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Medical Debt Exclusion

Truist Bank (Truist) updates *Correspondent Seller Guide* materials to reflect changes made to the Key Loan Standard.

Effective Date

Effective for new loan applications on or after August 29, 2025.

Background Information

Truist updated the Key Loan Standard to more closely align with the GSE's who have historically not considered medical collections in underwriting decisions with Bulletin [COR25-041](#). Truist updates the Key Loan Standard to further clarify the standard around medical judgments.

Bulletin Details

Collections, Judgments, Garnishments, Liens, and Charge-Offs

- Delinquent credit—including taxes, non-medical judgments, charge-offs of non-mortgage accounts (see below for exceptions), tax liens, mechanic's or materialmen's liens, and liens that have the potential to affect lien position or diminish the borrower's equity—must be paid off at or prior to closing.
- Not more than \$2,000 in aggregated balance(s) in non-medical judgments, collections, and/or charge-offs may remain unpaid after closing, and not more than \$1,000 in aggregated balance(s) that are from revolving or installment debt may remain unpaid after closing. No accounts may be paid down to meet these standards, they must be paid off.
- For details regarding delinquent federal income taxes that the IRS has approved to be paid through an installment agreement that can be included as a monthly debt obligation, rather than being paid in full, also see subsequent subtopic "Federal Income Tax Installment Agreements".

Note: Medical collections and/or debt listed on a credit report cannot be used as a negative factor when making a credit decision and are not required to be paid.

Before and After Matrix

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

Revised Material

Click [Key Loan Standard](#) to review the revised product materials.



Product Release

Information for Correspondent Lenders of Truist Bank
August 29, 2025 • COR25-054

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 Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator 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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