></p>
			<p>When each borrower individually, and all borrowers collectively, are obligated on seven to ten financed properties, including the subject property and the borrower's primary residence</p>	<p>Eight months of the monthly payment amount (as described above) on each additional second home and/or 1- to 4-unit investment property that is financed and on which the borrower is obligated.</p>	<p>When each borrower individually, and all borrowers collectively, are obligated on <b>one to six</b> financed properties, including the subject property and the borrower's primary residence</p>	<p>Two months of the monthly payment amount (as described above) on each additional second home and/or 1- to 4-unit investment property that is financed and on which the borrower is obligated.</p>
			<p><b>Truist Note:</b> LPA automatically calculates the additional required reserves stated in the chart above. This amount will automatically be included in the "Required Reserves" field on the Loan Product Feedback Certificate.</p>		<p>When each borrower individually, and all borrowers collectively, are obligated on <b>seven to ten</b> financed properties, including the subject property and the borrower's primary residence</p>	<p>Eight months of the monthly payment amount (as described above) on each additional second home and/or 1- to 4-unit investment property that is financed and on which the borrower is obligated.</p>
			<ul style="list-style-type: none"> <li>For refinance mortgages, the cash-out proceeds from the subject cash-out refinance transaction and any cash back received on the subject "no cash-out" refinance transaction are not eligible sources of funds for reserves.</li> </ul>		<p><b>Truist Note:</b> LPA automatically calculates the additional required reserves stated in the chart above. This amount will automatically be included in the "Required Reserves" field on the Loan Product <b>Advisor</b> Feedback Certificate.</p> <ul style="list-style-type: none"> <li>When the lender is processing multiple mortgage applications for the same borrower, the same assets may be used to meet the reserve requirements for each mortgage application.</li> <li>For refinance mortgages, the cash-out proceeds from the subject cash-out refinance transaction and any cash back received on the subject "no cash-out" refinance transaction are not eligible sources of funds for reserves.</li> </ul>	

# Agency Standards Revisions

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See <u>COR24-044</u> for the Applicable Effective Dates of These Revisions)
Closing Costs Definition	Correspondent Section 2.01 Agency Loan Standard  &  Correspondent Section 2.01a Fannie Mae HomeReady® and Freddie Mac Home Possible® Mortgages Standard	<ul style="list-style-type: none"> <li>Standard Agency (non-AUS and DU)</li> <li>Agency Plus (DU)</li> <li>Agency Plus Select (DU)</li> <li>HomeReady® (non-AUS and DU)</li> <li>Texas Section 50(a)(6) Mortgages (non-AUS and DU)</li> </ul>	<p><b>Section 2.01 Agency Loan Standard</b> <b>Cash Requirements / General Asset Information</b></p> <p><b>Non-AUS</b></p> <ul style="list-style-type: none"> <li>All assets disclosed on the final loan application must be verified.</li> <li>The following assets are considered liquid and may be used as funds for closing (closing cost and prepaids), down payment, and reserves:                             <ul style="list-style-type: none"> <li>bonds</li> <li>bridge loans</li> <li>certificates of deposit (CDs)</li> <li>checking accounts</li> <li>gifts</li> <li>money market funds</li> <li>mutual funds</li> <li>net equity</li> <li>retirement funds</li> <li>savings accounts</li> <li>secured borrowed funds</li> <li>stock</li> <li>trust funds</li> </ul> </li> </ul> <p><b>Fannie Mae DU</b> Follow DU requirements, which are as follows:</p> <ul style="list-style-type: none"> <li><b>Liquid Assets</b> <ul style="list-style-type: none"> <li>DU analyzes the value of liquid assets entered in the loan application in its risk assessment. Assets may be excluded from the loan application if the borrower can qualify without them.</li> <li>DU considers the following assets liquid assets: Bonds, Bridge Loan Proceeds, Certificates of Deposit, Checking Account, Gift (not deposited), Gift of Equity, Grant (not deposited), Money Market, Net Equity, Other Liquid Asset, Proceeds from Real Estate Property to be sold on or before closing, Proceeds from Sale of Non-Real Estate Asset, Retirement, Savings, Secured Borrowed Funds, Stocks, Stock Options (vested), and Trust Account.</li> </ul> </li> <li><b>Non-Liquid Assets</b> <ul style="list-style-type: none"> <li>DU does not consider the amount of non-liquid assets. Non-liquid assets do not have to be verified, and will not be identified in a verification message.</li> <li>DU considers the following assets non-liquid assets: Cash Deposit on Sales, Net Worth of Business, Other Non-Liquid Asset, and Unsecured Borrowed Funds.</li> </ul> </li> <li><b>Reserve Requirements</b> <ul style="list-style-type: none"> <li>For loan casefiles underwritten with DU, DU will determine the reserve requirements based on the overall risk assessment of the loan casefile and the minimum reserves that may be required for the transaction. Reserves may be considered a compensating factor in DU's risk analysis, and may serve to improve the underwriting recommendation.</li> <li>See the "Cash Reserve Requirements" subtopic subsequently presented in this topic for additional requirements related to minimum reserves.</li> </ul> </li> <li><b>Asset Values in the DU Underwriting Findings Report</b> <ul style="list-style-type: none"> <li>The DU Underwriting Findings report will identify the following values:</li> </ul> </li> </ul>	<p><b>Section 2.01 Agency Loan Standard</b> <b>Cash Requirements / General Asset Information</b></p> <p><b>Non-AUS</b></p> <ul style="list-style-type: none"> <li>All assets disclosed on the final loan application must be verified.</li> <li>See the applicable asset subtopic subsequently presented in this "Cash Requirements" topic for eligibility and documentation requirements related to assets that may be used as funds for closing (closing costs and prepaids), down payment, and/or reserves.</li> <li><del>The following assets are considered liquid and may be used as funds for closing (closing cost and prepaids), down payment, and reserves:</del> <ul style="list-style-type: none"> <li><del>bonds</del></li> <li><del>bridge loans</del></li> <li><del>certificates of deposit (CDs)</del></li> <li><del>checking accounts</del></li> <li><del>gifts</del></li> <li><del>money market funds</del></li> <li><del>mutual funds</del></li> <li><del>net equity</del></li> <li><del>retirement funds</del></li> <li><del>savings accounts</del></li> <li><del>secured borrowed funds</del></li> <li><del>stock</del></li> <li><del>trust funds</del></li> </ul> </li> </ul> <p><b>Note:</b> Closing costs are defined as amounts paid in connection with the closing, typically itemized under "Closing Cost Details" on the Closing Disclosure. These generally include (a) loan-related amounts such as origination fees, discount points, title exam, lender's title insurance, appraisal fees, and prepaid items such as taxes and insurance escrow payments; and (b) other costs, such as owner's title insurance, real estate agent commissions, inspections, and transfer taxes.</p> <p><b>Fannie Mae DU</b> Follow DU requirements, which are as follows:</p> <ul style="list-style-type: none"> <li><b>Liquid Assets</b> <ul style="list-style-type: none"> <li>DU analyzes the value of liquid assets entered in the loan application in its risk assessment. Assets may be excluded from the loan application if the borrower can qualify without them.</li> <li>DU considers the following assets liquid assets: Bonds, Bridge Loan Proceeds, <u>Cash Value of Life Insurance</u>, <u>Certificate of Deposit</u>, <u>Checking</u>, Gift (not deposited), Gift of Equity, Grant (not deposited), <u>Individual Development Account</u>, Money Market, <u>Mutual Fund</u>, Net Equity, Other Liquid Asset, Proceeds from Real Estate Property to be sold on or before closing, Proceeds from Sale of Non-Real Estate Asset, Retirement, Savings, Secured Borrowed Funds, Stocks, Stock Options (vested), and Trust Account.</li> </ul> </li> <li><b>Non-Liquid Assets</b> <ul style="list-style-type: none"> <li><u>DU</u> does not consider the amount of non-liquid assets. Non-liquid assets do not have to be verified, and will not be identified in a verification message.</li> <li><u>DU</u> considers the following assets non-liquid assets: Cash Deposit on Sales, Net Worth of Business, Other Non-Liquid Asset, and Unsecured Borrowed Funds.</li> </ul> </li> <li><b>Reserve Requirements</b></li> </ul>

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			<ul style="list-style-type: none"> <li>Total Available Assets: the total of all borrower(s)' liquid assets entered into DU;</li> <li>Funds Required to Close: includes the cash needed to complete the transaction plus any debts marked paid by closing on purchase or limited cash-out refinance transactions, other than subject property mortgage(s);</li> <li>Reserves Required to be Verified: the amount of reserves that must be verified;</li> <li>Total Funds to be Verified: the sum of the Funds Required to Close and Reserves Required to be Verified; and</li> <li>Excess Available Assets, not required to be verified by DU: liquid assets that DU is not requiring the lender to verify.</li> <li>The Excess Available Assets, not required to be verified by DU (Excess Available Assets), amount represents the amount of assets remaining after subtracting the Total Funds to be Verified from the Total Available Assets.</li> <li><b>Non-Occupant Borrower Asset Requirements</b> See the "Non-Occupant Borrower Asset Requirements" subtopic subsequently presented in this topic for guidance.</li> </ul>	<ul style="list-style-type: none"> <li><b>For</b> loan casefiles underwritten with DU, DU will determine the reserve requirements based on the overall risk assessment of the loan casefile and the minimum reserves that may be required for the transaction. Reserves may be considered a compensating factor in DU's risk analysis, and may serve to improve the underwriting recommendation.</li> <li><b>See</b> the "Cash Reserve Requirements" subtopic subsequently presented in this topic for additional requirements related to minimum reserves.</li> <li><b>Asset Values in the DU Underwriting Findings Report</b> <ul style="list-style-type: none"> <li>The DU Underwriting Findings report will identify the following values: <ul style="list-style-type: none"> <li>Total Available Assets: the total of all borrower(s)' liquid assets entered into DU;</li> <li>Funds Required to Close: includes the cash needed to complete the transaction plus any debts marked paid by closing on purchase or limited cash-out refinance transactions, other than subject property mortgage(s);</li> <li>Reserves Required to be Verified: the amount of reserves that must be verified;</li> <li>Total Funds to be Verified: the sum of the Funds Required to Close and Reserves Required to be Verified; and</li> <li>Excess Available Assets, not required to be verified by DU: liquid assets that DU is not requiring the lender to verify.</li> </ul> </li> <li>The Excess Available Assets, not required to be verified by DU (Excess Available Assets), amount represents the amount of assets remaining after subtracting the Total Funds to be Verified from the Total Available Assets. <b>Excess Available Assets do not generally need to be verified.</b></li> </ul> </li> </ul> <p><b>Note:</b> Closing costs are defined as amounts paid in connection with the closing, typically itemized under "Closing Cost Details" on the Closing Disclosure. These generally include (a) loan-related amounts such as origination fees, discount points, title exam, lender's title insurance, appraisal fees, and prepaid items such as taxes and insurance escrow payments; and (b) other costs, such as owner's title insurance, real estate agent commissions, inspections, and transfer taxes.</p> <ul style="list-style-type: none"> <li><b>Non-Occupant Borrower Asset Requirements</b> <ul style="list-style-type: none"> <li><b>See</b> the "Non-Occupant Borrower Asset Requirements" subtopic subsequently presented in this topic for guidance.</li> </ul> </li> </ul>
			<p><b>Section 2.01a Fannie Mae HomeReady® and Freddie Mac Home Possible® Mortgages Standard Cash Requirements / Assets</b></p> <p><b>Non-AUS</b> <a href="#">Section 2.01: Agency Loan Standard</a> non-AUS requirements apply, except as follows:</p> <ul style="list-style-type: none"> <li>Cash-on-hand and sweat equity are acceptable sources of funds for HomeReady mortgage loans. See the "Cash-on-hand" and "Sweat Equity" subtopics subsequently presented in this product description for additional guidance.</li> </ul> <p><b>Fannie Mae DU</b> <a href="#">Section 2.01: Agency Loan Standard</a> DU requirements apply, except as follows:</p> <ul style="list-style-type: none"> <li>Cash-on-hand and sweat equity are acceptable sources of funds for HomeReady mortgage loans. See the "Cash-on-hand" and "Sweat Equity" subtopics subsequently presented in this document for additional guidance.</li> <li>The online loan application provides the following categories of liquid assets: Bond, Bridge Loan, Cash-on-Hand, Certificate of Deposit, Checking Account, Gift, Gift of Equity, Money Market Fund, Mutual</li> </ul>	<p><b>Section 2.01a Fannie Mae HomeReady® and Freddie Mac Home Possible® Mortgages Standard Cash Requirements / Assets</b></p> <p><b>Non-AUS</b> <a href="#">Section 2.01: Agency Loan Standard</a> non-AUS requirements apply, except as follows:</p> <ul style="list-style-type: none"> <li>Cash-on-hand and sweat equity are acceptable sources of funds for HomeReady mortgage loans. See the "Cash-on-hand" and "Sweat Equity" subtopics subsequently presented in this product description for additional guidance.</li> </ul> <p><b>Fannie Mae DU</b> <a href="#">Section 2.01: Agency Loan Standard</a> DU requirements apply, except as follows:</p> <ul style="list-style-type: none"> <li>Cash-on-hand and sweat equity are acceptable sources of funds for HomeReady mortgage loans. See the "Cash-on-hand" and "Sweat Equity" subtopics subsequently presented in this document for additional guidance.</li> <li><b>DU considers the following assets liquid assets: Bonds, Bridge Loan Proceeds, Cash-on Hand (for certain HomeReady loans only), Cash Value of Life Insurance, Certificate of Deposit, Checking, Gift (not</b></li> </ul>



## Agency Standards Revisions

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			Fund, Net Equity, Other Liquid Asset, Retirement Fund, Savings Account, Secured Borrowed Funds, Stock, and Trust Funds.	deposited), Gift of Equity, <u>Grant (not deposited)</u> , Individual Development Account, Money Market, Mutual Fund, Net Equity, Other Liquid Asset, Proceeds from Real Estate Property to be sold on or before closing, Proceeds from Sale of Non-Real Estate Asset, Retirement, Savings, Secured Borrowed Funds, Stocks, <u>Stock Options (vested)</u> , and Trust Account.