

Alert

Update

Reminder

Clarification

Training
Information

Preview

Updates and Clarifications to the Key Loan Product Standards

Truist Bank (Truist) announces clarifications and updates to Key Loan Standards within the Seller Guide for the following topics:

- Non-Arm's Length/Conflict-of-Interest
- Refinance / Home Improvements
- New Secondary Financing
- Geographic Restrictions
- Retirement Income
- Revolving Debt
- Credit Score Requirements
- Cash Reserves
- Loan Submission
- Inspection Standards
- Cash Requirements / Gifts
- Swimming Pool Escrow

Effective Dates

Effective for new locks on or after Friday, December 16, 2022.

Background Information

Truist takes the opportunity to clarify and update Key Loan standards to mitigate confusion and optimize the program.

Bulletin Details

Non-Arm's Length/Conflict-of-Interest

Standards for Non-Arm's Length/Conflict-of-Interest for the Key Loan are within Section 2.06: Key Loan Standard.

Home Improvements

Guidance describing funds used for home improvement is within the Limited Cash-Out (Rate/Term)

Refinance section of Section 2.06: Key Loan Standard and minor updates have been made, as follows –

- Materialmen is referenced in relation to home improvement liens.
- Notes and References section does not contain duplicate detail.

Bulletin Details, continued

Miscellaneous Updates

- **Secondary Financing:** an Underwriting Team Lead or Underwriting Manager does not need to review these transactions.
- **Geographic Restrictions:** reinforcement that Hawaii is not eligible for the Key Loan Program.
- **Retirement Income:** guidance is included to state that combining all eligible retirement assets to support 10 year continuance is acceptable.
- **Revolving Debt:** guidance is included to clarify when a payment does and does not need to be included in the debt service and provides clarity around acceptable sources to pay off the debt.
- **Credit Score Requirements:** reference to 0999, 999, or 9999 credit scores is removed.
- **Cash Reserves:** guidance is included to reinforce the requirement for 6 months reserves for previous home if it is not sold prior to closing.
- **Loan Submission:** requirement for original credit documents to be in a manila folder with the borrower's name(s), property address, Truist loan number and the origination lender's name typed on the label is removed.
- **Inspection Standards:** requirement for a rear photo is removed.
- **Gifts:**
 - Definition/detail for immediate family members.
 - Reinforcement of the standard that gift funds cannot be used to pay off or down installment, mortgage, revolving, open-end debts, collections, charge-offs, judgments, garnishments, and/or liens
 - Clarification that gift funds are not expected or required to be repaid.
 - More expansive detail and flexibilities for documenting gifts.
- **Swimming Pool Escrows:** escrows for swimming pools are disallowed permanently.

Before and After Matrix

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

Revised Material

Click [Completion Escrow Standards](#), [Non-Arm's Length/Conflict-of-Interest Standard](#), [Key Loan Standard](#) and [Key Loan Eligibility Checklist \(COR 0650\)](#) to review the revised material.



Product Release

Information for Correspondent Lenders of Truist Bank
December 16, 2022 • COR22-064

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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