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Agency Properties with Resale Restrictions and LPA Automated Income Assessments Using Tax Data Related Revisions

Truist Bank (Truist) revises Agency Loan Product Advisor® (LPASM) requirements as a result of recently announced Freddie Mac updates. With these LPA updates we:

- clarify purchase transaction requirements to reflect the value that is used to determine the LTV/TLTV/HTLTV ratio for loans secured by properties subject to resale restrictions that terminate
- add rental income that is reported on Schedule E as an eligible income type for automated income assessments with tax data using LPA and the Freddie Mac Income Calculator
- clarify tax transcript requirements for automated income assessments using tax data for self-employed income

Reminder: LPA loans for borrowers with self-employed income evaluated using automated income assessment using tax data (i.e., LPA AIM for self-employed income) must be underwritten by a Correspondent lender approved by Truist for delegated underwriting authority. These transactions are not eligible for purchase if Truist underwrites the loan.

We also refresh Agency “Properties with Resale Restrictions” requirements to:

- promote clarity regarding Truist’s existing ineligibility of shared equity transactions and ineligibility of non-shared equity transactions for properties subject to income limits resale restrictions (*applies to all underwriting methods*)
- more closely align LPA requirements with Freddie Mac’s wording and/or presentation of guidance

Effective Dates

- All automated income assessments using tax data for rental income related updates are effective for new and existing locks for loans with Freddie Mac Income Calculator submissions and LPA submissions and resubmissions on or after March 01, 2026.
- The clarification regarding the value that is used to determine the LTV/TLTV/HTLTV ratio for purchase transactions secured by properties subject to resale restrictions that terminate is effective for new and existing locks for loans with application dates on or after March 03, 2026.
- All other updates are effective for new and existing locks on or after March 06, 2026.

Background Information

Freddie Mac Bulletin 2025-15 announced the addition of rental income reported on Schedule E as an eligible income type for automated income assessments using tax data and updates that clarified tax transcript requirements for automated income assessments using tax data for self-employed income. Freddie Mac Bulletin 2025-16 clarified requirements for determining the value used for certain mortgages secured by

Background Information, continued

properties subject to resale restrictions. In response to these publications, we reviewed impacted standard documents and identified the opportunity to implement revisions to more closely align with Freddie Mac requirements. We also continue to identify opportunities to improve the presentation of our published Agency requirements.

Bulletin Details

Properties with Resale Restrictions

For LPA loans, we clarified **purchase transaction** requirements regarding the value that is used to determine the LTV/TLTV/HTLTV ratio for loans secured by properties subject to resale restrictions that **terminate** upon foreclosure (or expiration of any applicable legally required foreclosure redemption period) or recordation of a deed-in-lieu of foreclosure as follows:

- For purchase transactions, the value used is the lesser of the appraised value or purchase price.

Reminder: *The appraisal report must reflect the market value of the property without resale restrictions.*

Additionally, in support of our standards improvement initiative, we:

- revised non-AUS, Desktop Underwriter® (DU®), and LPA requirements to more clearly reflect that loans secured by properties subject to resale control deed restrictions that combine income limitations with resale price controls (i.e., shared equity transactions) and non-shared equity transactions for properties subject to income limits resale restrictions are not eligible for purchase

Note: *The above restrictions are existing overlays, previously announced in [Product Release Bulletin COR24-034](#) and apply to CorrAdvantage loans as well.*

- refreshed all remaining LPA “Properties with Resale Restrictions” requirements to more closely align with Freddie Mac’s wording and/or presentation of guidance (*requirements intent remained the same*).

Automated Income Assessments Using Tax Data for Rental Income

For LPA loans, we revised requirements to add rental income reported on Schedule E as an eligible income type for automated income assessment with tax data using LPA and the Freddie Mac Income Calculator. Lenders may be eligible for relief from enforcement of certain income representations and warranties, which will be reflected on the Freddie Mac Income Calculator Certificate or the Feedback Certificate if submitted to LPA. LPA has been updated to support this change, including [feedback messages](#). See today’s revised product materials for a complete overview of the new “Automated Income Assessment Using Tax Data for Rental Income” requirements.

Bulletin Details, continued

Automated Income Assessment Using Tax Data for Self-Employed Income

To promote clarity in our published Agency requirements, the previous “Automated Income Assessment Using Tax Data” (i.e., LPA AIM for self-employed income) requirements section was retitled to “Automated Income Assessment Using Tax Data for Self-Employed Income.”

Additionally, we clarified “Automated Income Assessment Using Tax Data for Self-Employed Income” requirements to reflect the following:

- If using tax transcript(s), the assessment requires the most recent calendar year; a tax extension is not allowed.

Note: See the Bulletin Summary (on page one) for a reminder regarding the underwriting restriction for LPA loans for borrowers with self-employed income evaluated using automated income assessment using tax data (i.e., LPA AIM for self-employed income).

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 [Underwriting](#), [Agency Loan Standard](#), [Fannie Mae HomeReady®](#) and [Freddie Mac Home Possible® Mortgage 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.

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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