

**UPDATED AS OF: August 24, 2020**

**We're working closely with the government and investors to give you updates based on the latest guidelines. Be sure to check back regularly for updates.**

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### **Bulletin 2020-52 – Revised Rental and Seasonal Rental Income Requirements**

Truist Mortgage has aligned with Agency and Government guidance for loans using rental income or seasonal rental income to qualify. This is effective immediately.

#### **Agency Loans, including CorrAdvantage**

Follow standard GSE guidance for one-unit primary residence or second home.

Note: 2-4 Unit Primary Residence and Investment Properties are ineligible.

#### **Government Loans**

FHA: Follow Credit Guidance issued August 7, 2020. In addition to Rental Income Documentation requirements in the SF Handbook 4000.1 Sections II.A.4.c.xii(I) and II.A.5.b.xii(I) for TOTAL and Manual Underwriting when utilizing rental income to qualify, one of the following requirements must be met for each property generating rental income:

- Reduce the effective income associated with the calculation of rental income by 25%, or
- Verify 6 months PITI reserves, or
- If the borrower has a history of rental income from the property, verification the borrower has received the previous 2 months' rental payments as evidenced by borrower's bank statements showing deposit.

VA: Follow VA Guidance as outlined in VA Handbook, Chapter 4. Credit Underwriting

USDA: Follow USDA Guidance as outlined in the RD USDA Handbook, Chapter 9. Income Analysis

#### **Seasonal Rental Income (All Products)**

Seasonal Rental Income is no longer suspended and can now be considered as qualifying income as permitted based on product guidelines.

### **Bulletin 2020-51 – Third Party Verification – Age of Documentation**

In Bulletin 2020-42 issued July 1, 2020, we announced alignment with the GSEs, HUD, VA, and USDA for timing of the Verbal Verification of Employment (VVOE). For clarification purposes, we also align to the 35 day data requirements for age of documentation utilized by third party vendors. The information in the vendor's database (for example, "current as of" date) should be no more than 35 days prior to the note date. This applies to Agency, including Super Conforming, and Government loan products. This excludes non-conforming jumbo products, which are temporarily suspended.

**Note:** There is no change to the Affidavit Required for Verification of Employment. It remains a requirement at this time.

### **Bulletin 2020-49 – FHA Verification of Self-Employment and Rental Income Guidance**

Due to the continued impact of COVID-19, HUD has issued new guidance in regards to the verification of self-employment and rental income.

Truist aligns with the guidance as outlined in ([FHA Mortgagee Letter 2020-24](#)).

**These changes are effective for all case numbers assigned on or after August 12, 2020.**

As a reminder, the borrower-signed Employment and Income continuity affidavit is required on all wage earners or self-employed borrowers as outlined in Bulletin 2020-25.

### **Bulletin 2020-48 – Temporary Requirements and Flexibilities Extended**

We are aligning with Agency guidance that temporary requirements and flexibilities effective for mortgage applications received through July 31, 2020 are now extended through August 31, 2020.

These changes impact previous guidance communicated for:

- Age of Documents and Market Assets
- Verification of Employment
- Appraisal Alternatives

#### Validation of Self-Employed Borrowers

We are aligning with Agency guidance as it relates to validation of self-employed borrowers. Lenders are required to confirm the borrower's business is open and operating. The lender must confirm this within 20 business days of the note date (this was formerly 10 days).

A series of Frequently Asked Questions (FAQs) have been released from the GSEs that impact Agency loans. The clarifications below are not a change in how we view these income types.

- Freddie: <https://sf.freddiemac.com/faqs/covid-19-selling-faqs>
- Fannie: <https://singlefamily.fanniemae.com/media/22326/display>

**Bulletin 2020-47 – IRS Tax Return Filing Extension Due to COVID-19 Ended July 15:  
Documentation Requirements Return July 16**

In response to the COVID-19 pandemic, the IRS had extended the tax filing deadline from April 15, 2020 to July 15, 2020. Taxpayers are required to file by July 15 or they can file a 6 month extension based on the original tax filing deadline of April 15. A 6 month extension from April 15 will end on October 15.

Effective with applications dated Wednesday, July 15, we are reinstating the following IRS document requirement for loans requiring the most recent year's tax return if the 2019 filing is on extension:

The following overlay applies:

- A copy of the IRS Form 4868 (Application for Automatic Extension of Time to File U.S. Individual Tax Return)

**Bulletin 2020-44 – VA Circular 26-20-25**

BB&T, now Truist, mostly aligns with [Circular 26-20-25](#), dated June 30, 2020, in which the U.S. Department of Veterans Affairs (VA) addresses the effect of a CARES Act forbearance and other COVID-19 credit relief, on the eligibility of a veteran for a VA purchase, cash-out refinance, or Interest Rate Reduction Refinance Loan (IRRRL) loan.

The following overlays remain in place:

- On purchase transactions, if the borrower's existing mortgage is in forbearance, they must have continued to make their payments.
- Energy Efficient Mortgages (EEMs) remain ineligible.

**Bulletin 2020-43 – FHA & USDA Temporary Requirements and Flexibilities Extended to August 31**

We are extending our FHA and USDA temporary requirements and flexibilities end date to August 31, 2020.

These changes impact previous guidance communicated for:

- Verification of Employment with cases/loans closed on or before August 31, 2020
- Appraisals and Final Inspections ordered on or before August 31, 2020
- FHA Transcript overlay for applications received through August 31, 2020

## **Bulletin 2020-42 – Revised VVOE Guidance for Agency and Government Loans**

Effective immediately, Verbal Verification of Employment (VVOE) must confirm the borrower is still employed within 10 business days of the Note Date. This was formerly 5 business days. This change applies to Agency, including Super Conforming, and Government loan products. This change excludes non-conforming jumbo products, which are temporarily suspended.

Note: We are aligning with the GSEs, HUD, VA, and USDA for timing of the VVOE; however, there is no change to the Affidavit Required for Verification of Employment. It remains a requirement at this time.

## **Bulletin 2020-39 – FHA Forbearance Guidance**

Due to the continued impact of COVID-19, HUD has issued new guidance (FHA Mortgagee Letter 2020-16) in regards to the endorsement of loans in forbearance.

Truist aligns and would require a copy of the executed two-year partial indemnification agreement when insurance endorsement of a mortgage involving a borrower experiencing a financial hardship due, directly or indirectly, to COVID-19 is requested in accordance with the requirements in this ML.

These changes are effective for endorsement submitted on or after June 15, 2020.

## **Bulletin 2020-38 – Revised Agency Guidance and Attestation for Self-Employed Income Documentation**

Due to the continued impact of COVID-19, the agencies have issued new guidance for self-employed income. Additional documentation must now be obtained prior to closing to determine if a Borrower's self-employed income is stable and there is a reasonable expectation of continuance. Delegated and non-delegated lending will align with agency guidance. Non-delegated loans will require additional documentation, including the updated COVID Business Impact & Continuity Attestation.

These changes are effective for applications dated on or after June 11, 2020.

New Documentation Requirements for All Self-Employed Borrowers

The following documentation must be obtained when assessing income from self-employment:

- An audited year-to-date (YTD) profit and loss statement reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date and be dated within 60 calendar days prior to the Note Date.

OR

- An unaudited year-to-date (YTD) profit and loss statement that is signed by the Borrower and reports business revenue (i.e. gross receipts or sales), expenses and net income. The information in the YTD profit and loss statement must cover the most recent month preceding the Application Received Date and be dated no more than 60 calendar days prior to the Note Date.

**AND**

- Two months business account statements no older than the latest two months represented on the YTD profit and loss statement.
  - For example, if the YTD profit and loss statement is through May 31, 2020, the business account statements can be no older than for April and May.
  - Personal asset account statements evidencing business deposits and expenses may be used when the Borrower is an owner of a small business and does not have a separate business account.
- The COVID Business Impact and Continuity Attestation has been updated to reflect these changes and can be found on the following pages. The attestation is required upfront from all self-employed borrowers for non-delegated loans.

GSE Updates for Self Employed:

- [Fannie Mae Lender Letter \(LL-2020-03\)](#)
- [Freddie Mac 2020-19](#)

### **COVID Business Impact & Continuity Attestation**

Many businesses have been impacted by COVID 19 which is a rapidly evolving situation. We have developed a short list of questions to understand the impact to your business as we review your loan application. We ask that you be as detailed and specific as possible to gain a solid understanding of the current situation and outlook.

1. Provide a detailed write-up of all businesses owned explaining what the business does, how it operates in a normal environment, how it generates its income, where it operates - remotely or within a business office / building (and if so, how many locations), and how many people it employs.
2. Is your business operating at full capacity and able to generate revenue consistent with revenue reported to the IRS? If Yes, end of questionnaire. If No, go to Question 3.
3. How is your business currently operating? Has your business been modified to support continued revenue? If so, please explain in detail.

4. What are your current income streams as a result of the pandemic impact?
5. Please explain any disruptions to supply chain, increases in expenses, or shifts in consumer demand.
6. Does your business have access to cash / liquid assets or access to capital (e.g. Business Line of Credit or loans from shareholders) for operating expenses to support business operations during stressed economic conditions? Paycheck Protection Program (PPP) Loans are not to be considered in this response.

I/We declare that the information provided is accurate and complete to the best of my knowledge.

\_\_\_\_\_ Borrower Date

\_\_\_\_\_

#### **Bulletin 2020-37 – DTI Maximum of 45% for Super Conforming, Non-CorrAdvantage Loans**

On April 20th, 2020, Heritage BB&T announced temporary product restrictions, one of which indicated maximum DTI for agency loans was 50%. The curtailments in the communication were not intended for any areas to experience a loosening of current overlays. Therefore, the maximum DTI of 45% on Super Conforming, Non-CorrAdvantage Loans remains in place, as it did prior to the COVID-19 outbreak. We sincerely apologize for any confusion this may have caused.

#### **Bulletin 2020-36 - GSE Alignment for Documentation and Eligibility Requirements Due to COVID-19**

Due to the economic impacts of the COVID-19 pandemic, effective immediately, we are aligning with Agency guidance regarding temporary eligibility requirements for purchase and refinance transactions.

- [Fannie Mae Lender Letter - May 19th Version \(LL-2020-03\) \(Only the section addressing addition made 5/19 as shown below.\)](#)
- [Freddie Mac Bulletin 2020-17](#)

#### **Temporary eligibility requirements for purchase and refinance transactions**

**Effective:** Lenders may immediately apply these policies to loans in process and must apply them to loans with application dates on or after Jun. 2, 2020. These policies will be effective until further notice.

In response to lender feedback, we are addressing eligibility requirements for borrowers impacted by the COVID-19 pandemic. With this update we are providing eligibility guidelines for purchase and refinance transactions.

Lenders must continue to review the borrower's credit report to determine the status of all mortgage loans. In addition to reviewing the credit report, the lender must also apply due diligence for each mortgage loan on which the borrower is obligated, including co-signed mortgage loans and mortgage loans not related to the subject transaction, to determine whether the payments are current as of the note date of the new transaction. For the purposes of these requirements, "current" means the borrower has made all mortgage payments due in the month prior to the note date of the new loan transaction by no later than the last business day of that month.

Examples of acceptable additional due diligence methods to document the loan file include:

- a loan payment history from the servicer or third-party verification service,
- a payoff statement (for mortgages being refinanced),
- the latest mortgage account statement from the borrower, and
- a verification of mortgage.

A borrower who is not current and has missed payments on any mortgage loan is eligible for a new mortgage loan if those missed payments were resolved in accordance with the requirements in the table on the following page:



Resolution Method	Eligibility
<b>Reinstatement</b>	If the borrower resolved missed payments through a reinstatement, they are eligible for a new mortgage loan. The lender must document the source of funds in accordance with eligible sources of funds in the <i>Selling Guide</i> , if the reinstatement was completed after the application date of the new transaction. Proceeds from a refinance may not be used to reinstate any mortgage loan.
<b>Loss Mitigation Solution</b>	<p>If outstanding payments will be or have been resolved through a loss mitigation solution, the borrower is eligible for a new mortgage loan if they have made at least three timely payments as of the note date of the new transaction as follows:</p> <ul style="list-style-type: none"> <li>▪ For a repayment plan, the borrower must have made either three payments under the repayment plan or completed the repayment plan, whichever occurs first. Note that there is no requirement that the repayment plan be completed.</li> <li>▪ For a payment deferral, the borrower must have made three consecutive payments following the effective date of the payment deferral agreement.</li> <li>▪ For a modification, the borrower must have completed the three-month trial payment period.</li> <li>▪ For any other loss mitigation solution not listed above, the borrower must have successfully completed the program, or made three consecutive full payments in accordance with the program.</li> </ul> <p>Verification that the borrower has made the required three timely payments may include:</p> <ul style="list-style-type: none"> <li>▪ a loan payment history from the servicer or third-party verification service,</li> <li>▪ the latest mortgage account statement from the borrower, and</li> <li>▪ a verification of mortgage.</li> </ul> <p>If these requirements are met on an existing mortgage loan being refinanced, the new loan amount can include the full amount required to satisfy the existing mortgage.</p>

No additional eligibility requirements if any existing Mortgage is current as of the Note Date (i.e., the Borrower made all Mortgage payments due in the month prior to the Note Date no later than the last Business Day of that month) and not in a repayment plan, loan modification Trial Period Plan, Payment Deferral or subject to another loss mitigation program.

**Bulletin 2020-35 – VA Circular Update: Well Water Testing**

BB&T, now Truist, will not be aligning to the 180 day leniency as it relates to Water System Acceptability as announced May 8, 2020 in VA Circular 26-20-13 - Change 1. Correspondents will be required to supply the well water test prior to delivery. We will align to all other topics within the Circular Change 1 Update.

**Bulletin 2020-34 – Temporary FHA and USDA Requirements and Flexibilities Extended to June**

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We are extending our FHA and USDA temporary requirements and flexibilities end date to June 30, 2020.

These changes impact previous guidance communicated for:

- Verification of Employment with cases/loans closed on or before June 30, 2020
- Appraisals and Final Inspections ordered on or before June 30, 2020
- FHA Transcript overlay for applications received through June 30, 2020

### **Bulletin 2020-33 – Delivering Seasoned Agency Fixed Rate Loans**

Due to restrictions placed by the GSEs on purchasing seasoned loans during the COVID-19 crisis, the seasoning limitation on fixed agency loans, which was formerly 6 months, is now 3 months following the Note date. As a reminder, the seasoned ARM limitation remains at 3 months.

### **Bulletin 2020-27 – Temporary Agency and Portfolio Appraisal Flexibilities for New Construction Properties**

Truist is aligning with Agency guidance from April 14, 2020 regarding flexibilities for Portfolio and Agency appraisals when the appraiser is unable to inspect new construction properties due to COVID-19 concerns. Lenders must adhere to the LTV ratio requirements as communicated in prior Truist communications dated April 1 and April 17. Construction-Perm is not eligible for these flexibilities.

[Freddie Mac Bulletin 2020-11](#)

[Fannie Mae Lender Letter 2020-04](#)

Note: Truist has temporarily suspended our non-conforming Key Jumbo product effective with locks and relocks after close of the lock desk on April 8, 2020.

### **Bulletin 2020-25 – Revised Employment Affidavit – Student Loans with the CARES Act**

On Thursday, April 23 we communicated Revised Verification of Employment Guidance and Affidavit Requirements. Effective with these changes on April 29, the borrower-signed Employment and Income Continuity affidavit has been updated to provide additional clarity where an automatic forbearance occurred that the borrower did not request (e.g. Student Loans with the CARES Act). In those cases, the borrower did not request nor would it be a pending forbearance, and the borrower should be able to answer No to the statement.

#### **Affidavit Required for Verification of Employment**

With the exception of IRRRLs and non-credit qualifying refinances, the borrower-signed Employment and Income Continuity affidavit must be executed at closing for all loans. This

includes borrowers who are wage earners or self-employed. An example of acceptable language is as follows:

I /We acknowledge that Lender is making this loan dated based on there being no change in my employment status and/or status of my business from what was submitted to Lender to qualify for this loan agreement. Based on that reliance, I/We attest that I/We continue to remain actively employed and/or my business continues to remain operational. I/We have no current knowledge that my employment will be discontinued and/or have intentions to close my business.

Further, there has been no material decrease in the income relied upon by the Lender, including, but not limited to a temporary furlough, reduction in hours worked, or a temporary reduction in base salary. All information related to employment and income in the signed loan application (Form 1003) remains accurate.

Finally, I/We have not requested nor do I/We have a pending request for loan forbearance of other payment relief due to a financial hardship on any of the loan accounts disclosed on the loan application. (Form 1003)

Please initial each statement that applies.

\_\_\_\_ No change to the employment information disclosed.

\_\_\_\_ No change to the business status disclosed on the Business Impact and Continuity disclosure.

I/We declare that the information provided is accurate and complete to the best of my knowledge.

## **Bulletin 2020- 23 – Revised Verification of Employment Guidance and Affidavit Requirement**

Please review the following information for additional updates for Verbal Verification of Employment (VVOE) processes. These changes apply to Agency, Portfolio and Government (FHA and VA) loan products. These changes are effective for loans closed on or after Wednesday, April 29 and replace other verification of employment guidance that has been communicated.

### Updated Guidance for VVOE Requirements

- VVOE must confirm the borrower is still employed within 5 business days of the Note Date.
  - The Work Number and other third party verifications that do not reflect as of data within 5 days of the Note Date will not be permitted.
  - Exception for DU Data Validation Services (DVS) (D1C): Loans not closed within the original messaging period must adhere to the 5 day Verbal requirements.
    - Employment that is validated by DU validation satisfies the requirement for verbal verification of employment.

- All loans must comply with all DU messages, including ensuring the loan closes by the "Close By Date" stated in the DU employment validation message.

- All The Work Number for DVS are required to be reviewed, particularly employer comments to ensure no negative impacts from COVID. This negates the Reps and Warrants.

- When a five-day pre-closing verification of employment cannot be obtained, the following documentation alternatives can be utilized. Option 1 must be attempted before Options 2 or 3 can be considered:
  - o Option 1 (Preferred Method) - An email directly from the employer's work email address that identifies the name and title of the verifier and the borrower's name and current employment status.
  - o Option 2- Year-to-date paystub for the pay period that immediately precedes the Note Date.
  - o Option 3 - Bank statement evidencing the payroll deposit from the pay period that immediately precedes the Note date.

With the exception of IRRRLs and non-credit qualifying refinances, the borrower-signed employment affidavit must be executed at closing for all loans. This includes borrowers who are wage earners or self-employed. An example of acceptable language:

I /We acknowledge that Lender is making this loan dated based on there being no change in my employment status and/or status of my business from what was submitted to Lender to qualify for this loan agreement. Based on that reliance, I/We attest that I/We continue to remain actively employed and/or my business continues to remain operational. I/We have no current knowledge that my employment will be discontinued and/or have intentions to close my business.

Further, there has been no material decrease in the income relied up by the Lender, including, but not limited to a temporary furlough, reduction in hours worked, or a temporary reduction in base salary. All information related to employment and income in the signed loan application (Form 1003) remains accurate.

Finally, I/We have not requested nor do I/We have a pending request for loan forbearance of other payment relief on any of the loan accounts disclosed on the loan application. (Form 1003)

Please initial each statement that applies.

\_\_\_\_ No change to the employment information disclosed.

\_\_\_\_ No change to the business status disclosed on the Business Impact and Continuity disclosure.

I/We declare that the information provided is accurate and complete to the best of my knowledge.

## **Bulletin 2020-22 – Temporary VA Appraisal Options**

Based on VA Circular 26-20-13 issue April 10, 2020, Truist is making the following clarifications for temporary VA Appraisal options:

Effective immediately, the following temporary appraisal options are available if a full appraisal is not obtainable for Purchase and Refinance transactions of an existing SunTrust or BB&T loan (debt consolidation/cash back >\$500 not eligible):

- Interior inspections are only required for purchase transactions of a vacant property assuming the appraisal poses no harm to themselves or others.
- Exterior-Only Appraisal with enhanced assignment conditions.
- Allowed on purchase and refinance transactions up to the maximum of 1 ½ times the 2020 FHLMC Conforming Loan Limit for a one-unit for the county.
  - Appraiser must review the full exterior of the property and provide photos of all sides of property with detailed notes of the exterior and any visible MPRs. MLS photos can be used when views are obstructed or restricted and access is unable to be granted or allowed and must be explained in the appraisal report.
  - Exterior measurements of the home should be provided if accessible for the appraiser to reconcile with public records
  - Appraiser must conduct detailed phone interview with occupant, veteran or real estate professional regarding property.
  - Appraiser must utilize any and all photos available from MLS, provided by occupant, veteran or RE professional.
- Desktop-Only Appraisal
  - VA allows on purchase and Rate/Term/Cash out refinance transactions up to the maximum 2020 FHLMC Conforming Loan Limit for a one-unit for the county when jurisdiction has restrictions imposed by authorities prohibiting appraisers from leaving their homes.
  - Lenders must state in both “public” notes in WebLGY and by email to the appraiser if they will accept a Desktop appraisal. If lender will not accept a Desktop appraisal, appraiser will place the assignment on hold for 30 days and subsequently cancel, if the status has not changed.

**Bulletin 2020- 21 – Program and Pricing Update**

- Temporary Product Restrictions – Agency & Government
- Conventional Super Conforming Risk Fee Increase

**Effective with new registrations, locks and relocks on and after April 24, 2020**

**Applies to Both CorrAdvantage and Non-CorrAdvantage Loans**

Given the current economic environment and market volatility, beginning April 24, 2020, we will implement the temporary restrictions in the chart below. We will honor all loans locked prior to April 24, 2020. Relocks will not be permitted; however, extensions will be allowed. At this time, the published product descriptions and underwriting guidelines will remain unchanged, as we do see this as a temporary measure. However, the conventional overlay matrix, government overlay matrix and the Price Adjustment and LTV Chart will be updated. An updated excel version of the Price Adjustments and LTV Charts for both CorrAdvantage and Non-CorrAdvantage will be distributed immediately following this bulletin. Please note that DTI is not programmed in our system, so you will need to ensure loans meet the below restrictions. Thank you for your partnership and understanding.

Temporary Agency Product Restrictions					
Occupancy Type	Transaction Type	# of Units	Minimum Credit Score	Maximum LTV/TLTV/HLTV	Maximum DTI
Primary	Purchase	1	680	No change to current guidelines	50%
		2-4	Not Eligible		
	Limited Cash-Out Refinance (Rate/Term)	1	680	No change to current guidelines	50%
		2-4	Not Eligible		
	Cash-Out Refinance	1	680	70%	50%
		2-4	Not Eligible		
Second Home	Purchase	1	680	70%	50%
	Limited Cash-Out Refinance (Rate/Term)	1 <i>When existing lender is <u>Not</u> BB&amp;T/SunTrust/Truist</i>	680	70%	50%
	Limited Cash-Out Refinance (Rate/Term)	1 <i>When existing lender is <u>is</u> BB&amp;T/SunTrust/Truist</i>	680	No change to current guidelines	50%
	Cash-Out Refinance	1	Not Eligible		
Investment Property	Not Eligible				

Temporary Government Product Restrictions (VA, FHA, USDA)					
Occupancy Type	Transaction Type	# of Units	Minimum Credit Score	Maximum LTV/TLTV/HTLTV	Maximum DTI
Primary	Purchase	1	680	No change to current guidelines	50% 45% (Jumbo)
		2-4	Not Eligible		
	VA IRRRL	1-4 <i>When existing lender is BB&amp;T/SunTrust/Truist</i>	No change to current guidelines		
		1-4 <i>When existing lender is Not BB&amp;T/SunTrust/Truist</i>	680	No change to current guidelines	
	Cash-Out Refinance	1	680	70%	45%
		2-4	Not Eligible		
	FHA Credit Qualify Streamline Refi	1-4 <i>When existing lender is BB&amp;T/SunTrust/Truist</i>	680	No change to current guidelines	
	FHA Non-Credit Qualify Streamline Refi	1-4 <i>When existing lender is BB&amp;T/SunTrust/Truist</i>	No change to current guidelines		
	Rate Term Refi	1	680	No change to current guidelines	50% 45% (Jumbo)
		2-4	Not Eligible		
Second Homes	Not Eligible				
Investment Property	Not Eligible				

Screenshots of the increased risk based fee adjustments for Super Conforming Fixed and ARM loans within the Price Adjustments and LTV Charts are highlighted below:

SUPER CONFORMING (FOR ALL FIXED LOANS, INCLUDING 30, 20, 15 & 10 YEAR LOANS)										
Price Adjustments are cumulative with the Conforming Price Adjustments above										
Transaction Type	≤ 60%	> 60% - ≤ 65%	> 65% - ≤ 70%	> 70% - ≤ 75%	> 75% - ≤ 80%	> 80% - ≤ 85%	> 85% - ≤ 90%	> 90% - ≤ 95%	> 95% - ≤ 97%	
Super Conforming - Fixed										
Purchase and No Cash-Out	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	N/A
Cash Out Refinance	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	N/A	N/A	N/A	N/A	N/A

  

SUPER CONFORMING (FOR ALL ARM LOANS) excludes 3/1 ARMs										
Price Adjustments are cumulative with the Conforming ARM Price Adjustments above										
Transaction Type	≤ 60%	> 60% - ≤ 65%	> 65% - ≤ 70%	> 70% - ≤ 75%	> 75% - ≤ 80%	> 80% - ≤ 85%	> 85% - ≤ 90%	> 90% - ≤ 95%	> 95% - ≤ 97%	
Super Conforming - ARMs										
Purchase and No Cash-Out	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	N/A
Cash Out Refinance	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	N/A	N/A	N/A	N/A	N/A

### Bulletin 2020-20 – Non-Conforming Clarifications

- Appraisal Alternatives
- Age of Documents & Market Assets

#### Appraisal Alternative Clarification for Non-Conforming Jumbo Loans

On April 1, we communicated an Action Required for Appraisal Alternatives. Please review this clarification for Non-Conforming Jumbo Products.

Note: Truist has temporarily suspended our Key and non-conforming jumbo products effective with locks and relocks after close of the lock desk on April 8, 2020.

Exterior appraisals 2055/1075 will be allowed with the following caveats:

- Loan Amounts up to \$750,000 - Max LTV/CLTV 75%
- Loan Amounts \$750,001 to \$1,000,000 - Max LTV/CLTV 70%

Update from April 1 Communication: CLTV is also capped at 70%.

The loan file must also include date-stamped photos of the living room, family room, kitchen(s) and bathrooms, and additional photos of every room in the accessory unit, to include exterior if applicable. Rear photos, although not a standard requirement for 2055, will be required.

- Loan Amounts > \$1,000,000 must comply with standard guidelines

### **Age of Documents and Market Assets Clarification to Include Non-Conforming Jumbo Loans**

On April 15, we communicated that we will be aligning with Fannie Mae and Freddie Mac guidance regarding Age of Documents and Market Assets. This guidance is effective with applications taken on or after April 14 through May 17, 2020 for Agency and Portfolio loans.

## **Bulletin 2020- 19 – Age of Documents and Market Assets**

### **Age of Documents and Market Assets**

As we continue to purchase loans and meet our clients' needs during the COVID-19 crisis, we also want to make sure we have the most up-to-date information to support a borrower's ability to repay. We are aligning with Fannie Mae and Freddie Mac guidance regarding Age of Documents and Market Assets. This guidance is effective with applications taken on or after April 14 through May 17, 2020.

### **Modified Age of Documents**

Due to the potential impacts to the borrowers' income and assets, the allowable age of income and asset documentation will be changing from 120 days to 60 days. If an asset account is reported on a quarterly basis, the lender must obtain the most recently issued quarterly statement.

When the Lender receives employment and income verification directly from a third-party employment verification vendor, we are now requiring that the information in the vendor's database be no more than 60 days old as of the note date.

There are no changes to the age of documentation requirements for military income documented using a Leave and Earning Statement, Social Security, retirement income, long-



term disability, mortgage credit certificates, public assistance, foster care or royalty payments. The lender can continue to apply standard age of document requirements as stated in our guidelines.

### **Market-Based Assets**

When borrower is using stocks, stock options, or mutual funds for assets for a down payment or closing costs, evidence of the borrower's actual receipt of funds realized from the sale or liquidation must be documented in all cases.

When used for reserves, only 70% of the value of the asset must be considered, and liquidation is not required.

## **Bulletin 2020- 18 – New Requirements for Government Loans with Self-Employed Borrowers**

In our continued efforts to ensure borrower's employment and income is not negatively impacted by the recent COVID -19 pandemic, we are providing additional guidance and requirements for self-employed borrowers on all Government Loans.

Effective for closings dated on and after April 13, 2020, lenders are required to confirm the borrower's business is open and operating. The lender must confirm this within 10 business days of the note date. Below are examples of methods the lender may use to confirm the borrower's business is currently operating:

- Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the lender verifies self-employment)
- Evidence of current business receipts within 10 days of the note date (payment for services performed)
- Lender certification the business is open and operating (lender confirmed through a phone call or other means); or
- Business website demonstrating activity supporting current business operations

### **New COVID Business Impact & Continuity Attestation Letter**

For VA loans, in addition to the above referenced due diligence, self-employed borrowers will be required to complete the attached COVID Business Impact & Continuity Attestation letter. Lenders must ensure they fully understand whether a business has been negatively impacted and are able to demonstrate borrower's ability to repay. We recommend, but do not require, self-employed borrowers with FHA loans complete the COVID Business Impact & Continuity Attestation letter.

### **COVID Business Impact & Continuity Attestation**

Many businesses have been impacted by COVID 19 which is a rapidly evolving situation. We have developed a short list of questions to understand the impact to your business as we review

your loan application. We ask that you be as detailed and specific as possible to gain a solid understanding of the current situation and outlook.

1. Provide a detailed write-up of all businesses owned explaining what the business does, how it operates in a normal environment, how it generates its income, where it operates - remotely or within a business office / building (and if so, how many locations), and how many people it employs.
2. Explain how your business has been impacted by the pandemic, including impact to staffing levels.
3. What are you doing to mitigate the pandemic impact?
4. How is your business currently operating? How have you modified your business as a result of the pandemic?
5. What are your current income streams as a result of the pandemic impact?
6. What is your current capital position and what access do you have to capital (e.g. Business Line of Credit or personal assets / loans from shareholders)?
7. For what duration can you continue under current market conditions and have you done any forecasting for 30, 60, 90 or longer periods given the variability of the situation?

I/We declare that the information provided is accurate and complete to the best of my knowledge.

\_\_\_\_\_

\_\_\_\_\_

Borrower Date Borrower Date

## **Bulletin 2020- 17 – Updated FHA, VA, RD Requirements for VVOE, Inspections and Appraisals**

Due to the COVID-19 pandemic, please follow the information provided below for government appraisals, verbal verification of employment (VVOE), termite inspections and final inspections.

### **Verification of Employment**

Effective with all Government loans closed on April 16 or before May 17, 2020, a Borrower signed employment affidavit must be executed at closing. The Correspondent is not required to use the Truist form but the Employment Affidavit must have similar language. An example of the language can be found below:

I /We acknowledge that Lender is making this loan dated \_\_\_\_\_ based on there being no change in my employment status as of the date I enter into this loan agreement. Based on that reliance, I/We attest that I/We continue to remain actively employed by the employer

disclosed on my most recently signed uniform loan application form (Form 1003) and I/We have no current knowledge that my employment will be discontinued.

I/We declare that the information provided is accurate and complete to the best of my knowledge.

In addition to the above requirement, when a VVOE cannot be obtained and there is no indication that the borrower's employment status has changed, the following documentation alternatives can be utilized.

#### **FHA Verification of Employment**

This guidance is effective immediately for loans closed on or before May 17, 2020.

- Evidence the borrower has a minimum two month's PITI in reserves, and
  - o Year-to-date paystub or direct electronic VOE from the pay period that immediately precedes the note Date, or
  - o Bank statement showing direct deposit from borrower's employment for the pay period that immediately precedes the note date.

#### **VA Verification of Employment**

This guidance is effective immediately for loans closed on or after March 27, 2020.

- Obtain employment and income verification utilizing third-party services. Fees for these services cannot be charged to veteran; or
- Obtain bank statement evidencing direct deposit and paystubs covering at least one full month of employment that immediately precedes the closing date and a minimum two month's cash reserves.

#### **Rural Development Verification of Employment**

This guidance is effective on April 13, 2020.

- Email correspondence with the borrower's employer within 10 days, or
- Evidence the borrower has a minimum two month's PITI in reserves, and
  - o Year-to-date paystub or direct electronic VOE from the pay period that immediately precedes the note Date, or
  - o Bank statement showing direct deposit from borrower's employment for the pay period that immediately precedes the note date.

## **Appraisals and Final Inspections**

### **FHA Appraisal and Final Inspection**

Effective immediately, the following temporary appraisal options are available if a full appraisal is not obtainable for Purchase, Rate/Term and Simple Refinance transactions:

- Exterior-Only appraisal – Appraiser observes property from street. No sketch, interior or rear exterior photos required.
- Desktop-Only – Only allowed on purchase transactions. MLS photos required in addition to FHA requirements for completion of Desktop-Only appraisal.

### **Temporary Final Inspection Option**

- Letter signed by borrower affirming the work was completed and evidence of completion, to include photographs of the completed work, paid invoices indicating completion, occupancy permits or other substantially similar documentation.
- These temporary options are not permitted on New Construction, Construction to Permanent or building on own land.

## **VA Appraisal Options**

Effective immediately, the following temporary appraisal options are available if a full appraisal is not obtainable for Purchase and Refinance transactions of an existing SunTrust or BB&T loan (debt consolidation/cash back >\$500 not eligible):

- Exterior-Only Appraisal with enhanced assignment conditions
- Allowed on purchase and refinance transactions up to the maximum 2020 FHLMC Conforming Loan Limit for a one-unit for the county.
  - o Appraiser must review the full exterior of the property and provide photos of all sides of property with detailed notes of the exterior and any visible MPRs. MLS photos can be used when views are obstructed or restricted and access is unable to be granted or allowed and must be explained in the appraisal report.
  - o Exterior measurements of the home should be provided if accessible for the appraiser to reconcile with public records
  - o Appraiser must conduct detailed phone interview with occupant, veteran or real estate professional regarding property.
  - o Appraiser must utilize any and all photos available from MLS, provided by occupant, veteran or RE professional.

- Desktop-Only Appraisal

- o VA allows on purchase and Rate/Term/Cash out refinance transactions up to the maximum 2020 FHLMC Conforming Loan Limit for a one-unit for the county when jurisdiction has restrictions imposed by authorities prohibiting individuals leaving their domicile, such as mandatory quarantine or shelter-in-place.

- o Lenders have the option to state in both “public” notes in WebLGY and by email to the appraiser if they will accept a Desktop appraisal. If lender will not accept a Desktop appraisal, appraiser will place the assignment on hold for 30 days and subsequently cancel, if the status has not changed.

### **VA Final Inspection and Termite Inspection**

This guidance is effective immediately.

Temporary Final Inspection option:

- Lenders can certify repairs complete excluding lead-based paint repairs.
- Repairs must be completed prior to purchase by Truist.

### **Temporary Termite Inspection option:**

- Properties located in an area on the Termite Infestation Probability Map where the probability of termite infestation is “none to slight” or “slight to moderate” are permitted to follow the below options:
  - o If there is no known or visible evidence of termite infestation present, the seller and realtor must provide a certification to that fact.
  - o If there is known or visible evidence of termite infestation, a clear termite report must be provided within one year of close of escrow.
- Properties located in an area on the Termite Infestation Probability Map where the probability of termite infestation is “very heavy” or “moderate to heavy” require a clear wood inspection report prior to closing.

### **VA NOV Additional Conditions**

Notice of Value (NOV) conditions must be met prior to purchase by Truist.

### **RD Appraisal and Final Inspection Options**

Effective immediately, the following temporary appraisal options are available for Purchase and Non-streamlined Refinance transactions on an existing SunTrust or BB&T loan. Not permitted on new construction, construction to perm, or building on own land.

**Exterior-Only appraisal:** Allowed on an existing property when unable to complete interior inspection due to concerns associated with COVID-19. Appraisal must include MLS photos on purchase transactions.

**Temporary Final Inspection allowed on existing dwelling:** Letter signed by borrower affirming the work was completed. Lender must provide evidence of completion, which include photographs of the completed work, paid invoices indicating completion, occupancy permits or other substantially similar documentation.

**Transcripts**

The following overlays are temporarily suspended for applications dated May 17 or earlier.

Topic	Policy Overlay	FHA	VA
Tax Transcripts (IRS Record of Account acceptable in lieu)	Most recent years full Personal Tax transcripts required for income used to qualify borrower if: <ul style="list-style-type: none"> <li>• Borrower is self-employed and owns 25% or more of the business (including Schedule C), or</li> </ul>	x	x
	<ul style="list-style-type: none"> <li>• Borrower is commissioned, and commission income represents 25% or more of their total annual employment income. (11:2)</li> </ul>	x	

**Bulletin 2020- 16 – New Requirements for Agency Loans with POA**

**New Requirements for Agency Loans with POA**

Truist is mostly aligning with Agency flexibilities regarding the use of Power of Attorneys (POA) as announced on March 31, 2020 in [FNMA Lender Letter \(LL-2020-03\)](#) and Freddie Bulletin 2020-8.

Truist is not aligning with the following items:

- No online or remote notarization of the POA will be accepted.
- Cash Out is not permitted.
- Whenever the Attorney-in-Fact under the POA is an individual employed by the title insurer or the title agent, then the following is required for mortgages with note dates on and after April 7, 2020:
  - After the Closing Disclosure has been delivered to the borrower but prior to closing, an employee of the originating lender or settlement agent must explain and discuss the terms of the loan and use the POA with the borrower to confirm that the borrower understands them. This discussion must take place in person or telephonically and must be memorialized by an acknowledgement by the borrower of his or her understanding of the terms of the loan. The acknowledgement must be in writing.

These flexibilities are effective for loans in process and remain in place for loans with application dates on or before May 17, 2020. Borrower acknowledgement is effective with closings on or after April 7, 2020.

For more information, see the following:

[Fannie Mae Power of Attorney Requirements FAQ](#)

[Freddie Mac FAQ on Title, Closing and Notarization](#)

## **Bulletin 2020- 13 – New Requirements for Agency and Portfolio Self-Employed Borrowers**

In our continued efforts to ensure borrowers' employment and income is not negatively impacted by the recent COVID-19 pandemic, we are providing additional guidance and requirements for self-employed borrowers.

### **New COVID Business Impact & Continuity Attestation Letter**

The COVID Business Impact & Continuity Attestation letter (see page 2) is now required for Non-Delegated loans and Delegated Key Loan Program loans (Jumbo). This is in addition to existing verification of employment (VVOE) and continuity of income requirements already in place.

#### **Non-Delegated**

Effective immediately, all non-delegated loans will be required to provide the COVID Business Impact & Continuity Attestation letter in the credit underwriting submission. This letter provides an overview of the business operations at the time of underwriting and current income and capital position. Loans submitted without this borrower letter will be placed in a Pend status.

#### **Delegated Jumbo Loans (Key Loan Program)**

Effective for all closings dated April 13, 2020, all Jumbo loans are required to have the COVID Business Impact & Continuity Attestation letter in the file. Lenders have the option to have the borrower letter submitted for review prior to closing the loan or may include in the loan file at closed loan delivery; however, due to the additional credit review of the letter, we strongly encourage to submit it prior to closing to not impact the purchase of the loan. The letter can be submitted to [Correspondent.underwriting@suntrust.com](mailto:Correspondent.underwriting@suntrust.com).

#### **Additional Guidance for Delegated Agency Loans**

Effective for closings dated April 13, 2020, we recommend lenders follow the same guidance as Non-Delegated Agency loans as additional due diligence to fully understand whether a business has been negatively impacted. This includes completing the COVID Business Impact & Continuity Attestation.

Effective for closings dated April 13, 2020, lenders are required to confirm the borrower's business is open and operating. The lender must confirm this within 10 business days of the note date. Below are examples of methods the lender may use to confirm the borrower's business is currently operating:

- Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the lender verifies self-employment)

- Evidence of current business receipts within 10 days of the note date (payment for services performed)
- Lender certification the business is open and operating (lender confirmed through a phone call or other means); or
- Business website demonstrating activity supporting current business operations

### **COVID Business Impact & Continuity Attestation**

Many businesses have been impacted by COVID 19 which is a rapidly evolving situation. We have developed a short list of questions to understand the impact to your business as we review your loan application. We ask that you be as detailed and specific as possible to gain a solid understanding of the current situation and outlook.

1. Provide a detailed write-up of all businesses owned explaining what the business does, how it operates in a normal environment, how it generates its income, where it operates - remotely or within a business office / building (and if so, how many locations), and how many people it employs.
2. Explain how your business has been impacted by the pandemic, including impact to staffing levels.
3. What are you doing to mitigate the pandemic impact?
4. How is your business currently operating? How have you modified your business as a result of the pandemic?
5. What are your current income streams as a result of the pandemic impact?
6. What is your current capital position and what access do you have to capital (e.g. Business Line of Credit or personal assets / loans from shareholders)?
7. For what duration can you continue under current market conditions and have you done any forecasting for 30, 60, 90 or longer periods given the variability of the situation?

I/We declare that the information provided is accurate and complete to the best of my knowledge.

\_\_\_\_\_  
 \_\_\_\_\_ Borrower Date Borrower Date

### **Bulletin 2020- 11 – Program Update: Jumbo/Non-Conforming Loan Program Temporarily Suspended**

The COVID-19 pandemic is the most serious challenge that financial institutions have faced in nearly a century. Given the current economic environment and market volatility, beginning April 8, 2020, at close of the lock desk, we will temporarily suspend our jumbo / non-conforming loan program. We will honor all loans locked prior. Relocks will not be permitted; however, extensions will continue to be allowed. At this time, the guidelines, SRP schedules and rate



sheets will still reference this program, as we do see this as a temporary measure. Thank you for your partnership and understanding. We will continue to keep you updated as the status of this product changes in the future.

## **Bulletin 2020- 10 – Interim Guidance for IRS Transcripts and Tax Filing Extensions**

Truist Mortgage is providing temporary guidance for tax transcripts and tax filing extensions consistent with Agency guidelines. These interim changes for transcripts for Agency and Portfolio will remain in place for applications dated May 17 or earlier.

### **Tax Filing Extension Guidance**

Due to the federal income tax filing extension granted through July 15, 2020, Truist Mortgage is eliminating the following required documentation related to tax return extensions and tax transcripts:

- copy of the IRS Form 4868 (Application for Automatic Extension of Time to File U.S. Individual Tax Return), AND
- copy of tax transcript record of account (ROA) confirming “No Transcript Available” for the 2019 tax year

These documents are normally necessary for income types requiring copies of federal income tax returns when the mortgage application or disbursement date(s) occur between April 15 and July 15.

### **Agency Guidance for IRS Transcripts**

Fannie Mae and Freddie Mac do not require IRS transcripts. BB&T will temporarily not require IRS transcripts to align with Fannie Mae and Freddie Mac guidance.

### **Portfolio Guidance for IRS Transcripts**

For BB&T Jumbo products that require IRS transcripts, the following alternatives can be provided if the lender is unable to obtain transcripts from the IRS:

- (Preferred option) Borrower-provided tax transcripts attained via the IRS website
- Or, a copy of signed 1040 tax returns and proof of filing, which is either:
  - o Cancelled check or bank statement showing direct debit for tax payment
  - or
  - o Bank statement showing deposit for refund

## **Bulletin 2020- 09 – Temporary Appraisal Guidance**

Truist is providing temporary guidance regarding the use of alternative appraisals effective with applications dated May 17 or before. These flexibilities should be utilized in cases where an interior inspection is not feasible because of COVID 19 concerns. Please note that all Representations and Warranties remain in effect and Lenders should consult their Legal Department for guidance.

At this time these alternative appraisal guidelines do not apply to New Construction or Construction to Perm when the appraisal is done subject to completion.

### **Agency Loans, Including Heritage BB&T CorrAdvantage**

Effective immediately, Truist will allow temporary workarounds to appraisal inspection and reporting requirements for the following transactions:

#### **Purchase Transaction**

- Primary Residence up to maximum allowable LTV. Desktop appraisal or Exterior-only appraisal when a full appraisal is not available.
- Second Homes and Investment properties up to 85% LTV. Desktop appraisal or exterior-only appraisal when a full appraisal is not available.

#### **No Cash-Out Refinance**

- Freddie Mac to Freddie Mac Refinance: Exterior-only appraisal when a full appraisal is not available. Documentation regarding FHLMC-owned loan with LPA eligible is required to be in file.
- FNMA to FNMA Refinance: Exterior-only appraisal when a full appraisal is not available. Documentation regarding FNMA-owned loan with DU AUS eligible is required to be in the file. Heritage SunTrust will allow FNMA Manual underwrites when paying off an FNMA loan.
- Heritage BB&T CorrAdvantage Correspondent lenders can only use the above appraisal alternatives if the existing mortgage is owned by Freddie Mac.

Appraisal Completion Reports (1004D) must adhere to standard requirements as Truist is not aligning with GSE flexibilities at this time.

#### **Non-Conforming / Jumbo Products**

Exterior appraisals 2055/1075 will be allowed with the following caveats:

- Loan Amounts up to \$750,000 - Max LTV/CLTV 75%
- Loan Amounts \$750,001 to \$1,000,000 - Max LTV 70%

The loan file must also include date-stamped photos of the living room, family room, kitchen(s) and bathrooms, and additional photos of every room in the accessory unit, to include exterior if applicable. Rear photos, although not a standard requirement for 2055, will be required.

- Loan Amounts > \$1,000,000 must comply with standard guidelines

## **Bulletin 2020- 07 – Verbal Verification of Employment and Continuity of Income**

Fannie Mae and Freddie Mac have provided guidance for temporary measures for Lenders as we continue to purchase loans and meet our clients' needs during the COVID-19 crisis. We are implementing the following interim guidance for Verbal Verification of Employment (VVOE) and Continuity of Income.

### **Verbal Verification of Employment (VVOE)**

If a 10-day pre-closing verification of employment cannot be obtained, the following documentation alternatives can be utilized. Option 1 must be attempted before Options 2 or 3 can be considered:

- Option 1 – An email directly from the employer's work email address that identifies the name and title of the verifier and the borrower's name and current employment status.
- Option 2- Year-to-date paystub for the pay period that immediately precedes the Note Date
- Option 3- Bank statement evidencing the payroll deposit from the pay period that immediately precedes the note date.

If Option 2 or 3 is used, the borrower must sign an affidavit attesting to current employment as of the Note Date. Example of acceptable language is as follows:

I acknowledge that Lender is making this loan dated \_\_\_\_\_ based on there being no change in my employer as of the date I enter into this agreement. Based on that reliance, I attest that I continue to remain employed by the employer disclosed on my most recently signed uniform loan application form and I have no current knowledge that my employment will be discontinued. I declare that the information provided is accurate and complete to the best of my knowledge.

### **Continuity of Income**

The self-employed borrower VOE (Evidence of existence of business) is required 15 days prior to the Note Date.

When using assets for income the expiration date of the asset documentation must meet standard asset documentation expiration requirements, however if the most recent statement exceeds 30 days a current value must be provided within 30 days of closing and used for the income calculation.

## **Covid-19 Update**

With the ever-changing COVID-19 situation around the world, combined with a historic low-rate environment, this time for many is filled with uncertainty. Our hearts and thoughts go out to each and every one of you.

We understand you count on us and we understand the responsibility that entails. Meeting that responsibility is our primary focus.

In response to the current situation, we've implemented our business continuity plan — which examines all areas of business operations at every site within the bank — and are taking actions to ensure continued service to our partners, to the best of our ability. We are committed to delivering, despite the impact of all the external forces out of our control.

First and foremost, our plan ensures the health and safety of our teammates. Considering the most recent news and announcements from the World Health Organization (WHO) and Centers for Disease Control (CDC), we have made the decision to have teammates who can perform their jobs remotely, work from home through the foreseeable future, providing supplemental support for teammates with child care needs and enhanced cleaning in our facilities.

We know you have many questions and we've attempted to capture answers here along with contact information. Should you have further questions, you can always reach out to your Account Manager — as we are working daily to keep our leaders and their teams informed — so they can assist you.

Truist is offering relief measures through Truist Cares, supporting the communities we serve and allowing greater access to capital for borrowers and empowering our teammates to support clients affected by the COVID-19 virus.

These precautionary measures have been taken to limit the potential spread of the virus, to support our teammates in this challenging time and to ensure we maintain our ability to serve you, our partners, for the long term. Our senior leadership team remains vigilant and is monitoring the situation in real time and responding rapidly as conditions evolve.