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Restricting Non-Occupant Borrowers on Agency LPA Primary Residence, Cash-Out Refinance Mortgages

Truist Bank (Truist) revises Agency Loan Product Advisor® (LPASM) requirements to require all borrowers to occupy the mortgaged premises on a primary residence, cash-out refinance mortgage transaction. To meet Freddie Mac delivery requirements, we also impose a purchase (by Truist) cut-off date for LPA pipeline loans impacted by this change (see “Effective Dates” for details).

Effective Dates

- The new non-occupant borrower restriction is effective for new loan applications dated on or after January 12, 2024.
- The current pipeline of LPA primary residence, cash-out refinance mortgages with a non-occupant borrower must be purchased by Truist on or before January 26, 2024.

Background Information

Freddie Mac Bulletin 2023-24 announced an update, restricting the eligibility of non-occupying borrowers on primary residence, cash-out refinance transactions. Freddie Mac also imposed a deadline for the delivery of pipeline loans impacted by this change. In response to this publication, we reviewed impacted standard documents and identified the need to implement revisions and to impose a purchase cut-off date to comply with Freddie Mac requirements.

Bulletin Details

LPA Primary Residence, Cash-Out Refinance Mortgages

For LPA cash-out refinance mortgages secured by a primary residence, we aligned with Freddie Mac and revised requirements to state that all borrowers must occupy the mortgage premises. Non-occupant borrowers are no longer permitted on these transactions.

To meet Freddie Mac delivery date requirements, the current pipeline of LPA primary residence, cash-out refinance mortgages with a non-occupant borrower must be purchased by Truist on or before January 26, 2024.

Note: LPA will be updated in a future release to reflect this requirement.

Before and After Matrix

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

Bulletin Details, continued

Revised Material

Click [Agency Loan Standard](#) to review the revised product material.

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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