

Agency Standards Revisions

Note: Truist specific overlays are underlined.

Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)
<p>Freddie Mac Income Calculator</p> <p><i>[Also includes Standard Improvement Updates (due to Freddie Mac’s recent refactoring) for the following sections: (1) “Age of Documentation when Data Used for Loan Product Advisor Assessments”; (2) “Automated Income Assessment Using Employed Income Data”; and (3) “Automated Income Assessment Using Tax Data”]</i></p>	<p>Correspondent Section 2.01 Agency Loan Standard</p>	<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 <li style="padding-left: 20px;"><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i> • 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: <ul style="list-style-type: none"> • Employment • Income, including current receipt of income • For an employed borrower, the lender must also confirm the borrower's employment by obtaining a 10-day pre-closing verification 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 a self-employed borrower, the lender must also obtain a verification of the current existence of the borrower's business 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 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, and • the “Age of Tax Return Requirements” section subsequently presented in this subtopic for age of tax return requirements. • 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: <ul style="list-style-type: none"> • “Automated Income Assessment with Loan Product Advisor Using Employed Income Data” • For mortgages using automated income assessment with Loan Product Advisor using tax data, see “Automated Income Assessment with Loan Product Advisor Using Tax Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax data requirements. <p style="text-align: center;"><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 <li style="padding-left: 20px;"><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i> • 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: <ul style="list-style-type: none"> • Employment • Income, including current receipt of income • For an employed borrower, the lender must also confirm the borrower's employment by obtaining a 10-day pre-closing verification 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 a self-employed borrower, the lender must also obtain a verification of the current existence of the borrower's business 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 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, and • the “Age of Tax Return Requirements” section subsequently presented in this subtopic for age of tax return requirements. • 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: <ul style="list-style-type: none"> • “Automated Income Assessment with Loan Product Advisor Using Employed Income Data” • For mortgages using automated income assessment with Loan Product Advisor using tax data, see “Automated Income Assessment with Loan Product Advisor Using Tax Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax data requirements. <p style="text-align: center;"><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>COR25-026</u> for the Applicable Effective Date of These Revisions)
			<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 style="color: red;"><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> Third-Party Verification Service Providers: Employment and Income Verifications <ul style="list-style-type: none"> Employment, income and 10-day pre-closing verifications obtained through third-party verification service providers are acceptable, provided that the following qualifications are met: <ul style="list-style-type: none"> The verifications must be received by the originator directly from the third-party verification service provider If any required information is missing, the lender must obtain additional documentation to supplement the third-party verification The lender is responsible for ensuring the accuracy and integrity of the information provided by the third-party verification service providers The lender must verify that all third-party verification service providers have procedures to comply with quality control requests for reverification from Freddie Mac, the lender, and/or Servicer Employment and Income Verifications <ul style="list-style-type: none"> A copy of the verification must be retained in the mortgage file and must meet the following requirements: <ul style="list-style-type: none"> Employment and income verifications must contain sufficient information to determine stable monthly income in accordance with the requirements outlined in this document If the verification is completed using employment and/or income information from an electronic database, the verification must evidence that the information in the database is no more than 35 days old Refer to the "Age of Documentation" section previously outlined in this subtopic for more information about the age of documentation requirements. In lieu of the requirements of this section, 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"> See "Underwriting 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 third-party verification service providers and income verifications from third-party verification service providers. In lieu of the requirements of this section, 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 the "Automated Income Assessment with Loan Product 	<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 style="color: red;"><i>Note: Below is an EXCERPT only of the requirements from the above referenced section.</i></p> <ul style="list-style-type: none"> Third-Party Verification Service Providers: Employment and Income Verifications <ul style="list-style-type: none"> Employment, income and 10-day pre-closing verifications obtained through third-party verification service providers are acceptable, provided that the following qualifications are met: <ul style="list-style-type: none"> The verifications must be received by the originator directly from the third-party verification service provider If any required information is missing, the lender must obtain additional documentation to supplement the third-party verification The lender is responsible for ensuring the accuracy and integrity of the information provided by the third-party verification service providers The lender must verify that all third-party verification service providers have procedures to comply with quality control requests for reverification from Freddie Mac, the lender, and/or <u>Servicer</u> Employment and Income Verifications <ul style="list-style-type: none"> A copy of the verification must be retained in the mortgage file and must meet the following requirements: <ul style="list-style-type: none"> Employment and income verifications must contain sufficient information to determine stable monthly income in accordance with the requirements outlined in this document If the verification is completed using employment and/or income information from an electronic database, the verification must evidence that the information in the database is no more than 35 days old Refer to the "Age of Documentation" section previously outlined in this subtopic for more information about the age of documentation requirements. In lieu of the requirements of this section, 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 <u>result of "Eligible" or "Partial"</u> 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"> See "Underwriting 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 third-party verification service providers and income verifications from third-party verification service providers. In lieu of the requirements of this section, for mortgages using automated income assessment with Loan Product Advisor using account data that receive a Risk Class of

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			<p>Advisor Using Account 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 “Verification Reports” 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 third party service providers and the verification reports. <ul style="list-style-type: none"> 10-Day Pre-Closing Verifications (10-Day PCV) <ul style="list-style-type: none"> Verification of the borrower's current employment (10-day PCV) must be obtained in accordance with the requirements of this section. Refer to the specific income type subtopics subsequently presented in this topic and the “Relocation Mortgages” subtopic previously presented in the “Eligible Transactions” topic within this document for additional information about when a 10-day PCV is or is not required The 10-day PCV, when required, must either be obtained no more than 10 business days prior to the note date, or after the note date but prior to the delivery date (to Truist). Employment information must be verified and documented by the third-party verification service provider directly through the electronic database of the employer or the employer's third-party payroll services provider and must contain the following information: <ul style="list-style-type: none"> Name of borrower Name of employer Borrower's current employment status Any additional information that was verified Date employment information was issued from the employer to the third-party verification services provider (e.g., effective date, current as of date) Date verification was issued to the lender by third-party verification services provider The form used by the third-party verification services provider must contain the name and contact information of the provider. <p style="text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p> <hr/> <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 style="text-align: center;"><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 	<p>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 Account 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 “Verification Reports” 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 third party service providers and the verification reports. <ul style="list-style-type: none"> 10-Day Pre-Closing Verifications (10-Day PCV) <ul style="list-style-type: none"> Verification of the borrower's current employment (10-day PCV) must be obtained in accordance with the requirements of this section. Refer to the specific income type subtopics subsequently presented in this topic and the “Relocation Mortgages” subtopic previously presented in the “Eligible Transactions” topic within this document for additional information about when a 10-day PCV is or is not required The 10-day PCV, when required, must either be obtained no more than 10 business days prior to the note date, or after the note date but prior to the delivery date (to Truist). Employment information must be verified and documented by the third-party verification service provider directly through the electronic database of the employer or the employer's third-party payroll services provider and must contain the following information: <ul style="list-style-type: none"> Name of borrower Name of employer Borrower's current employment status Any additional information that was verified Date employment information was issued from the employer to the third-party verification services provider (e.g., effective date, current as of date) Date verification was issued to the lender by third-party verification services provider The form used by the third-party verification services provider must contain the name and contact information of the provider. <p style="text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p> <hr/> <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 style="text-align: center;"><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

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			<p>information to a third party (e.g., IRS Form 8821). The Form 4506-C must be signed no later than the note date and must be retained in the mortgage file.</p> <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 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"> • 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. • 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 style="color: red; text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p>	<p>information to a third party (e.g., IRS Form 8821). The Form 4506-C must be signed no later than the note date and must be retained in the mortgage file.</p> <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 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"> • See “IRS Form 4506-C 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. • 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 style="color: red; text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p>

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			<p><i>Note: There is currently no "Freddie Mac Income Calculator" subtopic within the Section 2.01 Agency Loan Standard document</i></p>	<p>Income / Freddie Mac Income Calculator</p> <ul style="list-style-type: none"> The Freddie Mac Income Calculator is a web-based income assessment tool designed to assist lenders in determining the borrower's stable monthly income. Eligible income includes employed earnings (i.e., base, bonus, overtime, commission) using paystub(s) and W-2 data and self-employed income using tax returns or tax transcript data. Use of the Freddie Mac Income Calculator is optional. The Freddie Mac Income Calculator may provide relief from enforcement of certain income representations and warranties. Eligibility for income representation and warranty relief will be reflected on the Freddie Mac Income Calculator Certificate or the Feedback Certificate if submitted to Loan Product Advisor. <p>Note: The Freddie Mac Income Calculator Certificate is the printed or printable document returned by the Freddie Mac Income Calculator that details the results of the Freddie Mac Income Calculator submission, including but not limited to calculated income and representation and warranty relief eligibility.</p> <ul style="list-style-type: none"> See the following sections in the "Freddie Mac LPA Loans" subtopic subsequently presented in the "Underwriting the Borrower" topic for additional guidance related to the Freddie Mac Income Calculator, including, but not limited to, representation and warranty relief results on the Freddie Mac Income Calculator Certificate and documentation requirements based on the representation and warranty relief result on the Freddie Mac Income Calculator Certificate: <ul style="list-style-type: none"> "Automated Income Assessment Using Employed Income Data" "Automated Income Assessment Using Tax Data"
			<p>Income / Self-Employment Income</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"> 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 or a similar alternative form (e.g., Income Calculation Report as described in the "Automated Income Assessment with Loan Product Advisor Using Tax 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 Federal income tax returns, as required in the table below, including all applicable schedules and forms must reflect at least 12 months of self-employed income Verification 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 existence 	<p>Income / Self-Employment Income</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"> 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 or a similar alternative form (e.g., Income Calculation Report or Freddie Mac Income Calculator Certificate, both as described in the "Automated Income Assessment with Loan Product Advisor Using Tax 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 Federal income tax returns, as required in the table below, including all applicable schedules and forms must reflect at least 12 months of self-employed income Verification 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 existence

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			<ul style="list-style-type: none"> For 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 <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th rowspan="2">Business structure</th> <th colspan="2">Streamlined Accept and Standard Documentation Levels</th> </tr> <tr style="background-color: #2c3e50; color: white;"> <th>Business in existence greater than or equal to five years¹</th> <th>Business in existence less than five years</th> </tr> </thead> <tbody> <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> </tbody> </table> <p>¹The borrower must be self-employed (i.e., have an ownership interest of 25% or more) in the same business for at least five years</p>	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.	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Agency Standards Revisions

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See <u>COR25-026</u> for the Applicable Effective Date of These Revisions)						
			<p>Loan Product Advisor to determine whether the lender is eligible for relief from enforcement of certain representations and warranties related to the borrower's income. The lender must obtain the borrower's employed income data and submit all required information to Loan Product Advisor. Based on the data submitted, Loan Product Advisor will assess for representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate.</p> <ul style="list-style-type: none"> • Eligibility Requirements <ul style="list-style-type: none"> • Eligible Mortgages <ul style="list-style-type: none"> • To be eligible for automated income assessment with Loan Product Advisor using employed income data, the mortgage must be: <ul style="list-style-type: none"> • A conventional mortgage • An Accept mortgage • Eligible Income Types <ul style="list-style-type: none"> • The following income types are eligible for automated income assessment with Loan Product Advisor using employed income data: <ul style="list-style-type: none"> • Base non-fluctuating employment earnings and fluctuating hourly employment earnings, except for the following: <ul style="list-style-type: none"> • Military pay • Earnings with the following employment/income characteristics: <ul style="list-style-type: none"> • Earnings of a borrower employed by a family member, the property seller, real estate broker or other interested party to the transaction • Employed income from foreign sources • Income reported on Internal Revenue Service (IRS) Form 1099 for services performed • Borrowers with business ownership interest(s) less than 25% • The following additional employed income earnings: <ul style="list-style-type: none"> • Overtime income • Bonus income • Commission income • Underwriting Requirements <ul style="list-style-type: none"> • For mortgages that are eligible for automated income assessment with Loan Product Advisor using employed income data as described in the "Eligibility Requirements" section above, the following is required: <ul style="list-style-type: none"> • All employed income data must be in U.S. dollars. • The lender must confirm that the information on the third-party verification report ("verification report") or on the paystub(s) and W2 form(s) is for the correct borrower and employer • In the event the borrower has taken a temporary leave of absence from his or her employment: <ul style="list-style-type: none"> • When a verification report is obtained, the verification report must indicate that, as of the date of the verification report, the borrower has returned to work • When the employed income data has been obtained from the borrower's paystub(s) and W2 form(s), the lender must maintain documentation in the mortgage file showing the borrower has returned to work 	<ul style="list-style-type: none"> • Automated Income Assessment <ul style="list-style-type: none"> • Asset and income modeler (AIM) automated income assessment with Loan Product Advisor using employed income data, part of asset and income modeler (AIM), provides lenders with the option to use Loan Product Advisor or the Freddie Mac Income Calculator to determine whether the lender is eligible for relief from enforcement of certain representations and warranties related to the borrower's income. • The lender must obtain the borrower's employed income data and submit all required data and information to Loan Product Advisor or the Freddie Mac Income Calculator. Based on the data submitted, Loan Product Advisor or the Freddie Mac Income Calculator will assess for representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate. • Eligibility Requirements <ul style="list-style-type: none"> • Eligible Mortgages <ul style="list-style-type: none"> • To be eligible for automated income assessment with Loan Product Advisor using employed income data, the mortgage must be: <ul style="list-style-type: none"> • A conventional mortgage • An Accept mortgage • Eligible Income Types <ul style="list-style-type: none"> • The following tables describes income types that income types are eligible for an automated income assessment with Loan Product Advisor using employed income data: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="text-align: center;">Eligible Income Types for an Automated Income Assessment</th> </tr> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 50%;">Eligible Income Types</th> <th style="width: 50%;">Ineligible Employment/Income Characteristics</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Base non-fluctuating employment earnings, except military earnings (base, entitlements, reserve, National Guard) • The following fluctuating employment earnings: <ul style="list-style-type: none"> • Base fluctuating hourly employment earnings • Bonus • Commission • Overtime </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Earnings with the following characteristics are not eligible for an automated income assessment using employed income data: <ul style="list-style-type: none"> • Earnings of a borrower employed by a family member, the property seller, real estate broker or other interested party to the transaction • Employed income from foreign sources • Income reported on IRS Form 1099 for services performed • Borrowers with business ownership interest(s) less than 25% </td> </tr> </tbody> </table>	Eligible Income Types for an Automated Income Assessment		Eligible Income Types	Ineligible Employment/Income Characteristics	<ul style="list-style-type: none"> • Base non-fluctuating employment earnings, except military earnings (base, entitlements, reserve, National Guard) • The following fluctuating employment earnings: <ul style="list-style-type: none"> • Base fluctuating hourly employment earnings • Bonus • Commission • Overtime 	<ul style="list-style-type: none"> • Earnings with the following characteristics are not eligible for an automated income assessment using employed income data: <ul style="list-style-type: none"> • Earnings of a borrower employed by a family member, the property seller, real estate broker or other interested party to the transaction • Employed income from foreign sources • Income reported on IRS Form 1099 for services performed • Borrowers with business ownership interest(s) less than 25%
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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)
			<ul style="list-style-type: none"> • For the age of the documentation: <ul style="list-style-type: none"> • When a verification report is obtained, the expiration date of the verification report reflected in feedback messaging on the Last Feedback Certificate complies with the “Age of Documentation” requirements outlined in the “General Income Documentation Requirements” subtopic previously presented in this document. • When the employed income data has been obtained from the borrower’s paystub(s) and W2 form(s), the paystub and W2 must comply with the “Age of Documentation/Age of Verifications” requirements outlined in the “General Income Documentation Requirements” subtopic previously presented in this document. • The lender must have no knowledge, information or documentation that contradicts a reasonable expectation of continuance of income or probability of consistent receipt of income for at least the next three years • When a verification report is obtained, the method used to produce the verification report must be an automated process whereby the data for the report is accessed directly from the service provider’s electronic database of employer-provided income information. <ul style="list-style-type: none"> • Loan Product Advisor Requirements <ul style="list-style-type: none"> • For Loan Product Advisor to assess the mortgage for income representation and warranty relief, the lender must: <ul style="list-style-type: none"> • Submit the most current employed income data to Loan Product Advisor. If after the initial submission, the lender obtains an updated verification report, paystub(s), or W-2 form(s), the lender must resubmit the employed income data to Loan Product Advisor. • Submit to Loan Product Advisor the income amount the lender used to underwrite the mortgage; and • Investigate and resolve any inconsistent or contradictory information between the verification report, information contained in Form 65, and the mortgage file and, if applicable, resubmit to Loan Product Advisor with the correct information. • Representation and Warranty Relief and Additional Requirements <ul style="list-style-type: none"> • Representation and Warranty Relief <ul style="list-style-type: none"> • The income representation and warranty eligibility result is provided on the Last Feedback Certificate. The representation and warranty relief available, and the corresponding requirements, are as follows: 	<ul style="list-style-type: none"> • Base non-fluctuating employment earnings and fluctuating hourly employment earnings, except for the following: <ul style="list-style-type: none"> • Military pay • Earnings with the following employment/income characteristics: <ul style="list-style-type: none"> • Earnings of a borrower employed by a family member, the property seller, real estate broker or other interested party to the transaction • Employed income from foreign sources • Income reported on Internal Revenue Service (IRS) Form 1099 for services performed • Borrowers with business ownership interest(s) less than 25% • The following additional employed income earnings: <ul style="list-style-type: none"> • Overtime income • Bonus income • Commission income <ul style="list-style-type: none"> • Underwriting Requirements <ul style="list-style-type: none"> • General Underwriting Requirements <ul style="list-style-type: none"> • For mortgages that are eligible for automated income assessment with Loan Product Advisor using employed income data as described in the “Eligibility Requirements” section above, the following is required: <ul style="list-style-type: none"> • All employed income data must be in U.S. dollars. • The lender must have no knowledge, information or documentation that contradicts an expectation that the income will continue for at least the next three years. • The lender must confirm that the information on the third-party verification report (“verification report”) or on the paystub(s) and W2 form(s) is for the correct borrower and employer, and all employed income data must be in U.S. dollars. • Temporary Leave of Absence <ul style="list-style-type: none"> • In the event the borrower has taken a temporary leave of absence from their employment: <ul style="list-style-type: none"> • When a verification report is obtained, the verification report must indicate that, as of the date of the verification report, the borrower has returned to work • When the employed income data is from the borrower’s paystub(s) and W2 form(s), the lender must maintain documentation in the mortgage file showing the borrower has returned to work • Age of Documentation <ul style="list-style-type: none"> • For the age of the documentation: <ul style="list-style-type: none"> • When a verification report is obtained, the expiration date of the verification report reflected in feedback messaging on the Last Feedback Certificate complies with the “Age of Documentation” requirements outlined in the “General Income Documentation Requirements” subtopic previously presented in this document. • When the employed income data has been obtained from the borrower’s paystub(s) and W2 form(s), the paystub and W2 must comply with the “Age

Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements
Eligible for Income Representation and Warranty Relief	The lender is relieved from enforcement of the following representations and warranties: <ul style="list-style-type: none"> • Accuracy of the income calculation 	For eligible income types (as described in the “Eligible Income Types” subsection previously presented in this subtopic) that are on the verification report or paystub(s),

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			<p>related to eligible income types, described in the “Eligible Income Types” subsection previously presented in this subtopic, that are on the verification report or paystub(s) and W2 form(s), and</p> <ul style="list-style-type: none"> Accuracy and integrity of the data represented on the verification report <p>Note: The lender is not relieved from the representations and warranties related to the accuracy and integrity of the data when obtained from the borrower’s paystub(s) and W2 form(s).</p>	<p>the verification report, paystub(s) and W2 form(s), as applicable, are acceptable documentation as described in the “Underwriting Requirements” subsection previously presented in this subtopic and must be maintained in the mortgage file. Paystub and W2 documentation must meet the “Employed Income Documentation and Verification Requirements” previously presented in the “General Income Documentation Requirements” subtopic.</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must either:</p> <ul style="list-style-type: none"> Verify and document the income as required by the applicable income type, or Remove the income and resubmit the mortgage to Loan Product Advisor 	<p>of Documentation/Age of Verifications” requirements outlined in the “General Income Documentation Requirements” subtopic previously presented in this document.</p> <ul style="list-style-type: none"> The lender must have no knowledge, information or documentation that contradicts a reasonable expectation of continuance of income or probability of consistent receipt of income for at least the next three years <ul style="list-style-type: none"> Verification Reports <ul style="list-style-type: none"> When a verification report is obtained, the method used to obtain the verification report must be an automated process where the employed income data is accessed directly from an electronic database of employer-provided income information. The employed income data on the verification report cannot be obtained from a written, verbal or e-mail verification of income performed by the service provider. Data Submission Requirements, Representation and Warranty Relief Eligibility, and Documentation Requirements <ul style="list-style-type: none"> Data Submission Requirements Loan Product Advisor Requirements <ul style="list-style-type: none"> For Loan Product Advisor to assess the mortgage for income representation and warranty relief, the lender must: <ul style="list-style-type: none"> The lender must submit the most current employed income data to Loan Product Advisor or the Freddie Mac Income Calculator. If after the initial submission, the lender obtains an updated verification report, paystub(s), or W-2 form(s), the lender must resubmit the employed income data. For Loan Product Advisor submissions, the lender must submit the income amount used to underwrite the mortgage. When a verification report is submitted to Loan Product Advisor, the lender must investigate and resolve any inconsistent or contradictory information between the verification report, information contained in Form 65, <i>Uniform Residential Loan Application</i> (including the borrower’s income and employment representations), and the mortgage file and, if applicable, resubmit the correct information to Loan Product Advisor Representation and Warranty Relief and Additional Requirements <ul style="list-style-type: none"> Representation and Warranty Relief Results on Feedback Certificate <ul style="list-style-type: none"> If multiple Loan Product Advisor submissions are made, lender’s eligibility for representation and warranty relief will be based on the results on the Last Feedback Certificate. When income representation and warranty eligibility results are provided on the Last Feedback Certificate, the representation and warranty relief available is described in the following table: <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2">Income Representation and Warranty Relief Based on Feedback Certificate Result</th> </tr> <tr style="background-color: #34495e; color: white;"> <th>Eligibility Result</th> <th>Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f1c40f; color: white;">Eligible</td> <td>The lender is relieved from enforcement of the following representations and warranties:</td> </tr> </tbody> </table>	Income Representation and Warranty Relief Based on Feedback Certificate Result		Eligibility Result	Representation and Warranty Relief	Eligible	The lender is relieved from enforcement of the following representations and warranties:
Income Representation and Warranty Relief Based on Feedback Certificate Result											
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			<p>Eligible for Partial Income Representation and Warranty Relief</p>	<p>The lender is relieved from enforcement of representations and warranties related to the borrower's income as confirmed by Loan Product Advisor feedback messages. When partial income representation and warranty relief is granted for a source(s), the lender is relieved from:</p> <ul style="list-style-type: none"> • Accuracy of the income calculation related to eligible income types described in the "Eligible Income Types" subsection previously presented in this subtopic, that are on the verification report or paystub(s) and W2 form(s), and • Accuracy and integrity of the data represented on the verification report <p>Note: The lender is not relieved from the representations and warranties related to the accuracy and integrity of the data when obtained from the borrower's paystub(s) and W2 form(s).</p>	<p>For eligible income types (as described in the "Eligible Income Types" subsection previously presented in this subtopic) that are on the verification report or paystub(s), the verification report, paystub(s) and W2 form(s), as applicable, are acceptable documentation as described in the "Underwriting Requirements" subsection previously presented in this subtopic and must be maintained in the mortgage file. Paystub and W2 documentation must meet the "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more income sources are needed to qualify the borrower, document the income source(s) as required by the feedback messages.</p>			<ul style="list-style-type: none"> • Accuracy of the income calculation related to eligible income types on the verification report or paystub(s) and W2 form(s), and • Accuracy and integrity of the data represented on the verification report <p>Note: The lender is not relieved from the representations and warranties related to the accuracy and integrity of the data when obtained from the borrower's paystub(s) and W2 form(s).</p>
						<p>Partial</p>		<p>When partial income representation and warranty relief is granted for a source(s), as confirmed by the feedback message, the lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> • Accuracy of the income calculation related to eligible income types on the verification report or paystub(s) and W2 form(s), and • Accuracy and integrity of the data on the verification report <p>Note: The lender is not relieved from the representations and warranties related to the accuracy and integrity of the data when obtained from the borrower's paystub(s) and W2 form(s).</p>
						<p>Not Eligible</p>		<p>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.</p> <p>Exception: The lender is relieved from enforcement of representations and warranties related to the borrower's income when a message is returned on the Freddie Mac Income Calculator Certificate indicating such relief. See table below titled "Representation and Warranty Relief Based on Freddie Mac Income Calculator Certificate Result".</p>
						<p>Unable to Assess</p>		<p>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.</p>

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			<p>Not Eligible for Income Representation and Warranty Relief</p>	<p>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor did not return a feedback message indicating representation and warranty relief was granted.</p>	<p>The income must be verified and documented as required by the applicable income type.</p>			<p>Exception: The lender is relieved from enforcement of representations and warranties related to the borrower's income when a message is returned on the Freddie Mac Income Calculator Certificate indicating such relief. See table below titled "Representation and Warranty Relief Based on Freddie Mac Income Calculator Certificate Result".</p>						
			<p>Unable to Assess for Income Representation and Warranty Relief</p>	<p>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor was unable to assess the borrower's income. This could be due to missing or incomplete information or a system being down.</p>	<p>The income must be verified and documented as required by the applicable income type.</p>			<ul style="list-style-type: none"> • Documentation Requirements Based on Representation and Warranty Relief Result on Feedback Certificate <ul style="list-style-type: none"> • When income representation and warranty eligibility results are provided on the Last Feedback Certificate, the documentation requirements are described in the following table: 						
			<ul style="list-style-type: none"> • Internal Revenue Service (IRS) Form 4506-C <ul style="list-style-type: none"> • For mortgages that receive an income representation and warranty result of either "Eligible for Income Representation and Warranty Relief" or "Eligible for Partial Income Representation and Warranty Relief" with a feedback message indicating that no further documentation is required for the income reflected on the verification report, if all the income of a borrower is from an eligible income type described in the "Eligible Income Types" subsection above and is on the verification report, the lender does not need to obtain and maintain in the mortgage file the following: <ul style="list-style-type: none"> • An IRS Form 4506-C (or an alternate form acceptable to the IRS that authorizes the release of comparable tax information to a third party) signed by the borrower, or • A Commonwealth of Puerto Rico Form 2907 or Form 4506-C (or an alternate form that authorizes the release of comparable tax information to a third party), as applicable, signed by the borrower for income that is derived from sources in Puerto Rico, Guam or the U.S. Virgin Islands and is exempt from federal income taxation under the Internal Revenue Code • For mortgages using paystub(s) and W2 form(s) as employed income data that receive an income representation and warranty result of either "Eligible for Income Representation and Warranty Relief" or "Eligible for Partial Income Representation and Warranty Relief," the documentation requirements outlined in "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" 											
			<table border="1" style="width: 100%; border-collapse: collapse; margin: 0 auto;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="padding: 5px;">Documentation Requirements Based on Representation and Warranty Relief Result on Feedback Certificate</th> </tr> <tr style="background-color: #34495e; color: white;"> <th style="width: 20%; padding: 5px;">Eligibility Result</th> <th style="padding: 5px;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Eligible</td> <td style="padding: 5px;"> <p>The lender must maintain in the mortgage file, as applicable:</p> <ul style="list-style-type: none"> • Submitted verification report, if obtained • Paystub(s) and W-2 form(s) except when a verification report is obtained • Last Freddie Mac Income Calculator Certificate, if obtained <p>Paystub and W2 documentation must meet the "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must either:</p> <ul style="list-style-type: none"> • Verify and document the income as required by the applicable income type, or • Remove the income and resubmit the mortgage to Loan Product Advisor </td> </tr> </tbody> </table>						Documentation Requirements Based on Representation and Warranty Relief Result on Feedback Certificate		Eligibility Result	Income Documentation Requirements	Eligible	<p>The lender must maintain in the mortgage file, as applicable:</p> <ul style="list-style-type: none"> • Submitted verification report, if obtained • Paystub(s) and W-2 form(s) except when a verification report is obtained • Last Freddie Mac Income Calculator Certificate, if obtained <p>Paystub and W2 documentation must meet the "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must either:</p> <ul style="list-style-type: none"> • Verify and document the income as required by the applicable income type, or • Remove the income and resubmit the mortgage to Loan Product Advisor
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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)														
			<p>in the "General Income Documentation Requirements" subtopic previously presented in this document apply.</p> <ul style="list-style-type: none"> For mortgages that received an income representation and warranty result of either "Not Eligible for Income Representation and Warranty Relief" or "Unable to Assess for Income Representation and Warranty Relief," the requirements outlined in "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" in the "General Income Documentation Requirements" subtopic previously presented in this document apply. <p style="color: red;"><i>All other currently published requirements in this section remain the same.</i></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #ffff00;">Partial</td> <td> <p>The lender must maintain in the mortgage file, as applicable:</p> <ul style="list-style-type: none"> Submitted verification report, if obtained Paystub(s) and W-2 form(s), except when a verification report is obtained Last Freddie Mac Income Calculator Certificate, if obtained <p>Paystub and W2 documentation must meet the "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more income sources are needed to qualify the borrower, document the income source(s) as required by the feedback messages.</p> </td> </tr> <tr> <td>Not Eligible</td> <td>The income must be verified and documented as required by the applicable income type.</td> </tr> <tr> <td>Unable to Assess</td> <td>The income must be verified and documented as required by the applicable income type.</td> </tr> </table> <ul style="list-style-type: none"> Representation and Warranty Relief Results on Freddie Mac Income Calculator Certificate <ul style="list-style-type: none"> When income representation and warranty eligibility results are provided on the Freddie Mac Income Calculator Certificate, the representation and warranty relief available is described in the following table: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="text-align: center;">Income Representation and Warranty Relief Based on Freddie Mac Income Calculator Certificate Result</th> </tr> <tr style="background-color: #34495e; color: white;"> <th style="text-align: center;">Eligibility Result</th> <th style="text-align: center;">Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="background-color: #ffff00;">Eligible</td> <td>The lender is relieved from enforcement of the representation and warranty for the accuracy of the income calculation related to each eligible income type that is on the paystub(s) and W-2 form(s).</td> </tr> <tr> <td style="background-color: #ffff00;">Not Eligible</td> <td>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.</td> </tr> </tbody> </table> Documentation Requirements Based on Representation and Warranty Relief Result on Freddie Mac Income Calculator Certificate 	Partial	<p>The lender must maintain in the mortgage file, as applicable:</p> <ul style="list-style-type: none"> Submitted verification report, if obtained Paystub(s) and W-2 form(s), except when a verification report is obtained Last Freddie Mac Income Calculator Certificate, if obtained <p>Paystub and W2 documentation must meet the "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more income sources are needed to qualify the borrower, document the income source(s) as required by the feedback messages.</p>	Not Eligible	The income must be verified and documented as required by the applicable income type.	Unable to Assess	The income must be verified and documented as required by the applicable income type.	Income Representation and Warranty Relief Based on Freddie Mac Income Calculator Certificate Result		Eligibility Result	Representation and Warranty Relief	Eligible	The lender is relieved from enforcement of the representation and warranty for the accuracy of the income calculation related to each eligible income type that is on the paystub(s) and W-2 form(s).	Not Eligible	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.
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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See <u>COR25-026</u> for the Applicable Effective Date of These Revisions)														
				<ul style="list-style-type: none"> When income representation and warranty eligibility results are provided on the Freddie Mac Income Calculator Certificate, the documentation requirements are described in the following table: <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="text-align: center;">Documentation Requirements Based on Representation and Warranty Relief Result on Freddie Mac Income Calculator Certificate</th> </tr> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 20%;">Eligibility Result</th> <th style="width: 80%;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="background-color: #2c3e50; color: white;">Eligible</td> <td> <p>The lender must maintain in the mortgage file:</p> <ul style="list-style-type: none"> The Freddie Mac Income Calculator Certificate reflecting the calculated income amount for each income source used to underwrite the mortgage Paystub(s) and W-2 form(s) <p>Paystub and W-2 documentation must meet "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must verify and document the income as required by the applicable income type.</p> </td> </tr> <tr> <td style="background-color: #2c3e50; color: white;">Not Eligible</td> <td>The income must be verified and documented as required by the applicable income type.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The income representation and warranty eligibility result is provided on the Last Feedback Certificate. The representation and warranty relief available, and the corresponding requirements, are as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 33%;">Eligibility Result</th> <th style="width: 33%;">Representation and Warranty Relief</th> <th style="width: 33%;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="background-color: #2c3e50; color: white;">Eligible for Income Representation and Warranty Relief</td> <td> <p>The lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income </td> <td> <p>For eligible income types (as described in the "Eligible Income Types" subsection previously presented in this subtopic) that are on the verification</p> </td> </tr> </tbody> </table>	Documentation Requirements Based on Representation and Warranty Relief Result on Freddie Mac Income Calculator Certificate		Eligibility Result	Income Documentation Requirements	Eligible	<p>The lender must maintain in the mortgage file:</p> <ul style="list-style-type: none"> The Freddie Mac Income Calculator Certificate reflecting the calculated income amount for each income source used to underwrite the mortgage Paystub(s) and W-2 form(s) <p>Paystub and W-2 documentation must meet "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must verify and document the income as required by the applicable income type.</p>	Not Eligible	The income must be verified and documented as required by the applicable income type.	Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements	Eligible for Income Representation and Warranty Relief	<p>The lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income 	<p>For eligible income types (as described in the "Eligible Income Types" subsection previously presented in this subtopic) that are on the verification</p>
Documentation Requirements Based on Representation and Warranty Relief Result on Freddie Mac Income Calculator Certificate																		
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Eligible	<p>The lender must maintain in the mortgage file:</p> <ul style="list-style-type: none"> The Freddie Mac Income Calculator Certificate reflecting the calculated income amount for each income source used to underwrite the mortgage Paystub(s) and W-2 form(s) <p>Paystub and W-2 documentation must meet "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must verify and document the income as required by the applicable income type.</p>																	
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						<p>calculation related to eligible income types, described in the "Eligible Income Types" subsection previously presented in this subtopic, that are on the verification report or paystub(s) and W2 form(s), and</p> <ul style="list-style-type: none"> ● Accuracy and integrity of the data represented on the verification report <p>Note: The lender is not relieved from the representations and warranties related to the accuracy and integrity of the data when obtained from the borrower's paystub(s) and W2 form(s).</p> <p>report or paystub(s); the verification report, paystub(s) and W2 form(s), as applicable, are acceptable documentation as described in the "Underwriting Requirements" subsection previously presented in this subtopic and must be maintained in the mortgage file. Paystub and W2 documentation must meet the "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must either:</p> <ul style="list-style-type: none"> ● Verify and document the income as required by the applicable income type, or ● Remove the income and resubmit the mortgage to Loan Product Advisor

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				<p>Eligible for Partial Income Representation and Warranty Relief</p> <p>The lender is relieved from enforcement of representations and warranties related to the borrower's income as confirmed by Loan Product Advisor feedback messages. When partial income representation and warranty relief is granted for a source(s), the lender is relieved from:</p> <ul style="list-style-type: none"> • Accuracy of the income calculation related to eligible income types described in the "Eligible Income Types" subsection previously presented in this subtopic, that are on the verification report or paystub(s) and W2 form(s), and • Accuracy and integrity of the data represented on the verification report <p>Note: The lender is not relieved from the representations and warranties related to the accuracy and integrity of the data when obtained from the borrower's paystub(s) and W2 form(s).</p> <p>For eligible income types (as described in the "Eligible Income Types" subsection previously presented in this subtopic) that are on the verification report or paystub(s), the verification report, paystub(s) and W2 form(s), as applicable, are acceptable documentation as described in the "Underwriting Requirements" subsection previously presented in this subtopic and must be maintained in the mortgage file. Paystub and W2 documentation must meet the "Employed Income Documentation and Verification Requirements" previously presented in the "General Income Documentation Requirements" subtopic.</p> <p>When there are multiple income sources and one or more income sources are needed to qualify the borrower, document the income source(s) as required by the feedback messages.</p>

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				<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 25%; color: red; vertical-align: top;">Not Eligible for Income Representation and Warranty Relief</td> <td style="width: 50%; color: red; vertical-align: top;">The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor did not return a feedback message indicating representation and warranty relief was granted.</td> <td style="width: 25%; color: red; vertical-align: top;">The income must be verified and documented as required by the applicable income type.</td> </tr> <tr> <td style="width: 25%; color: red; vertical-align: top;">Unable to Assess for Income Representation and Warranty Relief</td> <td style="width: 50%; color: red; vertical-align: top;">The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor was unable to assess the borrower's income. This could be due to missing or incomplete information or a system being down.</td> <td style="width: 25%; color: red; vertical-align: top;">The income must be verified and documented as required by the applicable income type.</td> </tr> </table> <ul style="list-style-type: none"> • IRS Form 4506-C Requirements <ul style="list-style-type: none"> • For mortgages using employed income data obtained from paystub(s) and W-2(s), the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" outlined in the "General Income Documentation Requirements" subtopic previously presented in this document apply. • For mortgages that receive an income representation and warranty result of either "Eligible" or "Partial" with a feedback message indicating that no further documentation is required for the income reflected on the verification report, if all the income of a borrower is from an eligible income type described in the "Eligible Income Types" subsection above and is on the verification report, the lender does not need to obtain and maintain in the mortgage file the following: <ul style="list-style-type: none"> • A signed IRS Form 4506-C (or an alternate form acceptable to the IRS that authorizes the release of comparable tax information to a third party) signed by the borrower, or • A signed Commonwealth of Puerto Rico Form 2907 or Form 4506-C (or an alternate form that authorizes the release of comparable tax information to a third party), as applicable, signed by the borrower for income that is derived from sources in Puerto Rico, Guam or the U.S. Virgin Islands and is exempt from federal income taxation under the Internal Revenue Code • For mortgages using paystub(s) and W2 form(s) as employed income data that receive an income representation and warranty result of either "Eligible for Income Representation and Warranty Relief" or "Eligible for Partial Income Representation and 	Not Eligible for Income Representation and Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor did not return a feedback message indicating representation and warranty relief was granted.	The income must be verified and documented as required by the applicable income type.	Unable to Assess for Income Representation and Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor was unable to assess the borrower's income. This could be due to missing or incomplete information or a system being down.	The income must be verified and documented as required by the applicable income type.
Not Eligible for Income Representation and Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor did not return a feedback message indicating representation and warranty relief was granted.	The income must be verified and documented as required by the applicable income type.								
Unable to Assess for Income Representation and Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor was unable to assess the borrower's income. This could be due to missing or incomplete information or a system being down.	The income must be verified and documented as required by the applicable income type.								

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)
			<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"> • Automated Income Assessment with Loan Product Advisor Using Tax Data <ul style="list-style-type: none"> • Overview <ul style="list-style-type: none"> • Automated income assessment with Loan Product Advisor using tax data, part of asset and income modeler (AIM), provides lenders with the option to use Loan Product Advisor to determine whether the lender is eligible for relief from enforcement of certain representations and warranties related to the borrower's self-employed income using tax data. <p>Truist Note: LPA loans for borrowers with self-employed income evaluated using automated income assessment with Loan Product Advisor using tax data (i.e., LPA AIM for self-employed income) must be underwritten by a Correspondent lender approved by Truist for delegated underwriting authority. These transactions are not eligible for purchase if Truist underwrites the loan.</p> <ul style="list-style-type: none"> • References in this section to "service provider" mean a third-party service provider designated by Freddie Mac. • The lender must obtain the borrower's federal income tax returns or tax transcripts in accordance with the "Eligibility Requirements" subsection outlined below. <ul style="list-style-type: none"> • Tax Returns Obtained from the Borrower <ul style="list-style-type: none"> • If the lender obtains federal income tax returns from the borrower, the lender will upload the tax returns to a service provider, which will produce a report ("Income Calculation Report") consisting of data extracted from the borrower's tax returns. After the lender reviews and verifies the Income Calculation Report and reuploads it to the service provider, Loan Product Advisor will retrieve the borrower's tax return data from the service provider and assess for income representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate. • The lender may also request from the Internal Revenue Service (IRS), via the service provider, a tax transcript of the borrower's federal individual income 	<p>Warranty Relief," the documentation requirements outlined in "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" in the "General Income Documentation Requirements" subtopic previously presented in this document apply.</p> <ul style="list-style-type: none"> • For mortgages that received an income representation and warranty result of either "Not Eligible for Income Representation and Warranty Relief" or "Unable to Assess for Income Representation and Warranty Relief," the requirements outlined in "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" in the "General Income Documentation Requirements" subtopic previously presented in this document apply. <p><i>All other currently published requirements in this section remain the same.</i></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"> • Automated Income Assessment with Loan Product Advisor Using Tax Data <ul style="list-style-type: none"> • Overview <ul style="list-style-type: none"> • Asset and income modeler (AIM) automated income assessment with Loan Product Advisor using tax data, part of asset and income modeler (AIM), provides lenders with the option to use Loan Product Advisor or the Freddie Mac Income Calculator to determine whether the lender is eligible for relief from enforcement of certain representations and warranties related to the borrower's self-employed income using tax data. <p>Truist Note: LPA loans for borrowers with self-employed income evaluated using automated income assessment with Loan Product Advisor using tax data (i.e., LPA AIM for self-employed income) must be underwritten by a Correspondent lender approved by Truist for delegated underwriting authority. These transactions are not eligible for purchase if Truist underwrites the loan.</p> <ul style="list-style-type: none"> • The lender must obtain the borrower's tax data and submit all required data and information to Loan Product Advisor or the Freddie Mac Income Calculator. Based on the data submitted, Loan Product Advisor or the Freddie Mac Income Calculator will assess for representation and warranty relief eligibility and return the results of the assessment. • Representation and warranty relief eligibility is contingent on the lender's compliance with the requirements of this section. • References in this section to "service provider" mean a third-party service provider designated by Freddie Mac. • The lender must obtain the borrower's federal income tax returns or tax transcripts in accordance with the "Eligibility Requirements" subsection outlined below. • Tax Returns Uploaded to a Service Provider Obtained from the Borrower

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			<p>tax return(s). If both tax returns and tax transcripts are obtained, Loan Product Advisor will compare data from the borrower's tax return to data from the tax transcript for assessment of tax return data representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate.</p> <ul style="list-style-type: none"> • Tax Transcripts Obtained from a Service Provider <ul style="list-style-type: none"> • Alternatively, the lender may request from the IRS, via a service provider, a tax transcript of the borrower's federal individual income tax return(s). Loan Product Advisor will retrieve the tax transcript data from the service provider and assess for income and data representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate. • Eligibility Requirements <ul style="list-style-type: none"> • Eligible Mortgages <ul style="list-style-type: none"> • To be eligible for automated income assessment with Loan Product Advisor using tax data, the mortgage must be: <ul style="list-style-type: none"> • A conventional mortgage • An Accept mortgage • Eligible Self-Employed Income <ul style="list-style-type: none"> • Tax Returns Obtained from the Borrower <ul style="list-style-type: none"> • Self-employed income is an eligible income type for automated assessment using tax return data if it is derived from the following business structures: <ul style="list-style-type: none"> • Sole proprietorships reported on Internal Revenue Service (IRS) Schedule C • S corporations reported on IRS Form 1120S (including compensation of officers reported on IRS Form W-2), IRS Form 8825 and IRS Schedule K-1 (Form 1120S) • Partnerships reported on IRS Form 1065, IRS Form 8825 and IRS Schedule K-1 (Form 1065) • Tax Transcripts Obtained from a Service Provider <ul style="list-style-type: none"> • Self-employed income is an eligible income type for automated assessment using tax transcript data when it is derived from a sole proprietorship and reported on IRS Schedule C. If other self-employed income is reflected on other tax schedules (e.g., Schedule E or Schedule F), the mortgage is not eligible for the automated assessment using tax transcripts. • Income Calculation and Underwriting Requirements <ul style="list-style-type: none"> • Income Calculations Using Tax Returns Obtained from the Borrower <ul style="list-style-type: none"> • To generate an Income Calculation Report, the lender must upload the borrower's federal income tax returns to the service provider. • The service provider will then create the Income Calculation Report and provide the report to the lender along with a unique identifying reference number assigned to the generated report (the "report ID"). • The lender must then: 	<ul style="list-style-type: none"> • If the lender obtains federal income tax returns from the borrower, the lender will upload the tax returns to a service provider, which will produce a report ("Income Calculation Report") consisting of data extracted from the borrower's tax returns. After the lender reviews and verifies the Income Calculation Report and reuploads it to the service provider, Loan Product Advisor will retrieve the borrower's tax return data from the service provider and assess for income representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate. • The lender may also request from the Internal Revenue Service (IRS), via the service provider, a tax transcript of the borrower's federal individual income tax return(s). If both tax returns and tax transcripts are obtained, Loan Product Advisor will compare data from the borrower's tax return to data from the tax transcript for assessment of tax return data representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate. • Tax Transcripts Obtained from a Service Provider <ul style="list-style-type: none"> • Alternatively, the lender may request from the IRS, via a service provider, a tax transcript of the borrower's federal individual income tax return(s). Loan Product Advisor will retrieve the tax transcript data from the service provider and assess for income and data representation and warranty relief eligibility and return the results of the assessment on the Feedback Certificate. • Freddie Mac Income Calculator Using Tax Return or Tax Transcript Data <ul style="list-style-type: none"> • The lender may enter data from the borrower's federal individual income tax returns or tax transcripts into the Freddie Mac Income Calculator which will produce a Freddie Mac Income Calculator Certificate that details the results of the Freddie Mac Income Calculator submission, including the calculated income and representation and warranty relief eligibility. • Eligibility Requirements • Eligible Mortgages <ul style="list-style-type: none"> • To be eligible for automated income assessment with Loan Product Advisor using tax data, the mortgage must be: <ul style="list-style-type: none"> • A conventional mortgage • An Accept mortgage • Eligible Self-Employed Income <ul style="list-style-type: none"> • Tax Returns Obtained from the Borrower <ul style="list-style-type: none"> • Self-employed income is an eligible income type for an automated assessment using tax return data if it is derived from the following business structures: <ul style="list-style-type: none"> • Sole proprietorships reported on Internal Revenue Service IRS Schedule C • S corporations reported on IRS Form 1120S (including compensation of officers reported on IRS Form W-2), IRS Form 8825 and IRS Schedule K-1 (Form 1120S) • Partnerships reported on IRS Form 1065, IRS Form 8825 and IRS Schedule K-1 (Form 1065) • Tax Transcripts Obtained from a Service Provider

Agency Standards Revisions

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			<ul style="list-style-type: none"> Review and verify the Income Calculation Report against information in the mortgage file to determine if any adjustments must be made. If so, the lender must update the Income Calculation Report and upload it to the service provider, along with any additional documentation necessary to support the updates, or If an Income Calculation Report is not provided, document the calculation of the borrower's self-employed income on <u>Form 91, Income Calculations</u>, or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document. Submit to Loan Product Advisor the report ID number, which will be used by Loan Product Advisor to retrieve from the service provider the data extracted from the borrower tax returns. Loan Product Advisor will assess this data and return the results of the assessment on the Feedback Certificate. <ul style="list-style-type: none"> Income Calculations Using Tax Transcripts Obtained from a Service Provider <ul style="list-style-type: none"> The lender must request tax transcripts from a service provider. The service provider, using a direct connection to the IRS, will provide the tax transcript to the lender, along with a unique identifying reference number assigned to the generated report (the "report ID"). The lender must then: <ul style="list-style-type: none"> Review the tax transcripts and document the calculation of the borrower's self-employed income on <u>Form 91</u> or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document. Submit to Loan Product Advisor the report ID number, which will be used by Loan Product Advisor to retrieve from the service provider the data extracted from the borrower's tax transcripts. Loan Product Advisor will assess this data and return the results of the assessment on the Feedback Certificate. <ul style="list-style-type: none"> Underwriting Requirements <ul style="list-style-type: none"> For mortgages that receive a Risk Class of "Accept" and are underwritten using self-employed income that is eligible for representation and warranty relief, as described in the "Representation and Warranty Relief and Additional Requirements" subsection subsequently presented in this subtopic: <ul style="list-style-type: none"> The borrower must have been self-employed and received income from the same eligible income source (i.e., business) on the Income Calculation Report or <u>Form 91</u> (or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document) for the most recent two years. When the borrower's business has been in existence for less than five years, or the borrower has owned the business for less than five years, the borrower's federal income tax returns or tax transcripts must reflect at least two years of receipt of income and/or losses from the business. Income reported on the business tax returns but not on personal tax returns must not be considered as stable monthly income The lender must verify the current existence of the business in accordance with the requirements below: 	<ul style="list-style-type: none"> <u>Self-employed</u> income is an eligible income type for <u>an</u> automated assessment using tax transcript data when it is derived from a sole proprietorship and reported on IRS Schedule <u>C</u>. Note: If other self-employed income is reflected on other tax schedules (e.g., Schedule E or Schedule F), the mortgage is not eligible for the automated assessment using tax transcripts. <ul style="list-style-type: none"> Income Calculation and Underwriting Requirements <ul style="list-style-type: none"> Income Calculations Using Tax Returns Obtained from the Borrower <ul style="list-style-type: none"> To generate an Income Calculation Report, the lender must upload the borrower's federal income tax returns to the service provider. The service provider will then create the Income Calculation Report and provide the report to the lender along with a unique identifying reference number assigned to the generated report (the "report ID"). The lender must then: <ul style="list-style-type: none"> Review and verify the Income Calculation Report against information in the mortgage file to determine if any adjustments must be made. If so, the lender must update the Income Calculation Report and upload it to the service provider, along with any additional documentation necessary to support the updates, or If an Income Calculation Report is not provided, document the calculation of the borrower's self-employed income on <u>Form 91, Income Calculations</u>, or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document. Submit to Loan Product Advisor the report ID number, which will be used by Loan Product Advisor to retrieve from the service provider the data extracted from the borrower tax returns. Loan Product Advisor will assess this data and return the results of the assessment on the Feedback Certificate. Income Calculations Using Tax Transcripts Obtained from a Service Provider <ul style="list-style-type: none"> The lender must request tax transcripts from a service provider. 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Agency Standards Revisions

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)								
			<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 20%;">Topic</th> <th style="width: 80%;">Requirements and Guidance for Verification of Existence of the Business</th> </tr> </thead> <tbody> <tr> <td>Verification of current existence of business</td> <td>Verification of the current existence of the business is required when positive income from the business is used as stable monthly income</td> </tr> <tr> <td>Acceptable third-party sources</td> <td> <ul style="list-style-type: none"> Acceptable third-party sources for verification of existence of the business include, but are not limited to: <ul style="list-style-type: none"> Regulatory agency Phone directory Internet source (e.g., Better Business Bureau) Directory assistance Applicable licensing bureau Verification of current existence of the business obtained verbally from an acceptable third-party source must be documented and include all of the following: <ul style="list-style-type: none"> Name and address of the business Name of individual and entity contacted to obtain the verification Date information verified Name and title of the individual who completed the verification for the lender </td> </tr> <tr> <td>Alternative sources for verification of current existence of the business</td> <td> The lender may consider alternative sources if the above are not available, such as: <ul style="list-style-type: none"> Preparer of the tax returns for the business (e.g., accountant), provided the preparer has an arm's length relationship with the borrower At least one month's business bank statement that supports the current existence of the business and the level and type of income and expenses reported on the business tax returns </td> </tr> </tbody> </table>	Topic	Requirements and Guidance for Verification of Existence of the Business	Verification of current existence of business	Verification of the current existence of the business is required when positive income from the business is used as stable monthly income	Acceptable third-party sources	<ul style="list-style-type: none"> Acceptable third-party sources for verification of existence of the business include, but are not limited to: <ul style="list-style-type: none"> Regulatory agency Phone directory Internet source (e.g., Better Business Bureau) Directory assistance Applicable licensing bureau Verification of current existence of the business obtained verbally from an acceptable third-party source must be documented and include all of the following: <ul style="list-style-type: none"> Name and address of the business Name of individual and entity contacted to obtain the verification Date information verified Name and title of the individual who completed the verification for the lender 	Alternative sources for verification of current existence of the business	The lender may consider alternative sources if the above are not available, such as: <ul style="list-style-type: none"> Preparer of the tax returns for the business (e.g., accountant), provided the preparer has an arm's length relationship with the borrower At least one month's business bank statement that supports the current existence of the business and the level and type of income and expenses reported on the business tax returns 	<ul style="list-style-type: none"> For mortgages that receive a Risk Class of "Accept" and are underwritten using self-employed income that is eligible for representation and warranty relief, as described in the "Representation and Warranty Relief and Additional Requirements" subsection subsequently presented in this subtopic: The borrower must have been self-employed and received income from the same eligible income source (i.e., business) on the Income Calculation Report, the Freddie Mac Income Calculator Certificate, or Form 91, Income Calculations (or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document) for the most recent two years. If the borrower's business has been in existence for less than five years, or the borrower has owned the business for less than five years, the borrower's federal income tax returns or tax transcripts must reflect at least two years of receipt of income and/or losses from the business. Income reported on the business tax returns but not on personal tax returns must not be considered as stable monthly income The lender must have no knowledge, information or documentation that contradicts an expectation that the income will continue for at least the next three years. <ul style="list-style-type: none"> Federal Income Tax Return and Tax Transcript Requirements <ul style="list-style-type: none"> The tax returns or tax transcripts used in the automated income assessment must be the borrower's individual and business, if applicable, U.S. federal income tax return(s) that were most recently filed with the IRS. Lenders are encouraged to always confirm with the borrower that the tax return(s) or tax transcripts provided are the most recent filed with the IRS. The individual tax return year most recently filed with the IRS must correspond to the business tax return year most recently filed with the IRS for all businesses (e.g., when the most recently filed individual tax return year is 2024, the most recently filed business tax return year must also be 2024). The income and/or loss reflected in the federal income tax returns or tax transcripts must be reported for the same business on the same tax form structure (e.g., the business cannot be reported as a sole proprietorship and then converted to a partnership). The tax returns must not be any of the following: <ul style="list-style-type: none"> Filed on a fiscal year basis Handwritten An amended return From a U.S. Territory If the borrower has amended their tax returns, then tax transcripts are not acceptable for assessment through Loan Product Advisor or the Freddie Mac Income Calculator. Inconsistent or Contradictory Information <ul style="list-style-type: none"> The lender is responsible for investigating and resolving any inconsistent or contradictory information contained in the Income Calculation Report, the Freddie Mac Income Calculator Certificate, Form 91 (or a similar alternative form), federal income tax returns, tax transcripts and/or the mortgage file. For example:
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Agency Standards Revisions

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When business assets are being used for the down payment, closing costs and/or reserves, the lender must determine that the withdrawal of the funds will not have a detrimental effect on the business. In addition to a review and analysis of the personal and business tax returns or tax transcripts, the lender may review and analyze the current financial statement and/or the last three months of the business bank statements to confirm the deposits, withdrawals and balances are supportive of a viable business and are aligned with the level and type of income and expenses reported on the business tax returns. The factors contributing to the determination that the withdrawal will not negatively impact the business must be included on the lender's written analysis of the income source and amount The business assets must be verified in accordance with the "General Asset Documentation Requirements" previously presented in this document. </td> </tr> </tbody> </table> <ul style="list-style-type: none"> The lender is responsible for investigating and resolving any inconsistent or contradictory information contained in the Income Calculation Report, Form 	Date requirements	The verification of the existence of the business must be completed prior to the delivery date (to Truist), but no more than 120 days prior to the note date	Subject	Requirements and Guidance	Business assets used for closing	<ul style="list-style-type: none"> Withdrawals of assets from the business may have a negative impact on the ability of the business to continue operating. 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The factors contributing to the determination that the withdrawal will not negatively impact the business must be included on the lender's written analysis of the income source and amount The business assets must be verified in accordance with the "General Asset Documentation Requirements" previously presented in this document. 	<ul style="list-style-type: none"> If the lender determines that a business from which positive borrower income is calculated is no longer in operation, the lender must exclude it from the qualifying income, or If the mortgage receives a tax return data representation and warranty relief result of "Not Eligible," as described in the "Data Representation and Warranty Relief Results on the Feedback Certificate" section below, due to inconsistencies between the tax transcript returned by the IRS via the service provider and the tax return(s) uploaded to the service provider, the lender is required to resolve the discrepancy <p>If the lender finds discrepancies, it must update the information in Loan Product Advisor, the Freddie Mac Income Calculator and/or the Income Calculation Report and resubmit the data as necessary.</p> <p>Note: For mortgages that receive a tax return data representation and warranty relief result of "Eligible" as described in the "Data Representation and Warranty Relief Results on the Feedback Certificate" section below, Loan Product Advisor has compared the data from uploaded tax return(s) to data from IRS tax transcripts and has found the data to be consistent; therefore, for eligible income, the lender is not responsible for investigating inconsistent information between these documents.</p> <ul style="list-style-type: none"> Other Standards Provisions Related to an Automated Income Assessment Using Tax Data <ul style="list-style-type: none"> Refer to the following sections outlined in this document for additional requirements related to the automated income assessment using tax data: <ul style="list-style-type: none"> "Verbal Verification of Employment (VVOE) / 10-Day Pre-Closing Verification (PCV)" subtopic in the "Income" topic for requirements related to the verification of the current existence of the business "Business Assets" subtopic in the "Cash Requirements" topic for requirements related to business assets used for closing "Age of Tax Returns" in the "General Income Documentation Requirements" / "Tax Returns and Tax Return Information: Documentation and Verification Requirements" subtopic/subsection in the "Income" topic for age of tax return requirements <p style="color: red;">The lender must verify the current existence of the business in accordance with the requirements below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 20%;">Topic</th> <th style="width: 80%;">Requirements and Guidance for Verification of Existence of the Business</th> </tr> </thead> <tbody> <tr> <td style="color: red;">Verification of current existence of business</td> <td style="color: red;">Verification of the current existence of the business is required when positive income from the business is used as stable monthly income</td> </tr> <tr> <td style="color: red;">Acceptable third-party sources</td> <td style="color: red;">Acceptable third-party sources for verification of existence of</td> </tr> </tbody> </table>	Topic	Requirements and Guidance for Verification of Existence of the Business	Verification of current existence of business	Verification of the current existence of the business is required when positive income from the business is used as stable monthly income	Acceptable third-party sources	Acceptable third-party sources for verification of existence of
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			<p><u>91</u> (or a similar alternative form as described in the “Self-Employment Income” subtopic previously presented in this document), federal income tax returns, tax transcripts and/or the mortgage file. For example:</p> <ul style="list-style-type: none"> • If the lender determines that a business from which positive borrower income is calculated is no longer in operation, the lender must exclude it from the qualifying income, or • If the mortgage receives a tax return data representation and warranty result of "Not Eligible" (as described in the “Data Representation and Warranty Relief Using Tax Returns” subsection subsequently presented in this subtopic) due to inconsistencies between the tax transcript returned by the Internal Revenue Service (IRS) via the service provider and the tax return(s) uploaded to the service provider, the lender is required to resolve the discrepancy • If the lender finds discrepancies, it must update the information in Loan Product Advisor and/or the Income Calculation Report and resubmit the data as necessary. • For mortgages that receive a tax return data representation and warranty result of "Eligible" (as described in the “Data Representation and Warranty Relief using Tax Returns” subsection subsequently presented in this subtopic) Loan Product Advisor has compared the data from uploaded tax return(s) to data from IRS tax transcripts and has found the data to be consistent; therefore, for eligible income, the lender is not responsible for investigating inconsistent information between these documents. • The lender must have no knowledge, information or documentation that contradicts a reasonable expectation of continuance of income or probability of consistent receipt for at least the next three years. <ul style="list-style-type: none"> • Loan Product Advisor Requirements <ul style="list-style-type: none"> • Tax Returns Obtained from the Borrower <ul style="list-style-type: none"> • For Loan Product Advisor to assess the mortgage for income representation and warranty relief, the lender must: <ul style="list-style-type: none"> • Submit the most current version of the Income Calculation Report to Loan Product Advisor. If the Income Calculation Report is updated or additional income documentation is provided, the lender must upload the updated report and/or income documentation to the service provider and submit the updated information to Loan Product Advisor. Loan Product Advisor will assess, on an individual borrower-level and an individual business-level basis, the calculation of income and/or losses from the eligible self-employed income based on data from the federal income tax returns and the Income Calculation Report. • Submit the mortgage to Loan Product Advisor with the report ID assigned by the service provider. Loan Product Advisor accepts only one report ID for each mortgage using tax data. • Indicate in Loan Product Advisor that a borrower is self-employed. • Tax Transcripts Obtained from a Service Provider <ul style="list-style-type: none"> • For Loan Product Advisor to assess the mortgage for income representation and warranty relief, the lender must: 	<p>the business include, but are not limited to:</p> <ul style="list-style-type: none"> • Regulatory agency • Phone directory • Internet source (e.g., Better Business Bureau) • Directory assistance • Applicable licensing bureau • Verification of current existence of the business obtained verbally from an acceptable third party source must be documented and include all of the following: <ul style="list-style-type: none"> • Name and address of the business • Name of individual and entity contacted to obtain the verification • Date information verified • Name and title of the individual who completed the verification for the lender 	<p>Alternative sources for verification of current existence of the business</p> <p>The lender may consider alternative sources if the above are not available, such as:</p> <ul style="list-style-type: none"> • Preparer of the tax returns for the business (e.g., accountant), provided the preparer has an arm's length relationship with the borrower • At least one month's business bank statement that supports the current existence of the business and the level and type of income and expenses reported on the business tax returns 	<p>Date requirements</p> <p>The verification of the existence of the business must be completed prior to the delivery date (to Truist), but no more than 120 days prior to the note date</p>
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				<p style="text-align: center; margin: 0;">Subject</p>	<p style="text-align: center; margin: 0;">Requirements and Guidance</p>	
				<p style="text-align: center; margin: 0;">Business assets used for closing</p>	<ul style="list-style-type: none"> • Withdrawals of assets from the business may have a negative 	

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			<ul style="list-style-type: none"> Submit the mortgage to Loan Product Advisor, which assesses, on an individual borrower-level and an individual business-level basis, the calculation of income and/or losses from the eligible self-employed income reported on Schedule C based on data from the federal income tax transcripts. Submit the mortgage to Loan Product Advisor with the report ID assigned by the service provider. Loan Product Advisor accepts only one report ID for each mortgage using tax data. Indicate in Loan Product Advisor that a borrower is self-employed. <ul style="list-style-type: none"> Representation and Warranty Relief and Additional Requirements <ul style="list-style-type: none"> Representation and Warranty Relief <ul style="list-style-type: none"> Two types of relief from enforcement of representations and warranties are available through automated income assessment with Loan Product Advisor using tax data: income representation and warranty relief and tax data representation and warranty relief. Eligibility for each type of representation and warranty relief is determined separately. <ul style="list-style-type: none"> Income Representation and Warranty Relief <ul style="list-style-type: none"> Relief from enforcement of representations and warranties related to eligible income may be available for mortgages when the borrower's tax data is retrieved from the service provider by Loan Product Advisor for assessment. The income representation and warranty relief eligibility result, and the corresponding requirements are as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 25%;">Eligibility Result</th> <th style="width: 25%;">Representation and Warranty Relief</th> <th style="width: 25%;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Eligible for Income Representation and Warranty Relief</td> <td style="vertical-align: top;"> The lender is relieved from enforcement of the following representations and warranties: <ul style="list-style-type: none"> The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91, Income Calculations </td> <td style="vertical-align: top;"> For eligible self-employed income (as described in the "Eligible Self-Employed Income" subsection previously presented in this subtopic): <ul style="list-style-type: none"> The Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subtopic) </td> </tr> </tbody> </table> 	Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements	Eligible for Income Representation and Warranty Relief	The lender is relieved from enforcement of the following representations and warranties: <ul style="list-style-type: none"> The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91, Income Calculations 	For eligible self-employed income (as described in the "Eligible Self-Employed Income" subsection previously presented in this subtopic): <ul style="list-style-type: none"> The Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subtopic) 	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="color: red; font-size: small;">impact on the ability of the business to continue operating. When business assets are being used for the down payment, closing costs and/or reserves, the lender must determine that the withdrawal of the funds will not have a detrimental effect on the business. In addition to a review and analysis of the personal and business tax returns or tax transcripts, the lender may review and analyze the current financial statement and/or the last three months of the business bank statements to confirm the deposits, withdrawals and balances are supportive of a viable business and are aligned with the level and type of income and expenses reported on the business tax returns.</p> <ul style="list-style-type: none"> The factors contributing to the determination that the withdrawal will not negatively impact the business must be included on the lender's written analysis of the income source and amount The business assets must be verified in accordance with the "General Asset Documentation Requirements" previously presented in this document. </div> <ul style="list-style-type: none"> The lender is responsible for investigating and resolving any inconsistent or contradictory information contained in the Income Calculation Report, Form 91 (or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document), federal income tax returns, tax transcripts and/or the mortgage file. For example: <ul style="list-style-type: none"> If the lender determines that a business from which positive borrower income is calculated is no longer in operation, the lender must exclude it from the qualifying income, or If the mortgage receives a tax return data representation and warranty result of "Not Eligible" (as described in the "Data Representation and Warranty Relief Using Tax Returns" subsection subsequently presented in this subtopic) due to inconsistencies between the tax transcript returned by the Internal Revenue Service (IRS) via the service provider 		
Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements										
Eligible for Income Representation and Warranty Relief	The lender is relieved from enforcement of the following representations and warranties: <ul style="list-style-type: none"> The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91, Income Calculations 	For eligible self-employed income (as described in the "Eligible Self-Employed Income" subsection previously presented in this subtopic): <ul style="list-style-type: none"> The Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subtopic) 										

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Topic	Impacted Document	Impacted Products	Current Standards			Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)
				<p>(or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document), and</p> <ul style="list-style-type: none"> The business and income analysis described in the "Self-Employment Income" subtopic previously presented in this document, including the analysis of the eligible self-employed income to support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the borrower 	<p>previously presented in this document) must be used to document the income.</p> <ul style="list-style-type: none"> The requirements of the "Documentation Requirements" subsection subsequently presented in this subtopic, must be met <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must either:</p> <ul style="list-style-type: none"> Verify and document the income as required by the applicable income type, or Remove the income and resubmit the mortgage to Loan Product Advisor 	<p style="text-align: right;">and the tax return(s) uploaded to the service provider, the lender is required to resolve the discrepancy</p> <ul style="list-style-type: none"> If the lender finds discrepancies, it must update the information in Loan Product Advisor and/or the Income Calculation Report and resubmit the data as necessary. For mortgages that receive a tax return data representation and warranty relief result of "Eligible" (as described in the "Data Representation and Warranty Relief using Tax Returns" subsection subsequently presented in this subtopic) Loan Product Advisor has compared the data from uploaded tax return(s) to data from IRS tax transcripts and has found the data to be consistent; therefore, for eligible income, the lender is not responsible for investigating inconsistent information between these documents. The lender must have no knowledge, information or documentation that contradicts a reasonable expectation of continuance of income or probability of consistent receipt for at least the next three years. <ul style="list-style-type: none"> Loan Product Advisor Requirements Data Submission Requirements <ul style="list-style-type: none"> Tax Returns Uploaded to a Service Provider Obtained from the Borrower <ul style="list-style-type: none"> For Loan Product Advisor to assess the mortgage for income representation and warranty relief, the lender must: <ul style="list-style-type: none"> When tax returns are obtained and uploaded to a service provider, the lender must: <ul style="list-style-type: none"> Review and verify the Income Calculation Report, if applicable, against information in the mortgage file to determine if any adjustments must be made. If so, the lender must update the Income Calculation Report and upload it to the service provider, along with any additional documentation necessary to support the updates Submit the most current version of the Income Calculation Report to Loan Product Advisor. If the Income Calculation Report is updated or additional income documentation is provided, the lender must upload the updated report and/or income documentation to the service provider and submit the updated information to Loan Product Advisor. Loan Product Advisor will assess, on an individual borrower-level and an individual business-level basis, the calculation of income and/or losses from the eligible self-employed income based on data from the federal income tax returns and the Income Calculation Report. <p>Note: If the Income Calculation Report is updated or additional income documentation is provided, the lender must upload the updated report and/or income documentation to the service provider and submit the updated information to Loan Product Advisor.</p> <ul style="list-style-type: none"> Submit the mortgage to Loan Product Advisor with the report ID assigned by the service provider. Loan Product Advisor accepts only one report ID for each mortgage using tax data. Indicate in Loan Product Advisor that a borrower is self-employed. <ul style="list-style-type: none"> Tax Transcripts Obtained from a Service Provider

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			Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements	
			<p>Eligible for Partial Income Representation and Warranty Relief</p> <p>The lender is relieved from enforcement of representations and warranties related to the borrower's income as confirmed by Loan Product Advisor feedback messages. When partial income representation and warranty relief is granted for a source(s), the lender is relieved from:</p> <ul style="list-style-type: none"> The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document), and The business and income analysis 	<p>The lender is relieved from enforcement of representations and warranties related to the borrower's income as confirmed by Loan Product Advisor feedback messages. When partial income representation and warranty relief is granted for a source(s), the lender is relieved from:</p> <ul style="list-style-type: none"> The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document), and The business and income analysis 	<p>For eligible self-employed income (as described in the "Eligible Self-Employed Income" subsection previously presented in this subtopic):</p> <ul style="list-style-type: none"> The Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document) must be used to document the income. The requirements of the "Documentation Requirements" subsection subsequently presented in this subtopic, must be met <p>When there are multiple income sources and one or more income source(s) are needed to qualify the borrower,</p>	<ul style="list-style-type: none"> For Loan Product Advisor to assess the mortgage for income representation and warranty relief, the lender must: When tax transcripts are obtained from a service provider and not used with the Freddie Mac Income Calculator, the lender must: <ul style="list-style-type: none"> Submit the mortgage to Loan Product Advisor, which assesses, on an individual borrower-level and an individual business-level basis, the calculation of income and/or losses from the eligible self-employed income reported on Schedule C based on data from the federal income tax transcripts. Submit the mortgage to Loan Product Advisor with the report ID assigned by the service provider. Loan Product Advisor accepts only one report ID for each mortgage using tax data. Indicate in Loan Product Advisor that a borrower is self-employed. Freddie Mac Income Calculator Using Tax Data <ul style="list-style-type: none"> When the lender uses the Freddie Mac Income Calculator with tax data, the lender must: <ul style="list-style-type: none"> Submit accurate tax return data or tax transcript data, as applicable, to the Freddie Mac Income Calculator, which will assess, on an individual borrower-level and an individual business-level basis, the calculation of income and/or losses from the eligible self-employed income. <p>Note: When using tax transcripts, the only eligible self-employed income is from a sole proprietorship, reported on IRS Schedule C as described in the "Eligible Self-Employed Income" section above.</p> <ul style="list-style-type: none"> Indicate in Loan Product Advisor that a borrower is self-employed if the data from the Freddie Mac Income Calculator Certificate is submitted to Loan Product Advisor.
					<ul style="list-style-type: none"> Representation and Warranty Relief Eligibility and Additional Documentation Requirements <ul style="list-style-type: none"> Representation and Warranty Relief Overview <ul style="list-style-type: none"> Two types of relief from enforcement of representations and warranties are available through an automated income assessment with Loan Product Advisor using tax data: income representation and warranty relief and tax data representation and warranty relief. Eligibility for each type of representation and warranty relief is determined separately. <ul style="list-style-type: none"> Income representation and warranty relief Tax data representation and warranty relief <ul style="list-style-type: none"> When using tax returns uploaded to a service provider, data representation and warranty relief may be available when the tax transcript is requested via a service provider and Loan Product Advisor compares the data from uploaded tax returns(s) to data from the IRS tax transcripts When using tax transcripts obtained from a service provider, data representation and warranty relief may be available when the tax data is assessed by Loan Product Advisor 	

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				<p>described in the “Self-Employment Income” subtopic previously presented in this document, including the analysis of the eligible self-employed income to support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the borrower</p>	<p>document the income source(s) as required by the feedback messages.</p>		<ul style="list-style-type: none"> If multiple Loan Product Advisor submissions are made, lender’s eligibility for representation and warranty relief will be based on the results on the Last Feedback Certificate. Income Representation and Warranty Relief Results on Feedback Certificate <ul style="list-style-type: none"> When income representation and warranty relief eligibility results are provided on the Last Feedback Certificate, the relief available is described in the following table: 																		
				<table border="1" style="width: 100%; border-collapse: collapse; background-color: #2c3e50; color: white;"> <thead> <tr> <th style="width: 25%;">Eligibility Result</th> <th style="width: 25%;">Representation and Warranty Relief</th> <th style="width: 25%;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f1c40f;">Not Eligible for Income Representation and Warranty Relief</td> <td>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower’s income. Loan Product Advisor did not return a feedback message indicating representation and warranty relief was granted.</td> <td>The income must be verified and documented as required by the applicable income type.</td> </tr> <tr> <td style="background-color: #f1c40f;">Unable to Assess for Income Representation and Warranty Relief</td> <td>The lender is not eligible for relief from enforcement of representations and warranties</td> <td>The income must be verified and documented as required by the</td> </tr> </tbody> </table>			Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements	Not Eligible for Income Representation and Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower’s income. Loan Product Advisor did not return a feedback message indicating representation and warranty relief was granted.	The income must be verified and documented as required by the applicable income type.	Unable to Assess for Income Representation and Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties	The income must be verified and documented as required by the		<table border="1" style="width: 100%; border-collapse: collapse; background-color: #2c3e50; color: white;"> <thead> <tr> <th colspan="2" style="text-align: center;">Income Representation and Warranty Relief Based on Feedback Certificate Results</th> </tr> <tr> <th style="width: 25%;">Eligibility Result</th> <th style="width: 75%;">Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f1c40f;">Eligible</td> <td> <p>The lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income calculation related to eligible self-employed income shown on the Income Calculation Report, the Freddie Mac Income Calculator Certificate, or <u>Form 91</u> (or a similar alternative form) as applicable, and The business review and analysis described in the “Self-Employment Income” subtopic previously presented in this document, including the analysis of the eligible self-employed income to support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the borrower </td> </tr> <tr> <td style="background-color: #f1c40f;">Partial</td> <td> <p>When partial income representation and warranty relief is granted for a source(s) as confirmed by the feedback message, the lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income calculation related to eligible self-employed income shown on the Income Calculation Report, the Freddie Mac Income Calculator Certificate, or <u>Form 91</u> (or a similar alternative form), as applicable, and The business review and analysis described in the “Self-Employment Income” subtopic previously presented in this document, including the analysis of the eligible self- </td> </tr> </tbody> </table>	Income Representation and Warranty Relief Based on Feedback Certificate Results		Eligibility Result	Representation and Warranty Relief	Eligible	<p>The lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income calculation related to eligible self-employed income shown on the Income Calculation Report, the Freddie Mac Income Calculator Certificate, or <u>Form 91</u> (or a similar alternative form) as applicable, and The business review and analysis described in the “Self-Employment Income” subtopic previously presented in this document, including the analysis of the eligible self-employed income to support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the borrower 	Partial	<p>When partial income representation and warranty relief is granted for a source(s) as confirmed by the feedback message, the lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income calculation related to eligible self-employed income shown on the Income Calculation Report, the Freddie Mac Income Calculator Certificate, or <u>Form 91</u> (or a similar alternative form), as applicable, and The business review and analysis described in the “Self-Employment Income” subtopic previously presented in this document, including the analysis of the eligible self-
Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements																							
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				<p>related to the borrower's income. Loan Product Advisor was unable to assess the borrower's income. This could be due to missing or incomplete information from the service provider or a system being down.</p>	applicable income type.		<p>employed income to support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the borrower</p>							
				<ul style="list-style-type: none"> Data Representation and Warranty Relief Using Tax Returns <ul style="list-style-type: none"> Relief from the enforcement of representations and warranties related to the accuracy and integrity of tax return data may be available for mortgages when the tax transcript is requested via a service provider and Loan Product Advisor compares the data from uploaded tax returns(s) to data from the Internal Revenue Service (IRS) tax transcripts. The tax return data representation and warranty relief eligibility result is provided on the Last Feedback Certificate and is described in the following chart: 				<p>Not Eligible</p> <p>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.</p> <p>Exception: The lender is relieved from enforcement of representations and warranties related to the borrower's income when a message is returned on the Freddie Mac Income Calculator Certificate indicating such relief. See table below titled "Representation and Warranty Relief Based on Freddie Mac Income Calculator Certificate Result".</p>						
							<p>Unable to Assess</p> <p>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.</p> <p>Exception: The lender is relieved from enforcement of representations and warranties related to the borrower's income when a message is returned on the Freddie Mac Income Calculator Certificate indicating such relief. See table below titled "Representation and Warranty Relief Based on Freddie Mac Income Calculator Certificate Result".</p>							
							<ul style="list-style-type: none"> Data Representation and Warranty Relief Results on the Feedback Certificate <ul style="list-style-type: none"> When data representation and warranty relief eligibility results are provided on the Last Feedback Certificate, the relief available is described in the following table: 							
							<table border="1" style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="text-align: center;">Data Representation and Warranty Relief Based on Feedback Certificate Result</th> </tr> <tr style="background-color: #34495e; color: white;"> <th style="width: 30%;">Eligibility Result</th> <th style="width: 70%;">Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f1c40f; color: black;">Eligible</td> <td> <p>Tax Returns Uploaded to a Service Provider</p> <ul style="list-style-type: none"> The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax </td> </tr> </tbody> </table>	Data Representation and Warranty Relief Based on Feedback Certificate Result		Eligibility Result	Representation and Warranty Relief	Eligible	<p>Tax Returns Uploaded to a Service Provider</p> <ul style="list-style-type: none"> The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax 	
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Tax Return Data Representation and Warranty Eligibility Result	Representation and Warranty Relief													
Eligible	<ul style="list-style-type: none"> The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax return(s) uploaded to the service provider for eligible income (as described in the "Eligible Self-Employed Income/Tax Returns Obtained from the Borrower" subsection previously presented in this subtopic) that is on the Income Calculation Report. 													

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			<ul style="list-style-type: none"> For all other income types, the lender does not receive data representation and warranty relief and must follow the requirements in the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" subsection previously presented in the "General Income Documentation Requirements" subtopic. 	<p>return(s) uploaded to the service provider for eligible self-employed income shown on the Income Calculation Report or <u>Form 91</u> (or a similar alternative form).</p> <p>Tax Transcripts Obtained from a Service Provider</p> <ul style="list-style-type: none"> The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax transcripts obtained from a service provider for eligible Schedule C income. 						
			Not Eligible	<p>Not Eligible</p> <p>The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider.</p>						
			Unavailable	<p>Unable to Assess</p> <p>The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider.</p>						
			<ul style="list-style-type: none"> Loan Product Advisor was unable to assess the accuracy and integrity of the data. This could be due to a system being down. The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider. 	<ul style="list-style-type: none"> Income Representation and Warranty Relief Results on the Freddie Mac Income Calculator Certificate <ul style="list-style-type: none"> When income representation and warranty relief eligibility results are provided on the Freddie Mac Income Calculator Certificate, the relief available is described in the following table: 						
			<ul style="list-style-type: none"> Data Representation and Warranty Relief Using Tax Transcripts <ul style="list-style-type: none"> Relief from the enforcement of representations and warranties related to the accuracy and integrity of tax transcript data may be available for mortgages when the tax transcript is requested via the service provider and the data is assessed by Loan Product Advisor. The tax 	<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="text-align: center;">Income Representation and Warranty Relief Based on the Freddie Mac Income Calculator Certificate Result</th> </tr> <tr style="background-color: #34495e; color: white;"> <th style="width: 20%;">Eligibility Result</th> <th style="width: 80%;">Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f1c40f; color: white;">Eligible</td> <td> <p>The lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income calculation related to eligible self-employed income shown on the Freddie Mac Income Calculator Certificate, and The business review and analysis described in the "Self-Employment Income" subtopic previously presented in this document, including the analysis of the eligible self-employed income to support that the business has sufficient liquidity and is </td> </tr> </tbody> </table>	Income Representation and Warranty Relief Based on the Freddie Mac Income Calculator Certificate Result		Eligibility Result	Representation and Warranty Relief	Eligible	<p>The lender is relieved from enforcement of the following representations and warranties:</p> <ul style="list-style-type: none"> Accuracy of the income calculation related to eligible self-employed income shown on the Freddie Mac Income Calculator Certificate, and The business review and analysis described in the "Self-Employment Income" subtopic previously presented in this document, including the analysis of the eligible self-employed income to support that the business has sufficient liquidity and is
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			<p>transcript data representation and warranty relief eligibility result is provided on the Last Feedback Certificate and is described in the following chart:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 50%;">Tax Transcript Data Representation and Warranty Eligibility Result</th> <th style="width: 50%;">Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Eligible</td> <td> <ul style="list-style-type: none"> The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax transcripts obtained from the service provider for Schedule C income (as described in the “Eligible Self-Employed Income/Tax Transcripts Obtained from a Service Provider” subsection previously presented in this subtopic). For all other income types, the lender does not receive data representation and warranty relief and must follow the requirements in the “IRS Form 4506-C Requirements for all Income and Asset Qualification Sources” subsection previously presented in the “General Income Documentation Requirements” subtopic. </td> </tr> <tr> <td style="vertical-align: top;">Not Eligible</td> <td> <ul style="list-style-type: none"> The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data </td> </tr> </tbody> </table>	Tax Transcript Data Representation and Warranty Eligibility Result	Representation and Warranty Relief	Eligible	<ul style="list-style-type: none"> The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax transcripts obtained from the service provider for Schedule C income (as described in the “Eligible Self-Employed Income/Tax Transcripts Obtained from a Service Provider” subsection previously presented in this subtopic). 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Not Eligible	<ul style="list-style-type: none"> The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data 	<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">financially capable of producing stable monthly income for the borrower</td> </tr> <tr> <td style="text-align: center;">Not Eligible</td> <td>The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.</td> </tr> </table> <ul style="list-style-type: none"> Documentation Requirements Based on Representation and Warranty Relief Result on Feedback Certificate <ul style="list-style-type: none"> When income representation and warranty relief eligibility results are provided on the Last Feedback Certificate, the documentation requirements are described in the following table: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="text-align: center;">Documentation Requirements Based on Representation and Warranty Relief Result on Feedback Certificate</th> </tr> <tr style="background-color: #34495e; color: white;"> <th style="width: 25%;">Eligibility Result</th> <th style="width: 75%;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Eligible</td> <td> <p>The lender must maintain in the mortgage file:</p> <ul style="list-style-type: none"> The most recent Income Calculation Report, the last Freddie Mac Income Calculator Certificate, or <u>Form 91</u> (or a similar alternative form), as applicable The borrower's federal income tax returns or tax transcripts as applicable in accordance with the “Documentation Requirements” outlined in the “Self-Employment Income” subtopic previously presented in this document Documentation to support adjustments as described in the “Tax Returns Uploaded to a Service Provider” section outlined above, if applicable All documentation submitted to the service provider, including the most recent uploaded Income Calculation Report used by Loan Product Advisor IRS Form 4506-C in accordance with the “IRS Form 4506-C Requirements for all Income and Asset Qualification Sources” previously presented in the “General Income Documentation Requirements” subtopic. <p>When there are multiple income sources and one or more is eligible for income</p> </td> </tr> </tbody> </table>		financially capable of producing stable monthly income for the borrower	Not Eligible	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income.	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				<p>from the tax transcripts obtained from the service provider.</p>			<p>representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must either:</p> <ul style="list-style-type: none"> • Verify and document the income as required by the applicable income type, or • Remove the income and resubmit the mortgage to Loan Product Advisor
			Unavailable	<ul style="list-style-type: none"> • Loan Product Advisor was unable to assess the accuracy and integrity of the data. This could be due to a system being down. • The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax transcripts obtained from the service provider. 		Partial	<p>The lender must maintain in the mortgage file:</p> <ul style="list-style-type: none"> • The most recent Income Calculation Report, the last Freddie Mac Income Calculator Certificate, or Form 91 (or a similar alternative form), as applicable • The borrower's federal income tax returns uploaded to the service provider or tax transcripts as applicable in accordance with the "Documentation Requirements" outlined in the "Self-Employment Income" subtopic previously presented in this document • Documentation to support adjustments as described in the "Tax Returns Uploaded to a Service Provider" section outlined above, when applicable • All documentation submitted to the service provider, including the most recent uploaded Income Calculation Report used by Loan Product Advisor • IRS Form 4506-C in accordance with the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" previously presented in the "General Income Documentation Requirements" subtopic. <p>When there are multiple income sources and one or more income source(s) are needed to qualify the borrower, document the income source(s) as required by the feedback messages.</p>
				<ul style="list-style-type: none"> • Internal Revenue Service (IRS) IVES Form 4506-C <ul style="list-style-type: none"> • 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. <p>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.</p> • 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. <ul style="list-style-type: none"> • General Documentation Requirements <ul style="list-style-type: none"> • The borrower's self-employment must be documented on Form 65, <i>Uniform Residential Loan Application</i> • The lender must maintain in the mortgage file: <ul style="list-style-type: none"> • The most recent Income Calculation Report or Form 91, Income Calculations (or a similar alternative form as described in the "Self-Employment Income" subtopic previously presented in this document) and, if applicable, documentation to support adjustments as described in the "Income Calculation and Underwriting Requirements/Income Calculations Using Tax Returns Obtained from the Borrower" subsection previously presented in this subtopic. 		Not Eligible	<p>The income must be verified and documented as required by the applicable income type.</p>

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			<ul style="list-style-type: none"> All documentation submitted to the service provider as well as the most recent uploaded Income Calculation Report used by Loan Product Advisor Federal Income Tax Return and Tax Transcript Requirements <ul style="list-style-type: none"> The lender must maintain in the mortgage file the following federal income tax returns or tax transcripts: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 20%;">Business structure</th> <th style="width: 30%;">Business in existence greater than or equal to five years¹</th> <th style="width: 50%;">Business in existence less than five years</th> </tr> </thead> <tbody> <tr> <td>Sole Proprietorship²</td> <td>Complete signed federal individual (Form 1040) income tax return or tax transcript for the most recent year.</td> <td>Complete signed federal individual (Form 1040) income tax returns or tax transcripts 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> </tbody> </table> <p style="font-size: small; margin-top: 10px;">¹The borrower must be self-employed (i.e., have an ownership interest of 25% or more) in the same business for at least five years ²For sole proprietorships, the lender must document on Form 65, <i>Uniform Residential Loan Application</i>, the number of years that the business has been in existence, and this length of time must not be contradicted by the borrower's federal individual income tax return(s) or tax transcripts and any other documentation or information received.</p>	Business structure	Business in existence greater than or equal to five years ¹	Business in existence less than five years	Sole Proprietorship²	Complete signed federal individual (Form 1040) income tax return or tax transcript for the most recent year.	Complete signed federal individual (Form 1040) income tax returns or tax transcripts 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.	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 20%; background-color: #f1c40f; text-align: center;">Unable to Assess</td> <td>The income must be verified and documented as required by the applicable income type.</td> </tr> </table> <ul style="list-style-type: none"> Documentation Requirements Based on Representation and Warranty Relief Result on the Freddie Mac Income Calculator Certificate <ul style="list-style-type: none"> When income representation and warranty relief eligibility results are provided on the Freddie Mac Income Calculator Certificate, the documentation requirements are described in the following table: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th colspan="2" style="text-align: center;">Documentation Requirements Based on Representation and Warranty Relief Result on the Freddie Mac Income Calculator Certificate</th> </tr> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 20%;">Eligibility Result</th> <th style="width: 80%;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f1c40f; text-align: center;">Eligible</td> <td> <p>The lender must maintain in the mortgage file:</p> <ul style="list-style-type: none"> The Freddie Mac Income Calculator Certificate reflecting the calculated income amount for each income source used to underwrite the mortgage The borrower's federal income tax returns or tax transcripts as applicable in accordance with the "Documentation Requirements" outlined in the "Self-Employment Income" subtopic previously presented in this document IRS Form 4506-C in accordance with the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" previously presented in the "General Income Documentation Requirements" subtopic. <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must verify and document the income as required by the applicable income type.</p> </td> </tr> <tr> <td style="background-color: #f1c40f; text-align: center;">Not Eligible</td> <td>The income must be verified and documented as required by the applicable income type.</td> </tr> </tbody> </table>	Unable to Assess	The income must be verified and documented as required by the applicable income type.	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			<ul style="list-style-type: none"> The tax returns submitted to the service provider or tax transcripts obtained by the service provider must be the borrower's individual and business (if applicable) U.S. federal income tax return(s) that were most recently filed with the Internal Revenue Service (IRS). Lenders are encouraged to always confirm with the borrower that the tax return(s) or tax transcripts provided are the most recent filed with the IRS. The individual tax return year most recently filed with the IRS must correspond to the business tax return year most recently filed with the IRS for all businesses (e.g., when the most recently filed individual tax return year is 2022, the most recently filed business tax return year must also be 2022). The income and/or loss reflected in the federal income tax returns or tax transcripts must be reported for the same business on the same tax form structure (e.g., the business cannot be reported as a sole proprietorship and then converted to a partnership) The tax returns must not be: <ul style="list-style-type: none"> Filed on a fiscal year basis Handwritten An amended return, or From a U.S. Territory If the borrower has amended their tax returns, then tax transcripts obtained from the service provider are not acceptable for assessment through Loan Product Advisor. Age of Tax Data Requirements <ul style="list-style-type: none"> The following date and documentation requirements (as described in the "Federal Income Tax Return and Tax Transcript Requirements" subsection above) for 2023 and 2024 federal income tax return(s) or tax transcripts must be met, based on the application received date and the note date for the mortgage: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 20%;">Application Received Date</th> <th style="width: 20%;">Note Date</th> <th style="width: 60%;">Age of Tax Return(s) and Other Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td>Before: April 15, 2025</td> <td>Before: May 31, 2025</td> <td> <ul style="list-style-type: none"> Most recent federal income tax return(s) filed with the IRS or tax transcripts The most recent tax return(s) or tax transcripts must be no older than 2023 </td> </tr> <tr> <td>On or after: April 15, 2025</td> <td>Before: May 31, 2025</td> <td> If borrower has not filed the 2024 tax return(s) with the IRS: <ul style="list-style-type: none"> The most recent tax return(s) must be no older than 2023 The lender must obtain: </td> </tr> </tbody> </table> 	Application Received Date	Note Date	Age of Tax Return(s) and Other Documentation Requirements	Before: April 15, 2025	Before: May 31, 2025	<ul style="list-style-type: none"> Most recent federal income tax return(s) filed with the IRS or tax transcripts The most recent tax return(s) or tax transcripts must be no older than 2023 	On or after: April 15, 2025	Before: May 31, 2025	If borrower has not filed the 2024 tax return(s) with the IRS: <ul style="list-style-type: none"> The most recent tax return(s) must be no older than 2023 The lender must obtain: 	<p style="color: red;">Income Representation and Warranty Relief</p> <p style="color: red;">Relief from enforcement of representations and warranties related to eligible income may be available for mortgages when the borrower's tax data is retrieved from the service provider by Loan Product Advisor for assessment. The income representation and warranty relief eligibility result, and the corresponding requirements are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 33%;">Eligibility Result</th> <th style="width: 33%;">Representation and Warranty Relief</th> <th style="width: 33%;">Income Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="color: red; vertical-align: top;">Eligible for Income Representation and Warranty Relief</td> <td style="color: red; vertical-align: top;">The lender is relieved from enforcement of the following representations and warranties: <ul style="list-style-type: none"> The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91, Income Calculations (or a similar alternative form as described in the "Self-Employment Income" subsection previously presented in this document), and The business and income analysis described in the "Self-Employment </td> <td style="color: red; vertical-align: top;">For eligible self-employed income (as described in the "Eligible Self-Employed Income" subsection previously presented in this subtopic): <ul style="list-style-type: none"> The Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subsection previously presented in this document) must be used to document the income. The requirements of the "Documentation Requirements" subsection subsequently presented in this subtopic, must be met </td> </tr> </tbody> </table>	Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements	Eligible for Income Representation and Warranty Relief	The lender is relieved from enforcement of the following representations and warranties: <ul style="list-style-type: none"> The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91, Income Calculations (or a similar alternative form as described in the "Self-Employment Income" subsection previously presented in this document), and The business and income analysis described in the "Self-Employment 	For eligible self-employed income (as described in the "Eligible Self-Employed Income" subsection previously presented in this subtopic): <ul style="list-style-type: none"> The Income Calculation Report or Form 91 (or a similar alternative form as described in the "Self-Employment Income" subsection previously presented in this document) must be used to document the income. 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Application Received Date	Note Date	Age of Tax Return(s) and Other Documentation Requirements																	
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					<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 2024 tax year¹,², and Evidence of completed IRS tax filing extension(s) for 2024 tax year³; <ul style="list-style-type: none"> IRS Form(s) 4868 for the individual tax return, and Documented IRS tax filing extension for the business tax return, if applicable (e.g., IRS Form 7004) <p>Note: If tax transcripts are used to calculate income, transcripts from previous years cannot be used for the automated assessment. The most recent year must be obtained</p>				<p>income” subtopic previously presented in this document, including the analysis of the eligible self- employed income to support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the borrower</p> <p>When there are multiple income sources and one or more is eligible for income representation and warranty relief, for the income source(s) not eligible for representation and warranty relief, the lender must either:</p> <ul style="list-style-type: none"> • Verify and document the income as required by the applicable income type, or • Remove the income and resubmit the mortgage to Loan Product Advisor 		
			All	On or after: November 1, 2025	The most recent tax return(s) or tax transcripts must be no older than 2024, regardless of other factors such as a tax filing extension status or IRS tax filing deadline relief status			Eligibility Result	Representation and Warranty Relief	Income Documentation Requirements	
								<p>Eligible for Partial Income Representation and Warranty Relief</p>	<p>The lender is relieved from enforcement of representations and warranties related to the borrower's income as confirmed by Loan Product Advisor feedback messages. When partial income representation and warranty relief is granted for a source(s), the</p>	<p>For eligible self-employed income (as described in the “Eligible Self-Employed Income” subsection previously presented in this subtopic):</p> <ul style="list-style-type: none"> • The Income Calculation Report or Form 91 (or a similar alternative form as described in 	
			<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, 2025, 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, 2025, 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>								

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			<ul style="list-style-type: none"> Confirmation business tax returns were filed after IRS filing due date for the prior year(s) (e.g., 2023 business tax return in file was signed later in the year (e.g., October)) or documentation from third-party tax return preparer confirming 2024 business return has not yet been filed; and Documented 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 representation and warranty relief is granted, evidence of continued income stability has been met. <p>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.</p>			<p style="color: red;">lender is relieved from:</p> <ul style="list-style-type: none"> <li style="color: red;">The accuracy of the income calculation for the eligible self-employed income shown on the Income Calculation Report or Form 91 (or a similar alternative form as described in the “Self-Employment Income” subtopic previously presented in this document), and <li style="color: red;">The business and income analysis described in the “Self-Employment Income” subtopic previously presented in this document, including the analysis of the eligible self-employed income to support that the business has sufficient liquidity and <p style="color: red;">the “Self-Employment Income” subtopic previously presented in this document) must be used to document the income.</p> <ul style="list-style-type: none"> <li style="color: red;">The requirements of the “Documentation Requirements” subsection subsequently presented in this subtopic, must be met <p style="color: red;">When there are multiple income sources and one or more income source(s) are needed to qualify the borrower, document the income source(s) as required by the feedback messages.</p>
			<p style="color: red;"><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 COR25-026 for the Applicable Effective Date of These Revisions)			
						is financially capable of producing stable monthly income for the borrower	
					Eligibility-Result	Representation and-Warranty Relief	Income Documentation Requirements
					Not Eligible for Income Representation and-Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor did not return a feedback message indicating representation and-warranty relief was granted.	The income must be verified and documented as required by the applicable income type.
					Unable to Assess for Income Representation and-Warranty Relief	The lender is not eligible for relief from enforcement of representations and warranties related to the borrower's income. Loan Product Advisor was unable to assess the borrower's income. This could be due to missing or incomplete information from the service provider or a system being down.	The income must be verified and documented as required by the applicable income type.

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)				
				<p style="color: red;"> • Data Representation and Warranty Relief Using Tax Returns • Relief from the enforcement of representations and warranties related to the accuracy and integrity of tax return data may be available for mortgages when the tax transcript is requested via a service provider and Loan Product Advisor compares the data from uploaded tax returns(s) to data from the Internal Revenue Service (IRS) tax transcripts. The tax return data representation and warranty relief eligibility result is provided on the Last Feedback Certificate and is described in the following chart: </p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c2c4c; color: white;"> <th style="width: 50%;">Tax Return Data Representation and Warranty Eligibility Result</th> <th style="width: 50%;">Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Eligible</td> <td style="vertical-align: top; color: red;"> • The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax return(s) uploaded to the service provider for eligible income (as described in the "Eligible Self-Employed Income/Tax Returns Obtained from the Borrower" subsection previously presented in this subtopic) that is on the Income Calculation Report. • For all other income types, the lender does not receive data representation and warranty relief and must follow the requirements in the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" subsection previously presented in the "General Income Documentation Requirements" subtopic. </td> </tr> </tbody> </table>	Tax Return Data Representation and Warranty Eligibility Result	Representation and Warranty Relief	Eligible	• The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax return(s) uploaded to the service provider for eligible income (as described in the "Eligible Self-Employed Income/Tax Returns Obtained from the Borrower" subsection previously presented in this subtopic) that is on the Income Calculation Report. • For all other income types, the lender does not receive data representation and warranty relief and must follow the requirements in the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" subsection previously presented in the "General Income Documentation Requirements" subtopic.
Tax Return Data Representation and Warranty Eligibility Result	Representation and Warranty Relief							
Eligible	• The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax return(s) uploaded to the service provider for eligible income (as described in the "Eligible Self-Employed Income/Tax Returns Obtained from the Borrower" subsection previously presented in this subtopic) that is on the Income Calculation Report. • For all other income types, the lender does not receive data representation and warranty relief and must follow the requirements in the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" subsection previously presented in the "General Income Documentation Requirements" subtopic.							

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)								
				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center; vertical-align: top;">Not Eligible</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider. </td> </tr> <tr> <td style="text-align: center; vertical-align: top;">Unavailable</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Loan Product Advisor was unable to assess the accuracy and integrity of the data. This could be due to a system being down. • The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider. </td> </tr> </table> <p style="margin-top: 10px;"> <ul style="list-style-type: none"> • Data Representation and Warranty Relief Using Tax Transcripts • Relief from the enforcement of representations and warranties related to the accuracy and integrity of tax transcript data may be available for mortgages when the tax transcript is requested via the service provider and the data is assessed by Loan Product Advisor. The tax transcript data representation and warranty relief eligibility result is provided on the Last Feedback Certificate and is described in the following chart: </p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 50%; text-align: center;">Tax Transcript Data Representation and Warranty Eligibility Result</th> <th style="width: 50%; text-align: center;">Representation and Warranty Relief</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top;">Eligible</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax transcripts obtained from the </td> </tr> </tbody> </table>	Not Eligible	<ul style="list-style-type: none"> • The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider. 	Unavailable	<ul style="list-style-type: none"> • Loan Product Advisor was unable to assess the accuracy and integrity of the data. This could be due to a system being down. • The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider. 	Tax Transcript Data Representation and Warranty Eligibility Result	Representation and Warranty Relief	Eligible	<ul style="list-style-type: none"> • The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax transcripts obtained from the
Not Eligible	<ul style="list-style-type: none"> • The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider. 											
Unavailable	<ul style="list-style-type: none"> • Loan Product Advisor was unable to assess the accuracy and integrity of the data. This could be due to a system being down. • The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax return(s) uploaded to the service provider. 											
Tax Transcript Data Representation and Warranty Eligibility Result	Representation and Warranty Relief											
Eligible	<ul style="list-style-type: none"> • The lender is relieved from enforcement of representations and warranties related to the accuracy and integrity of the data from tax transcripts obtained from the 											

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						<p style="color: red;">service provider for Schedule C income (as described in the "Eligible Self-Employed Income/Tax Transcripts Obtained from a Service Provider" subsection previously presented in this subtopic).</p> <ul style="list-style-type: none"> <li style="color: red;">● For all other income types, the lender does not receive data representation and warranty relief and must follow the requirements in the "IRS Form 4506-C Requirements for all Income and Asset Qualification Sources" subsection previously presented in the "General Income Documentation Requirements" subtopic.
					Not Eligible	<ul style="list-style-type: none"> <li style="color: red;">● The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data from the tax transcripts obtained from the service provider.
					Unavailable	<ul style="list-style-type: none"> <li style="color: red;">● Loan Product Advisor was unable to assess the accuracy and integrity of the data. This could be due to a system being down. <li style="color: red;">● The lender is not eligible for relief from enforcement of representations and warranties related to the accuracy and integrity of the data

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				<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px; width: fit-content; margin-left: auto; margin-right: auto;"> <p style="color: red; margin: 0;">from the tax transcripts obtained from the service provider.</p> </div> <ul style="list-style-type: none"> ● Internal Revenue Service (IRS) IVES Form 4506-C <ul style="list-style-type: none"> ● 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. 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. ● 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. ● General Documentation Requirements <ul style="list-style-type: none"> ● The borrower’s self-employment must be documented on Form 65, <i>Uniform Residential Loan Application</i> ● The lender must maintain in the mortgage file: <ul style="list-style-type: none"> ● The most recent Income Calculation Report or Form 91, <i>Income Calculations</i> (or a similar alternative form as described in the “Self-Employment Income” subtopic previously presented in this document) and, if applicable, documentation to support adjustments as described in the “Income Calculation and Underwriting Requirements/Income Calculations Using Tax Returns Obtained from the Borrower” subsection previously presented in this subtopic. ● All documentation submitted to the service provider as well as the most recent uploaded Income Calculation Report used by Loan Product Advisor ● Federal Income Tax Return and Tax Transcript Requirements <ul style="list-style-type: none"> ● The lender must maintain in the mortgage file the following federal income tax returns or tax transcripts: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px; color: red;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 33%;">Business structure</th> <th style="width: 33%;">Business-in existence greater than-or-equal-to five-years²</th> <th style="width: 33%;">Business-in existence less-than five-years</th> </tr> </thead> <tbody> <tr> <td>Sole Proprietorship²</td> <td>Complete signed federal individual (Form 1040) income tax return or tax</td> <td>Complete signed federal individual (Form 1040) income tax returns or tax transcripts for the</td> </tr> </tbody> </table>	Business structure	Business-in existence greater than-or-equal-to five-years ²	Business-in existence less-than five-years	Sole Proprietorship²	Complete signed federal individual (Form 1040) income tax return or tax	Complete signed federal individual (Form 1040) income tax returns or tax transcripts for the
Business structure	Business-in existence greater than-or-equal-to five-years ²	Business-in existence less-than five-years								
Sole Proprietorship²	Complete signed federal individual (Form 1040) income tax return or tax	Complete signed federal individual (Form 1040) income tax returns or tax transcripts for the								

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				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 35%;">transcript for the most recent year.</td> <td style="width: 35%;">most recent two years.</td> </tr> <tr> <td style="background-color: #e91e63; color: white;">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 style="background-color: #e91e63; color: white;">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> <p>¹The borrower must be self-employed (i.e., have an ownership interest of 25% or more) in the same business for at least five years</p> <p>²For sole proprietorships, the lender must document on Form 65, <i>Uniform Residential Loan Application</i>, the number of years that the business has been in existence, and this length of time must not be contradicted by the borrower's federal individual income tax return(s) or tax transcripts and any other documentation or information received.</p> <ul style="list-style-type: none"> ● The tax returns submitted to the service provider or tax transcripts obtained by the service provider must be the borrower's individual and business (if applicable) U.S. federal income tax return(s) that were most recently filed with the Internal Revenue Service (IRS). Lenders are encouraged to always confirm with the borrower that the tax return(s) or tax transcripts provided are the most recent filed with the IRS. ● The individual tax return year most recently filed with the IRS must correspond to the business tax return year most recently filed with the IRS for all businesses (e.g., when the most recently filed individual tax return year is 2022, the most recently filed business tax return year must also be 2022). ● The income and/or loss reflected in the federal income tax returns or tax transcripts must be reported for the same business on the same tax form structure (e.g., the business cannot be reported as a sole proprietorship and then converted to a partnership) ● The tax returns must not be: <ul style="list-style-type: none"> ● Filed on a fiscal year basis 		transcript for the most recent year.	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.
	transcript for the most recent year.	most recent two years.											
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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.											

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				<ul style="list-style-type: none"> • Handwritten • An amended return, or • From a U.S. Territory • If the borrower has amended their tax returns, then tax transcripts obtained from the service provider are not acceptable for assessment through Loan Product Advisor. • Age of Tax Data Requirements <ul style="list-style-type: none"> • The following date and documentation requirements (as described in the “Federal Income Tax Return and Tax Transcript Requirements” subsection above) for 2023 and 2024 federal income tax return(s) or tax transcripts must be met, based on the application received date and the note date for the mortgage: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 20%;">Application Received Date</th> <th style="width: 20%;">Note Date</th> <th style="width: 60%;">Age of Tax Return(s) and Other Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">• Before: April 15, 2025</td> <td style="vertical-align: top;">• Before: May 31, 2025</td> <td style="vertical-align: top;">• Most recent federal income tax return(s) filed with the IRS or tax transcripts • The most recent tax return(s) or tax transcripts must be no older than 2023</td> </tr> <tr> <td style="vertical-align: top;">• On or after: April 15, 2025</td> <td style="vertical-align: top;">• Before: May 31, 2025</td> <td style="vertical-align: top;">• If borrower has not filed the 2024 tax return(s) with the IRS: • The most recent tax return(s) must be no older than 2023 • 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 2024 tax year^{1,2}, and • Evidence of completed IRS tax filing extension(s) for 2024 tax year³; <ul style="list-style-type: none"> • IRS Form(s) 4868 for the </td> </tr> </tbody> </table>	Application Received Date	Note Date	Age of Tax Return(s) and Other Documentation Requirements	• Before: April 15, 2025	• Before: May 31, 2025	• Most recent federal income tax return(s) filed with the IRS or tax transcripts • The most recent tax return(s) or tax transcripts must be no older than 2023	• On or after: April 15, 2025	• Before: May 31, 2025	• If borrower has not filed the 2024 tax return(s) with the IRS: • The most recent tax return(s) must be no older than 2023 • 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 2024 tax year^{1,2}, and • Evidence of completed IRS tax filing extension(s) for 2024 tax year³; <ul style="list-style-type: none"> • IRS Form(s) 4868 for the
Application Received Date	Note Date	Age of Tax Return(s) and Other Documentation Requirements											
• Before: April 15, 2025	• Before: May 31, 2025	• Most recent federal income tax return(s) filed with the IRS or tax transcripts • The most recent tax return(s) or tax transcripts must be no older than 2023											
• On or after: April 15, 2025	• Before: May 31, 2025	• If borrower has not filed the 2024 tax return(s) with the IRS: • The most recent tax return(s) must be no older than 2023 • 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 2024 tax year^{1,2}, and • Evidence of completed IRS tax filing extension(s) for 2024 tax year³; <ul style="list-style-type: none"> • IRS Form(s) 4868 for the 											

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						<p style="text-align: right;">individual tax return, and</p> <ul style="list-style-type: none"> • Documented IRS tax filing extension for the business tax return, if applicable (e.g., IRS Form 7004) <p>Note: If tax transcripts are used to calculate income, transcripts from previous years cannot be used for the automated assessment. The most recent year must be obtained</p>
				All	On or after: November 1, 2025	<p>The most recent tax return(s) or tax transcripts must be no older than 2024, regardless of other factors such as a tax filing extension status or IRS tax filing deadline relief status</p>
				<p>¹If 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, 2025, 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, 2025, whichever occurs first.</p> <p>²Alternative 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., 2023 business tax return in file was signed later in the year (e.g., October)) or documentation from third-party tax return preparer confirming 2024 business return has not yet been filed; and • Documented 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 representation and warranty relief is granted, evidence of continued income stability has been met. <p>³If 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</p>		

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				<div style="border: 1px solid black; padding: 5px; display: inline-block; color: red;"> due date and note dates on or after the last day of the month following the IRS income tax filing due date. </div> <p style="color: red; margin-top: 10px;">All other currently published requirements in this section remain the same.</p>																														
Standard Improvement Updates	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 style="color: red; margin-top: 10px;"><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 style="color: red; margin-top: 10px;"><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 "Additional Supporting Documentation for Business and Income Analysis" subsection in the "Self-Employment Income" subtopic, subsequently presented in this document, for additional guidance about self-employed income and supporting documentation when the tax returns for the most recent calendar year are not yet available. 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, 2024 <table border="1" style="width: 100%; margin-top: 10px; border-collapse: collapse;"> <thead> <tr style="background-color: #2c3e50; color: white;"> <th style="width: 25%;">Application Received Date</th> <th style="width: 25%;">Note Date</th> <th style="width: 50%;">Age of Tax Return and Other Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Before: April 15, 2025</td> <td style="vertical-align: top;">On or after: November 1, 2024</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> Most recent federal income tax return(s) filed with the IRS The most recent tax return(s) must be no older than 2023 </td> </tr> <tr> <td style="vertical-align: top;">On or after: April 15, 2025</td> <td style="vertical-align: top;">Before: May 31, 2025</td> <td style="vertical-align: top;">If the borrower has not filed the 2024 tax return(s) with the IRS:</td> </tr> <tr> <td style="vertical-align: top;">All</td> <td style="vertical-align: top;">On or after: May 31, 2025</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> The most recent tax returns must be no older than </td> </tr> <tr> <td></td> <td style="vertical-align: top;">Before:</td> <td></td> </tr> </tbody> </table>	Application Received Date	Note Date	Age of Tax Return and Other Documentation Requirements	Before: April 15, 2025	On or after: November 1, 2024	<ul style="list-style-type: none"> Most recent federal income tax return(s) filed with the IRS The most recent tax return(s) must be no older than 2023 	On or after: April 15, 2025	Before: May 31, 2025	If the borrower has not filed the 2024 tax return(s) with the IRS:	All	On or after: May 31, 2025	<ul style="list-style-type: none"> The most recent tax returns must be no older than 		Before:		<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 style="color: red; margin-top: 10px;"><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 style="color: red; margin-top: 10px;"><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 "Additional Supporting Documentation for Business and Income Analysis" subsection in the "Self-Employment Income" subtopic, subsequently presented in this document, for additional guidance about self-employed income and supporting documentation when the tax returns for the most recent calendar year are not yet available. 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Agency Standards Revisions

Note: Truist specific overlays are underlined.

Topic	Impacted Document	Impacted Products	Current Standards				Revised Standards <small>(See COR25-026 for the Applicable Effective Date of These Revisions)</small>			
				November 1, 2025	<ul style="list-style-type: none"> The lender must obtain: <ul style="list-style-type: none"> IRS confirmation verifying tax transcript(s) are not yet available for the tax return(s) (individual, and business, if applicable) from the 2024 tax year^{1,2}; and Evidence of completed IRS tax filing extension(s) for the 2024 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)³ 			November 1, 2025	<ul style="list-style-type: none"> The lender must obtain: <ul style="list-style-type: none"> IRS confirmation verifying tax transcript(s) are not yet available for the tax return(s) (individual, and business, if applicable) from the 2024 tax year^{1,2}; and Evidence of completed IRS tax filing extension(s) for the 2024 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)³ 	
			All	On or after: November 1, 2025	<ul style="list-style-type: none"> The most recent tax return(s) must be no older than 2024, regardless of other factors such as tax filing extension status or IRS tax filing deadline relief status. 		All	On or after: November 1, 2025	<ul style="list-style-type: none"> The most recent tax return(s) must be no older than 2024, regardless of other factors such as tax filing extension status or IRS tax filing deadline relief status. 	
			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,				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,			

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Topic	Impacted Document	Impacted Products	Current Standards	Revised Standards (See COR25-026 for the Applicable Effective Date of These Revisions)
			<p>or May 31, 2025, 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, 2025, 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., 2023 business tax return in file was signed later in the year (e.g., October)) or documentation from third-party tax return preparer confirming 2024 business return has not yet been filed; and Documented evidence of continued income stability using at least one of the examples listed in the “Self-Employment Income/Additional Supporting Documentation for Business and Income Analysis” requirements, subsequently presented in this document, in the row labeled “Business and/or individual tax return(s) – most recent calendar year not yet available.” <p>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.</p> <ul style="list-style-type: none"> For mortgages using automated income assessment with Loan Product Advisor using tax data, see “Automated Income Assessment with Loan Product Advisor Using Tax Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements. For Mortgages with Note Dates before November 1, 2024 and Settlement Dates (i.e., the date the loan is purchased by Freddie Mac) on or after February 5, 2025 <ul style="list-style-type: none"> Apply the age of tax return and other documentation requirements as shown in the table above; however, the prior calendar year may replace the calendar year shown in the table. For mortgages using automated income assessment with Loan Product Advisor using tax data, see “Automated Income Assessment with Loan Product Advisor Using Tax Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements. <p style="text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p>	<p>or May 31, 2025, 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, 2025, 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., 2023 business tax return in file was signed later in the year (e.g., October)) or documentation from third-party tax return preparer confirming 2024 business return has not yet been filed; and Documented evidence of continued income stability using at least one of the examples listed in the “Self-Employment Income/Additional Supporting Documentation for Business and Income Analysis” requirements, subsequently presented in this document, in the row labeled “Business and/or individual tax return(s) – most recent calendar year not yet available.” <p>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.</p> <ul style="list-style-type: none"> For mortgages using automated income assessment with Loan Product Advisor using tax data, see “Automated Income Assessment with Loan Product Advisor Using Tax Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements. For Mortgages with Note Dates before November 1, 2024 and Settlement Dates (i.e., the date the loan is purchased by Freddie Mac) on or after February 5, 2025 <ul style="list-style-type: none"> Apply the age of tax return and other documentation requirements as shown in the table above; however, the prior calendar year may replace the calendar year shown in the table. For mortgages using automated income assessment with Loan Product Advisor using tax data, see “Automated Income Assessment with Loan Product Advisor Using Tax Data” in the “Freddie Mac LPA Loans” subtopic subsequently presented in the “Underwriting the Borrower” topic for age of tax return requirements. <p style="text-align: center;"><i>All other currently published requirements in this section remain the same.</i></p>