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Preview

Agency Authorized User Tradelines, Property Owner of Record, CHOICERenovation, Texas Section 50(a)(6) Appraisal, and Other Revisions

Truist Bank (Truist) revises Agency requirements as a result of previously announced Fannie Mae and Freddie Mac updates. With these updates we:

- remove the requirement for an assessment of authorized user tradelines on the borrower’s credit report for Loan Product Advisor® (LPASM) Accept mortgages
- revise LPA requirements related to the verification of the property owner of record
- revise LPA CHOICERenovation® mortgage requirements related to the following:
 - rental income used to qualify the borrower
 - outstanding liens related to the renovations
 - borrowers as the contractor

Reminders: All CHOICERenovation mortgage transactions must be underwritten by the Correspondent lender (approved by Truist for delegated underwriting authority). CHOICERenovation mortgage transactions are not eligible for purchase if Truist underwrites the loan. Additionally, CHOICERenovation mortgage transactions are ineligible for delivery under the CorrAdvantage execution.

- clarify the impacted standard document by incorporating reference to requirements that must be followed to address appraisal deficiencies for non-AUS and Desktop Underwriter® (DU®) Texas Section 50(a)(6) loans

Note: This clarification applies for both Agency (non-AUS and DU) and Key (non-AUS) loans originated under the Texas Section 50(a)(6) loan program. See Bulletin Details for additional information.

- extend the DU loan casefile archival timeframe for single-closing construction-to-permanent transactions

Reminders: Non-Delegated lenders are not eligible to sell Truist single-closing construction-to-permanent transactions. Additionally, DU single-closing transactions are ineligible for delivery under the CorrAdvantage execution.

We also refresh Agency LPA “Monthly Debt Payment-to-Income (DTI) Ratio” requirements to more closely align with Freddie Mac’s wording and/or presentation of guidance (*requirements intent remain the same*).

Effective Dates

- The authorized user tradelines update is effective for new and existing locks for loans with LPA submissions or resubmissions on or after February 10, 2026.

Effective Dates, continued

- The extended DU archival timeframe for single-closing construction-to-permanent transactions is effective for new and existing locks for DU loan casefiles submitted or resubmitted after the weekend of April 25, 2026. (See “Bulletin Details” for additional information for DU loan casefiles created prior to the weekend of April 25, 2026.)
- The CHOICERenovation update related to rental income used to qualify the borrower is effective for new locks for loans with applications dated on or after May 04, 2026.
- The property owner of record related update is effective for new locks for loans with applications dated on or after May 06, 2026.
- All remaining updates are effective for new and existing locks on or after May 01, 2026.

Background Information

Fannie Mae SEL-2026-02 clarified appraisal review requirements permitted for Texas Section 50(a)(6) loans. Fannie Mae SEL-2026-03 announced the revised DU archival timeframe for single-closing construction-to-permanent transactions. Freddie Mac Bulletins 2024-13 and 2026-1 announced updates for CHOICERenovation mortgages. Freddie Mac Bulletin 2026-1 also announced updates regarding authorized user tradelines and requirements for the verification of the property owner of record. In response to these publications, we reviewed impacted standard documents and identified the opportunity to implement revisions to more closely 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

Authorized User Tradelines

For LPA Accept mortgages, we revised requirements to state that an assessment of authorized user tradelines on the borrower’s credit report is not required.

Verification of Property Owner of Record

We revised LPA requirements related to the verification of the property owner of record. These requirements now apply to all LPA mortgages, not just LPA mortgages with an appraisal.

CHOICERenovation Mortgage Updates

We revised LPA CHOICERenovation mortgage requirements to:

- reflect that rental income from the unit(s), including ADU(s), that are included in the renovation project funded by the mortgage proceeds cannot be used to qualify the borrower (**Note:** *Only rental income from units not included in the renovation project may be considered for qualifying purposes.*)
- allow outstanding liens related to the renovations to remain on the mortgaged premises after completion of the renovations as long as the CHOICERenovation mortgage remains a valid first lien (*e.g., mechanics liens that are subordinate to the CHOICERenovation mortgage are permitted*)

Bulletin Details, continued

CHOICERenovation Mortgage Updates, continued

- clarify that the borrower may act as the general contractor and/or may perform some or all of the work to complete the renovations when the following requirements are met:
 - the borrower must be a licensed contractor when required by applicable local and/or state law,
 - the borrower must be insured to perform the renovations on the subject property, and
 - the borrower must be qualified to complete the renovations.

Additionally, in support of our standards improvement initiative, we refreshed all remaining CHOICERenovation mortgage requirements to more closely align with Freddie Mac’s wording and/or presentation of requirements (*requirements intent remained the same*).

Note: See the Bulletin Summary (on page one) for reminders regarding underwriting and delivery restrictions for CHOICERenovation mortgages.

Texas Section 50(a)(6) Appraisal Requirements

For Agency (non-AUS and DU) and Key (non-AUS) loans originated under the Texas Section 50(a)(6) loan program, we clarified the [Texas Section 50\(a\)\(6\) Mortgages Standard](#) document by incorporating reference to the following requirements that must be followed to address appraisal deficiencies:

- If the appraisal is deemed deficient:
 - For Agency loans, refer to “Appraisal Quality Matters / Guidance on Addressing Appraisal Deficiencies” outlined in the “Appraisal Analysis: Agency Loan Programs” topic in the [Section 1.07: Appraisal Standard](#) document for guidance.
 - For Key loans, refer to the “Review of Appraised Values” and “Second Appraisals” topics outlined in the [Section 1.07: Appraisal Standard](#) document for guidance.
- The appraisal (together with any applicable desk review or field review) must be attached to the written acknowledgement of “fair market value.”
- When a desk review or field review is requested by the lender in connection with a Texas Section 50(a)(6) loan, it must be obtained prior to the date of the note and mortgage.

DU Loan Casefiles Archival Timeframe for Single-Closing Construction-to-Permanent Transactions

For DU single-closing construction-to-permanent transactions, we extended the DU archival timeframe from 540 days to 660 days from the date on which the loan casefile was created.

Notes:

- For loan casefiles created prior to the weekend of April 25, 2026, if the lender would like the archival date to be reset to 660 days, the loan casefile would need to be re-underwritten after the weekend of April 25th.

Bulletin Details, continued

DU Loan Casefiles Archival Timeframe for Single-Closing Construction-to-Permanent Transactions, continued

Notes, continued:

- See the *Bulletin Summary* (on page one) for reminders regarding purchase/delivery restrictions for single-closing construction-to-permanent transactions.

Additional Standards Improvements Updates

In support of our standards improvement initiative, we also refreshed Agency LPA “Monthly Debt Payment-to-Income (DTI) Ratio” requirements to more closely align with Freddie Mac’s wording and/or presentation of guidance (*requirements intent remained the same*).

Before and After Matrix

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

Revised Materials

Click [Agency Loan Standard](#) and [Texas Section 50\(a\)\(6\) Mortgages 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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