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Agency LPA Properties with Resale Restrictions, AIM Income Offerings, and MI Premiums Revisions

Truist Bank (Truist) revises Loan Product Advisor[®] (LPASM) requirements to align with previously announced Freddie Mac updates. With these updates we:

- revise requirements for mortgages secured by properties with **age-based** resale restrictions to reflect:
 - automated collateral evaluation (ACE) appraisal waiver eligibility
 - eligibility for appraised value representation and warranty relief provided by Loan Collateral Advisor[®]
- add 2-unit primary residence transactions eligibility for mortgages secured by properties with **income-based** resale restrictions
- update product standards to define partial income representation and warranty relief through LPA asset and income modeler (AIM) income offerings
- revise mortgage insurance (MI) requirements to provide additional detail related to the types of eligible MI premiums, including the addition of a new split-premium option for borrower-paid financed MI

Effective Dates

All updates are effective immediately for existing and new loan applications on or after October 14, 2022.

Background Information

Freddie Mac Bulletins 2019-22, 2022-15, and 2022-16 announced updates related to various properties with resale restrictions, AIM income offerings, and MI premium requirements. In response to these publications, we reviewed impacted product standards and identified the opportunity to implement revisions to align with Freddie Mac requirements.

Bulletin Details

Agency Standard Updates

Highlights of the Agency standard updates are outlined in the table below:

Topic	Update
Properties with Resale Restrictions	<p>For LPA mortgages secured by properties with resale restrictions, we:</p> <ul style="list-style-type: none"> • added ACE appraisal waiver eligibility for properties with age-based resale restrictions <p>Note: Properties with income-based resale restrictions remain ineligible for ACE and an appraisal continues to be required for these mortgages.</p> <ul style="list-style-type: none"> • revised requirements to reflect that properties with age-based resale restrictions are now eligible for appraised value representation and warranty relief provided by Loan Collateral Advisor

Bulletin Details, continued

Agency Standard Updates, continued

Topic	Update
Properties with Resale Restrictions, <i>continued</i>	<ul style="list-style-type: none"> expanded requirements for properties with income-based resale restrictions to add the eligibility of 2-unit primary residences
AIM Income Offerings – Partial Income Representation and Warranty Relief	<p>We updated product standards to define partial income representation and warranty relief through LPA AIM and provide more details on the requirements for each income representation and warranty relief eligibility result. To support these changes, Freddie Mac:</p> <ul style="list-style-type: none"> added a LPA feedback message indicating partial income representation and warranty relief updated LPA feedback messages to provide representation and warranty relief details specific to each income source <p>Notes:</p> <ul style="list-style-type: none"> The above updates are specific to automated income assessment with LPA using employer data and tax return data only. Truist plans to align with Freddie Mac’s new automated income assessment with LPA using account data (direct deposits) offering in the near future. Partial income representation and warranty relief (formerly referred to as source level representation and warranty relief) is granted when multiple income sources are submitted through LPA and one or more of the income sources receive income representation and warranty relief, but additional sources of income are required. In these instances, the income that is not granted representation and warranty relief must be documented in accordance with published requirements. Each income source will still be considered for representation and warranty relief eligibility through LPA as it is today. The Income Representation and Warranty Relief shield on the LPA Feedback Certificate will continue to show as "Not Eligible." Freddie Mac plans to update this message at a later date.
MI Premiums	For LPA loans, we provided additional detail related to the types of eligible MI premiums. This includes the addition of a new split-premium option for borrower-paid financed MI, which provides the option for borrowers to make an initial up-front premium payment at closing and an ongoing monthly premium paid from accumulated escrow deposits.

Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of all standard revisions.

Revised Materials

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

Former Standards

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former standards.

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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