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Agency Attorney Title Opinion Letters and Appraisal Revisions

Truist Bank (Truist) revises non-AUS and Desktop Underwriter® (DU®) requirements to align with previously announced Fannie Mae updates. With these updates we:

- permit an attorney title opinion letter, in lieu of a title insurance policy, in limited circumstances
- revise appraisal requirements by:
 - adding the word “traditional” to the description of applicable appraisal report forms, differentiating traditional appraisals from desktop appraisals
 - clarifying when a new desktop appraisal is required based on the age of the appraisal
 - clarifying gross living area measurement requirements

Effective Dates

All updates are effective immediately for existing and new loan applications on or after December 2, 2022.

Background Information

Fannie Mae SEL-2022-03 and SEL-2022-09 announced various appraisal related clarifications. Fannie Mae SEL-2022-03 also announced the allowance of an attorney title opinion letter (in lieu of a title insurance policy). In response to these publications, we reviewed impacted requirements and identified the opportunity to implement revisions to align with Fannie Mae requirements.

Bulletin Details

Attorney Title Opinion Letters

For non-AUS and DU loans, an attorney title opinion letter is now permitted in lieu of a title insurance policy, in limited circumstances. Highlights of the requirements for using an attorney title opinion letter are outlined below. *(See the attached before and after matrix for a complete list of attorney title opinion letter requirements and ineligible transactions.)*

- The attorney issuing the title opinion letter must be licensed to practice law in the jurisdiction where the subject property is located and must be insured against malpractice in rendering opinions of title in an amount commonly prevailing in the jurisdiction.
- The attorney title opinion letter must:
 - be addressed to the lender and all successors in interest of the lender,
 - be commonly accepted in the area where the subject property is located,
 - provide gap coverage for the duration between the loan closing and recordation of the mortgage,
 - list all other liens and state they are subordinate, and
 - state the title condition of the property is acceptable and the mortgage constitutes a lien of the required priority on a fee simple estate in the property.

Bulletin Details, continued

Attorney Title Opinion Letters, continued

- Special Feature Code 155 is required to identify a loan that uses an attorney title opinion letter in lieu of a title insurance policy.

Appraisal Related Revisions

For non-AUS and DU loans, we:

- added the word “traditional” to the description of the applicable appraisal report forms to differentiate traditional appraisals from desktop appraisals
- revised “Age of Appraisal and Appraisal Update Requirements” to state the following for desktop appraisals:
 - when the effective date of the original desktop appraisal report is more than four months from the date of the note and mortgage, a new appraisal is required
- clarified gross living area measurement requirements by:
 - removing the word “estimate” from the description of the Square Footage-Method for Calculating: ANSI® Z765-2021 standard required for measuring gross living area (*adherence to this standard will produce the actual square footage of the improvements*)
 - revising requirements to state that the Square Footage-Method for Calculating: ANSI Z765-2021 standard cannot be used to measure attached (apartment-style) units in condominium projects (*when measuring apartment-style units in condominium projects, the appraiser should use interior perimeter measurements*)
 - updating desktop appraisal requirements to state that the Square Footage-Method for Calculating: ANSI Z765-2021 standard and exception code (GXX001- in the Additional Features field) is not required for desktop appraisals, but encouraged when feasible

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 [Appraisal Standard](#), [Title Insurance Standard](#), and [Agency Loan Standard](#) 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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