

# Product Release

Information for Correspondent Lenders of Truist Bank  
August 6, 2021 • COR21-042



Alert

**Update**

Reminder

Clarification

Training  
Information

Preview

## Agency 5/5 CMT ARM References Removed from Guidelines and Other Revisions

Truist Bank (Truist) removes all references to the Agency 5/5 Constant Maturity Treasury Securities (CMT) adjustable rate mortgage (ARM) loan product from our product guideline documents.

Additionally, in support of our guideline improvement initiative, we revise HomeReady® and Home Possible® temporary interest rate buydown guidelines related to Secured Overnight Financing Rate (SOFR) ARM product eligibility.

### Effective Dates

- The Agency 5/5 CMT ARM product retired June 30, 2021
- Revised temporary interest rate buydown guidance is effective immediately for existing and new HomeReady and Home Possible loan applications on or after August 6, 2021

### Background Information

Product Releases [COR21-026](#) and [COR21-039](#) announced the retirement of the Agency 5/5 CMT ARM loan product. In response to the completion of our pipeline of Agency 5/5 CMT ARM loans, we identified and removed all Agency 5/5 CMT ARM product guideline references.

Additionally, in support of our guideline improvement initiative, we identified the need to update HomeReady and Home Possible temporary interest rate buydown guidelines related to SOFR ARM product eligibility.

### Bulletin Details

#### Agency 5/5 CMT ARM References Removed from Guidelines

Due to the retirement of the Agency 5/5 CMT ARM (previously announced in Product Releases [COR21-026](#) and [COR21-039](#)) and the completion of our Agency 5/5 CMT ARM pipeline, we remove all references to the Agency 5/5 CMT ARM from our product guideline documents. Agency 5/5 CMT ARM references will be removed from LendingSpace in the near future.

#### HomeReady and Home Possible: Temporary Interest Rate Buydowns

We revise HomeReady and Home Possible temporary interest rate buydown guidelines as follows:

- HomeReady (non-AUS and DU) loans must be a fixed-rate, 7/6-Month, or 10/6-Month SOFR ARM
- Home Possible (LPA) loans may be a fixed-rate, 5/6-Month, 7/6-Month, or 10/6-Month SOFR ARM

All other currently published temporary interest rate buydown guidelines remain the same.

#### Revised Materials

Click [Automated Underwriting](#), [Agency Loan Programs](#), [Fannie Mae HomeReady®](#) and [Freddie Mac Home Possible® Mortgages](#), and [Correspondent Agency Overlay Matrix](#) to review the revised product materials.

### Former Guidelines

HomeReady and Home Possible temporary interest rate buydown guidelines stated the following:

- HomeReady (non-AUS and DU) loans must be a fixed-rate or 7/6-Month SOFR ARM
- Home Possible (LPA) loans may be a fixed-rate, 5/5 CMT, or 7/6-Month SOFR ARM

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## Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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