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Agency Affordable Seconds, Group Homes, and Other Revisions

Truist Bank (Truist) revises Agency requirements to align with previously announced Fannie Mae and Freddie Mac updates. With these updates we:

- revise Loan Product Advisor® (LPASM) requirements to add community development financial institutions and credit unions as eligible providers of affordable seconds
- clarify the definition of group home and the related property eligibility for non-AUS and Desktop Underwriter® (DU®) loan transactions

We also refresh various Agency requirements to incorporate a previously published update, remove outdated form references, more closely align with Fannie Mae and Freddie Mac's wording and/or presentation of guidance, and to promote clarity in our published Agency requirements.

Effective Dates

All updates are effective for new and existing locks on or after February 20, 2026.

Background Information

In SEL-2022-05, Fannie Mae clarified the definition of group home and related property eligibility and announced the removal of references to the outdated Form 1003 from their *Selling Guide*. Freddie Mac Bulletin 2023-15 announced updates related to eligible affordable seconds providers. In response to these publications, we reviewed impacted standard documents and identified the opportunity to implement revisions to align with Fannie Mae and Freddie Mac requirements. We also continue to identify opportunities to improve the presentation of our published Agency requirements.

Bulletin Details

Affordable Seconds

For LPA loans, we revised requirements to reflect community development financial institutions and credit unions as eligible providers of affordable seconds. See today's revised product materials for a complete overview of all eligibility requirements that apply.

Group Homes

For non-AUS and DU loans, we clarified the definition of group home and the related property eligibility as follows:

- A group home is a residential structure that is or will be occupied by persons with disabilities irrespective of familial relationship.
- Group homes are not considered to be boarding houses. They are an eligible property type.

Bulletin Details, continued

Group Homes, continued

- Eligibility for group homes will be the same as currently provided under the terms and conditions established for primary residence, second home, or investment properties depending on the particular occupancy status of the borrower(s).
- Investment properties that are or will be leased to business entities for use as a group home are eligible (provided all borrowers are individuals).

Standards Improvements Updates

In support of our standards improvement initiative, we:

- revised all remaining impacted subtopics to reflect the ineligibility of Agency manually underwritten (i.e., non-AUS) second home and investment property transactions, as previously announced in Product Release Bulletin [COR21-013](#)
- removed all remaining references to the outdated 07/05 (Rev. 06/09) version of Form 1003/65, *Uniform Residential Loan Application*
- refreshed requirements in the following subtopics to more closely align with Fannie Mae and/or Freddie Mac's wording and/or presentation of guidance and to promote clarity in our published Agency requirements (*intent of requirements remained the same*):
 - Affordable Seconds
 - Bankruptcies, Foreclosures, Deeds-In-Lieu, Short Sales, and Mortgage Charge-Offs
 - Gift Funds
 - Loan Application Requirements
 - Primary Residences
 - Temporary Interest Rate Buydowns

Before and After Matrix

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

Revised Materials

Click [Condominium and PUD Approval Requirements Standard](#), [Agency Loan Standard](#), and [CorrAdvantage 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.



Product Release

Information for Correspondent Lenders of Truist Bank
February 20, 2026 • COR26-011

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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