Alert	**Update**	Reminder	Clarification	Training Information	Preview

COVID-19 Restrictions for Rental Income Retired

Truist Bank (Truist) retires and revises the COVID-19 temporary rental income documentation requirements for the Agency, FHA and Key Loan Programs.

Effective Dates
Effective with new and existing applications on or after May 6, 2022.

Background Information
Due to the impacts of the COVID-19 pandemic, certain restrictions and guidance for borrowers using rental income to qualify were put in place. With this announcement we retire and revise certain temporary requirements for documenting rental income.

Bulletin Details

Agency Loan Programs
For Agency loans, follow standard Agency guidelines when using rental income to qualify the borrower for all property types. See the Rental Income topic in Agency Loan Programs Correspondent Seller Guide for standard Agency Income guidelines.

This removes the additional requirements previously announced for:
- Subject Property Type of 2-4 Unit Primary Residence or 1-4 Unit Investment

Key Loan Program
For the Key Loan Program, follow standard Truist guidelines when using rental income to qualify the borrower and the borrower has provided fully completed and filed 2021 Individual Tax Returns. See the Rental Income topic within Key Loan Program Correspondent Seller Guide.

If the borrower has not provided fully completed and filed 2021 Individual Tax Returns, the following restriction continues to apply:
- In addition to standard Portfolio guidance for rental income, two months of the current receipts for rental income is required.
- Loans closing after the 15 of the month require verification of rental income for the current month.
- Documentation needs to include one of the following:
  - A bank statement showing deposit of rental income amount as stated in the rental agreement.
  - Copy of cancelled check for rental amount as stated in the rental agreement (front and back).
  - Other documentation that can establish borrower's receipt of rental income amount as stated in the rental agreement. (e.g. Venmo, PayPal)

FHA Loan Program
For FHA loans, follow standard SF HUD Handbook 4000.1 guidelines when using rental income to qualify the borrower. Lenders should consult with their Direct Endorsement (DE) underwriters with any questions

Revised Materials
Click Correspondent Agency Overlay Matrix, Correspondent Government Overlay Matrix, FHA 203(b) Loan Program, Key Lan Program, Key Loan Program Temporary COVID-19 Related Guidance and Key Loan Program Eligibility Checklist (COR 0650)to review the revised product materials.

Former Guidelines

Previously, the following Truist temporary COVID-19 restriction to rental income applied:

Agency Loan Program
In addition to standard Agency documentation requirements for rental income, when rental income is used to qualify for Agency transactions secured by a 2-4 unit primary residence or 1-4 unit investment property:

- Obtain documentation evidencing current receipt of monthly rental income for each rental unit and/or other rental property for the most recent two (2) months prior to closing. Loans closing after the 15th of the month require verification of rental income for the current month.
- Documentation may include:
  - Bank statement showing deposit of rental income amount as stated in rental agreement,
  - Copies of cancelled checks (front and back) for rental amount as stated in rental agreement, or
  - Other documentation that can establish borrower's receipt of rental income amount as stated in rental agreement (e.g. Venmo, PayPal).

FHA Loan Program
In addition to the requirements in SF Handbook 4000.1 Sections II.A.4.c.xii(I) and II.A.5.b.xii(I) Rental Income (TOTAL and Manual), where a borrower is qualifying utilizing rental income, for each property generating rental income the Correspondent Lender must either:

- Reduce the effective income associated with the calculation of rental income by 25%, or
- Verify 6 months PITI reserves (this option is applicable to Forward only), or
- Verify the borrower has received the previous 2 months rental payments as evidenced by borrower's bank statements showing the deposit. (This option is applicable only for borrowers with a history of rental income from the property).

Key Loan Program
Documentation evidencing current receipt of monthly rental income for each rental unit and/or rental property for the most recent two (2) months prior to closing is required. Loans closing after the 15th of the month require verification of rental income for the current month.

- Documentation may include:
  - Bank statement showing deposit of rental income amount as stated in rental agreement,
  - Copies of cancelled checks (front and back) for rental amount as stated in rental agreement, or
  - Other documentation that can establish borrower's receipt of rental income amount as stated in rental agreement (e.g. Venmo, PayPal).

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.