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Preview

Agency Increased LTV/TLTV/HTLTV Ratios for Certain DU 2-4 Unit Primary Residence Transactions

Truist Bank (Truist) provides overlay relief and increases the LTV, TLTV, and HTLTV ratios for certain DU 2-4-unit, primary residence, purchase, and limited cash-out refinance transactions to 95%. Except as outlined below, this change will apply for Standard Agency DU and HomeReady DU general loan limits only, for both fixed rate and adjustable-rate mortgage (ARM) transactions.

Note: Increased LTV, TLTV, and HTLTV ratio requirements and loan product eligibility differ under the CorrAdvantage execution method. See **Bulletin Details** for additional information.

Effective Dates

The increased LTV/TLTV/HTLTV ratios are effective for new locks on or after December 1, 2023.

Background Information

In Desktop Underwriter/Desktop Originator Release Notes DU Version 11.1 November Update, Fannie Mae announced increased LTV, TLTV, and HTLTV ratios for certain DU 2–4-unit, primary residence, purchase, and limited cash-out refinance transactions. In response to this publication, we reviewed impacted Truist technology and operational processes and implemented revisions to support our alignment with Fannie Mae requirements, as well as our CorrAdvantage execution requirements.

Bulletin Details

LTV/TLTV/HTLTV Increase for Certain DU 2-4-Unit Primary Residence Transactions

- **Loans Delivered Under the Non-CorrAdvantage Execution Method**

- For Standard Agency DU and HomeReady DU general loan limits transactions (for both fixed rate and ARMs), we aligned with Fannie Mae and increased the maximum LTV, TLTV, and HTLTV ratios for 2-4-unit primary residence, purchase, and limited cash-out refinance transactions to 95%. This change does not apply for high-balance loans (i.e., Agency Plus and HomeReady Plus) and loans that are manually underwritten (i.e., non-AUS loans).

Note: For the above referenced transactions, the TLTV may exceed the limit stated above up to 105% only if the mortgage is part of a Community Seconds transaction.

Bulletin Details, continued

- **Loans Delivered Under the CorrAdvantage Execution Method**
 - For DU loans originated under the CorrAdvantage Agency Fixed loan product:
 - the maximum LTV, TLTV, and HTLTV ratios for 2-unit primary residence, purchase, and limited cash-out refinance transactions remained the same at 85%
 - the maximum LTV, TLTV, and HTLTV ratios for 3-4-unit primary residence, purchase, and limited cash-out refinance transactions was increased to 80%
 - For DU loans originated under the CorrAdvantage HomeReady Fixed loan product, we aligned with Fannie Mae and increased the maximum LTV, TLTV, and HTLTV ratios for 2-4-unit primary residence, purchase, and limited cash-out refinance transactions to 95%. The TLTV may exceed the limit stated above up to 105% only if the mortgage is part of a Community Seconds transaction.

Note: These changes do not apply to the CorrAdvantage Agency Plus Fixed loan product or the CorrAdvantage HomeReady Plus Fixed loan product. The maximum LTV/TLTV/HTLTV ratios for these loan product offerings under the CorrAdvantage execution method remained the same.

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](#), [CorrAdvantage 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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